Amadeus IT Group, S.A. and Subsidiaries

Review report of independent auditors, consolidated and condensed Interim Financial Statements, prepared in accordance with International Accounting Standard 34, and interim consolidated Directors’ report for the six months period ended June 30, 2021

Amadeus IT Group, S.A. and Subsidiaries

Review report of independent auditors for the six months period ended June 30, 2021

Building a better
working world

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

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

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

Report on the consolidated and condensed interim financial statements

Introduction

We have carried out a limited review of the accompanying consolidated and condensed interim financial statements (hereinafter the interim financial statements) of Amadeus IT Group, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the consolidated statement of financial position at June 30, 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the explanatory notes for the six months period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting", adopted by the European Union for the preparation of interim condensed financial reporting in conformity with article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

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

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would lead us to conclude that the accompanying interim financial statements for the six months period ended June 30, 2021 have not been prepared, in all material respects, in accordance with the requirements established by International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Emphasis paragraphs

We draw attention to the matter described in the accompanying explanatory Note 3, in relation to the impact on the Group of global health emergency created by the coronavirus (COVID-19). This matter does not modify our conclusion.

Additionally, we draw attention to the matter described in the accompanying explanatory Note 2 in the interim financial statements, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2020. This matter does not modify our conclusion.

Report on other legal and regulatory reporting requirements

The accompanying interim consolidated Directors' report for the six months period ended June 30, 2021 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six months period ended on June 30, 2021. Our work is limited to verifying the interim consolidated Directors' report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of Amadeus IT Group, S.A. and its subsidiaries.

Paragraph on other issues

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

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Hildur Eir Jónsdóttir

July 29, 2021

Amadeus IT Group, S.A. and Subsidiaries

Consolidated and condensed Interim Financial Statements for the six months period ended June 30, 2021, prepared in accordance with International Accounting Standard 34

Consolidated statement of financial position (millions of euros)

ASSETS	Note	June 30, 2021 UNAUDITED	December 31, 2020 AUDITED
Goodwill	5	3,584.8	3,539.8
Patents, trademarks, licenses and others		313.8	317.6
Technology and content		2,798.9	2,781.0
Contractual relationships		827.3	848.3
Intangible Assets		3,940.0	3,946.9
Land and buildings		111.6	117.3
Data processing hardware and software		143.6	186.3
Other property, plant and equipment		39.9	44.1
Property, plant and equipment		295.1	347.7
Right of use assets		252.0	242.4
Investments accounted for using the equity method		12.5	16.2
Other non-current financial assets	6	81.0	81.6
Non-current derivative financial assets	6	8.1	21.5
Deferred tax assets		279.8	219.2
Other non-current assets		167.8	167.3
Total non-current assets		8,621.1	8,582.6
Trade account receivables	6	254.2	253.9
Current income tax assets		64.9	56.0
Other current financial assets	6	904.9	921.1
Current derivative financial assets	6	42.5	78.7
Other current assets		261.5	248.5
Cash and cash equivalents	6 and 15	1,490.3	1,555.1
Assets classified as held for sale	8	–	4.2
Total current assets		3,018.3	3,117.5
TOTAL ASSETS		11,639.4	11,700.1

Consolidated statement of financial position (millions of euros)

EQUITY AND LIABILITIES	Note	June 30, 2021 UNAUDITED	December 31, 2020 AUDITED
Share Capital		4.5	4.5
Additional paid-in capital		880.8	876.4
Retained earnings and reserves		3,145.2	3,770.6
Treasury shares		(17.0)	(9.5)
Profit / (Loss) for the period attributable to owners of the parent		(143.9)	(625.4)
Unrealized gains / (losses) reserve		(222.8)	(271.8)
Equity attributable to owners of the parent		3,646.8	3,744.8
Non-controlling interests		9.8	10.5
Equity	9	3,656.6	3,755.3
Non-current provisions		19.9	18.9
Non-current debt	6 and 10	4,346.9	4,343.0
Non-current derivative financial liabilities	6	3.3	1.0
Other non-current financial liabilities	6	13.5	12.8
Deferred tax liabilities		640.0	652.4
Non-current contract liabilities		246.2	249.6
Non-current income tax liabilities		134.5	136.5
Other non-current liabilities		150.1	138.1
Total non-current liabilities		5,554.4	5,552.3
Current provisions		9.4	14.8
Current debt	6 and 10	1,411.0	1,320.6
Other current financial liabilities	6	11.6	9.4
Dividend payable		0.3	0.3
Current derivative financial liabilities	6	43.0	22.5
Trade accounts payables	6	436.3	406.8
Current income tax liabilities		16.7	18.5
Current contract liabilities		175.7	170.9
Other current liabilities		324.4	427.9
Liabilities directly associated with assets held for sale	8	–	0.8
Total current liabilities		2,428.4	2,392.5
TOTAL EQUITY AND LIABILITIES		11,639.4	11,700.1

Consolidated statement of comprehensive income (millions of euros)

Continuing operations	Note	June 30, 2021 UNAUDITED	June 30, 2020 UNAUDITED
Revenue	4 and 7	1,121.0	1,281.2
Cost of revenue		(177.1)	(199.0)
Personnel and related expenses		(668.3)	(734.9)
Depreciation and amortization		(322.8)	(430.1)
Other operating expenses		(95.9)	(153.2)
Operating income / (loss)	4	(143.1)	(236.0)
Financial income		6.5	4.9
Interest expense	14	(49.7)	(28.0)
Other financial expenses	14	(6.4)	(5.9)
Exchange gains / (losses)		(4.7)	(4.7)
Financial expense, net		(54.3)	(33.7)
Other income / (expense)		3.1	(0.2)
Profit / (loss) before income taxes		(194.3)	(269.9)
Income tax		54.4	76.9
Profit / (loss) after taxes		(139.9)	(193.0)
Share in profit / (loss) of associates and joint ventures accounted for using the equity method		(4.3)	(3.9)
PROFIT / (LOSS) FOR THE PERIOD		(144.2)	(196.9)
Attributable to owners of the parent		(143.9)	(196.7)
Attributable to non-controlling interests		(0.3)	(0.2)
Earnings / (losses) per share basic [in Euros]	13	(0.32)	(0.45)
Earnings / (losses) per share diluted [in Euros]	13	(0.30)	(0.44)
Items that will not be reclassified to profit or loss:			
Actuarial gains / (losses)		(6.8)	1.5
Changes in the fair value of equity investment at FVTOCI		0.2	(0.5)
Items that may be reclassified to profit or loss:			
Cash flow hedges		(18.7)	(1.2)
Exchange differences on translation of foreign operations		74.3	(15.4)
OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD, NET OF TAX		49.0	(15.6)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD		(95.2)	(212.5)
Attributable to owners of the parent		(94.8)	(212.3)
Attributable to non-controlling interests		(0.4)	(0.2)

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

Consolidated statement of changes in equity (millions of euros)

	Note	Share Capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit / (Loss) for the period attributable to owners of the parent	Unrealized gains / (losses) reserve	Non-controlling interests	Total
Balance at December 31, 2019		4.3	141.5	2,623.3	(5.4)	1,113.1	(94.3)	14.6	3,797.1
Total comprehensive expense for the period		–	–	–	–	(196.7)	(15.6)	(0.2)	(212.5)
Share Capital increase		0.2	736.8	–	–	–	–	–	737.0
Convertible Bonds		–	–	39.4	–	–	–	–	39.4
Treasury shares acquisition		–	0.2	(0.2)	(22.8)	–	–	–	(22.8)
Treasury shares disposal		–	(0.2)	–	–	–	–	–	(0.2)
Recognition of share-based payment		–	5.1	–	–	–	–	–	5.1
Transfer to retained earnings		–	–	1,113.1	–	(1,113.1)	–	–	–
De-recognition of non-controlling interests		–	–	(0.1)	–	–	–	(3.1)	(3.2)
Other changes in equity		–	–	(5.1)	–	–	5.3	–	0.2
Balance at June 30, 2020 (unaudited)		4.5	883.4	3,770.4	(28.2)	(196.7)	(104.6)	11.3	4,340.1

Consolidated statement of changes in equity (millions of euros)

	Note	Share Capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit / (Loss) for the period attributable to owners of the	Unrealized gains / (losses) reserve	Non-controlling interests	Total
Balance at December 31, 2020		4.5	876.4	3,770.6	(9.5)	(625.4)	(271.8)	10.5	3,755.3
Total comprehensive expense for the period		–	–	–	–	(143.9)	49.0	(0.3)	(95.2)
Treasury shares acquisition		–	–	–	(13.8)	–	–	–	(13.8)
Treasury shares disposal		–	(6.3)	–	6.3	–	–	–	–
Recognition of share-based payment	9	–	10.7	–	–	–	–	–	10.7
De-recognition of non-controlling		–	–	–	–	–	–	(0.4)	(0.4)
Transfer to retained earnings		–	–	(625.4)	–	625.4	–	–	–
Balance at June 30, 2021 (unaudited)		4.5	880.8	3,145.2	(17.0)	(143.9)	(222.8)	9.8	3,656.6

Consolidated statement of cash flows (millions of euros)

	Note	June 30, 2021	June 30, 2020
		UNAUDITED	UNAUDITED
Operating income / (loss)		(143.1)	(236.0)
Depreciation and amortization		322.8	430.1
Operating income adjusted before changes in working capital and taxes paid		179.7	194.1
Trade accounts receivable		6.5	270.5
Other current assets		(8.0)	(14.4)
Trade accounts payable		82.4	(343.0)
Other current liabilities		(98.2)	29.8
Other non-current liabilities		(2.4)	(13.5)
Payment of reverse factoring agreements		(13.1)	–
Taxes paid		(20.0)	1.3
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		126.9	124.8
Payments for property, plant and equipment		(16.0)	(22.7)
Payments for intangible assets		(198.2)	(241.8)
Net cash outflow on acquisition of subsidiaries		(0.2)	(36.4)
Interest received		7.5	0.5
Sundry investments and deposits		(2.7)	(5.1)
Loans to third parties		(0.2)	4.5
Cash proceeds paid from derivative agreements		(2.2)	(3.4)
Proceeds on sale of financial assets		2.0	-
Dividends received		2.7	2.1
Proceeds obtained from disposal of non-current assets		1.0	0.1
Subtotal before cash management activities		(206.3)	(302.2)
Purchase of securities/fund investments		(249.2)	–
Disposal of securities/fund investments		296.1	–
Cash proceeds collected from derivative agreements		13.0	–
CASH FLOWS USED IN INVESTING AND CASH MANAGEMENT ACTIVITIES		(146.4)	(302.2)
Proceeds from issue of equity shares (net of issuance costs)		–	732.8
Payments to acquire non-controlling interests in subsidiaries		–	(3.0)
Proceeds from borrowings (net of issuance costs)	10	499.9	2,350.6
Repayments of borrowings		(454.5)	(727.5)
Interest paid		(41.2)	(7.2)
Dividends paid to owners of the parent		–	(241.4)
Payments to acquire treasury shares		(14.2)	(22.0)
Payments of lease liabilities and others		(35.6)	(54.5)
CASH FLOWS GENERATED (USED) IN FINANCING ACTIVITIES		(45.6)	2,027.8
Effect of exchange rate changes on cash and cash equivalents		0.1	(32.3)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(65.0)	1,818.1
Cash and cash equivalents net at the beginning of the period		1,553.9	561.0
Cash and cash equivalents net at the end of the period	15	1,488.9	2,379.1
Investments used in cash management activities	15	871.1	–
Unused revolving credit facility	10	1,000.0	1,000.0
TOTAL LIQUIDITY AVAILABLE		3,360.0	3,379.1

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1. GENERAL INFORMATION AND ACTIVITY

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

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

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

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

2. BASIS OF PRESENTATION AND COMPARABILITY OF THE INFORMATION

2.1 Basis of presentation

2.1.1 General information

The accompanying consolidated and condensed interim financial statements for the six months period ended June 30, 2021 ("interim financial statements" or "consolidated interim financial statements"), have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), in particular with International Accounting Standard 34: Interim Financial Reporting (IAS 34), and with the requirements of the Royal Decree 1362/2007. The disclosure requirements of IAS 34 are based on the assumption that the reader of the interim financial statements is doing so together with the most recent consolidated annual accounts. Consequently, the interim financial statements do not include all of the information and disclosures that would be required by IFRS-EU for complete consolidated annual accounts. The most recent annual accounts were authorized for issue by the Board of Directors of the Company on February 25, 2021, and approved at the Ordinary General Shareholders' Meeting on June 17, 2021.

The issue of these interim financial statements was authorized by the Board of Directors of the Company on July 29, 2021.

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

Except where indicated otherwise, the figures of the interim financial statements are expressed in millions of euros.

2.1.2 Use of estimates

Use of estimates and assumptions is required in the preparation of the interim financial statements in accordance with IFRS-EU. The estimates and assumptions affect the carrying amount of assets and liabilities. The estimates with a more significant impact in the interim financial statements are the following:

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

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

2.2 Comparison of information

For comparison purposes, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows as of June 30, 2021, are presented with information relating to the period of six months ended on June 30, 2020, and the consolidated statement of financial position is presented with information related to the year ended on December 31, 2020.

2.3 Consolidation scope

The main variation in the consolidation scope is that on April 30, 2021, the Group has sold 55% ownership of Amadeus Travel IMS, S.L. through Amadeus IT Group, S.A. with a loss of control remaining with a 40% interest since that date (see note 8).

2.4 Seasonality of interim results

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

Currently, the travel industry is facing an unprecedented level of disruption due to the impact of the COVID-19 pandemic. With world governments enforcing strict travel restrictions in response to the health crisis, travel volumes have been severely impacted although vaccination programs and the relaxation of restrictions are having a positive effect. In 2020, air traffic fell by -66% vs. 2019 and IATA currently projects 2021 air traffic to decline by 57% vs. 2019 (as reported in the World Economic Outlook Update – April 2021).

There is currently still uncertainty about the shape of recovery in the travel industry and therefore, uncertainty around the seasonality of our performance during 2021. As such, the figures for the six-month period ended June 30, 2021, should not be regarded as representative of the performance for the full year.

2.5 Accounting Policies

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the consolidated annual accounts for the year ended December 31, 2020, except for the adoption of new amendments effective as of January 1, 2021.

During 2021, Amadeus has signed a strategic business partnership with Microsoft that will accelerate Amadeus long-term cloud strategy. Consequently, certain non-current assets pertaining to Data processing hardware and software located in Germany and to Technology and Content have shortened its useful lives. The impact in depreciation has been accounted prospectively and amounts to €5.0 million and €2.5 million, respectively, for the six months period ended June 30, 2021.

The Group has applied the following amendments issued and endorsed by the EU for the first time for the annual reporting period commencing January 1, 2021:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

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

The International Accounting Standards Board (IASB) has also published an Amendment to IFRS 16: COVID-19-Related Rent Concessions beyond June 30, 2021. This amendment has not yet been endorsed by the EU as at the date of preparation of these interim financial statements. Nevertheless, the Group does not expect any significant impact when the EU endorses the amendment.

The following amendments to standards and annual improvements published in May 2020 by the IASB have already been endorsed by the EU in 2021:

- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Annual Improvements 2018-2020

These amendments will be effective from January 1, 2022 but the Group considers that they will not have a significant impact.

Additionally, certain new accounting standards and amendments have been published by the IASB, and will not be effective until January 1, 2023, and have not yet been endorsed by the EU. These changes are not expected to have a material impact on the Group in future reporting periods and on future transactions.

3. COVID-19 RELATED IMPACTS

The COVID-19 pandemic has a material adverse effect on the Group's business, prospects, financial condition and results of operations. Substantially all of the Group's revenue is derived from the worldwide travel and tourism industry and this outbreak negatively impacts this industry, particularly airlines, airports, hotels, railways and ferries. The volume of bookings has drastically been reduced, but we noted some improvements in travel trends during the first six months of

2021 compared to the last semester of 2020. Nevertheless, it is still uncertain how long it will take to come back to the travel volumes prior to the impact of the COVID-19 pandemic.

3.1 Reinforcement of the liquidity position

During 2020, the Group adopted a set of measures to protect its liquidity, to enhance its financial flexibility and to support its operations even in a scenario where the current tough market conditions persist over a long period of time.

Apart from the measures taken during 2020, on February 2, 2021, the Group has issued one bond amounting to €500.0 million, with maturity date February 2023. It has a quarterly payable coupon with a variable interest rate of three-month Euribor plus 65 basis points (see note 10).

The Group also keeps holding a €1,000.0 million Revolving Credit Facility, which is neither disposed of as at December 31, 2020, nor as at June 30, 2021.

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

Net cash and cash equivalents as at June 30, 2021, amount to €1,488.9 million. Additionally, as disclosed in the consolidated statement of cash flows, the Group holds short-term investments amounting to €871.1 million, including the fair value of non-realized hedges. Unused credit facilities amount to €1,000.0 million. As a result, total liquidity position at the end of the six months period ended June 30, 2021, amounts to a total of €3,360.0 million which provides a comfortable buffer to weather adverse market conditions for an extended period.

Our main financial obligations for the remaining part of the year 2021 relate to a €500.0 million bond maturity in August 2021 (initially scheduled in November 2021), to the outstanding maturities of our European commercial paper (ECP) program, which amount to €200.0 million, to the scheduled partial payment of the loans received from the European Investment Bank (EIB) for €15.0 million and to payments for non-recourse reverse factoring agreements amounting to €55.2 million.

3.2 Credit risk

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

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

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

Nevertheless, the COVID-19 outbreak may trigger some financial difficulties to certain customers increasing our risk assessment for accounts receivable recovery. The Group has updated the Expected Credit Losses (ECL) provision matrix used for low risk customers disclosed in note 4.2.10 to the consolidated annual accounts for the year ended December 31, 2020. The evolution of the provision matrix is the following:

Notes (millions of euros)

	Percentage of provision 2021	Percentage of provision 2020
Not due	1.5%	1.0%
Due up to 3 months	5.0%	5.0%
Due 3 to 6 months	22.0%	15.0%
Due 6 to 12 months	50.0%	50.0%
Due more than 12 months	100.0%	100.0%

The impact of the update of the percentages has resulted in an increase in the ECL provision of approximately €2.3 million.

3.3 Capital Management

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

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

The net financial debt as of June 30, 2021, and December 31, 2020, is set forth in the table below:

	June 30, 2021	December 31, 2020
Total non-current debt	4,346.9	4,343.0
Total current debt	1,411.0	1,320.6
Total debt	5,757.9	5,663.6
(-) Short-term investments	(886.3)	(900.5)
(-) Cash and cash equivalents	(1,490.3)	(1,555.1)
Total net financial debt	3,381.3	3,208.0

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

Additionally, the General Shareholders' Meeting of June 17, 2021, has not proposed any dividend distribution.

3.4 Restructuring measures

As disclosed in the consolidated annual accounts, in 2020 the Group announced a set of measures to reduce costs, as well as a plan of actions focused on mainly voluntary workforce reduction and on rationalizing the necessary rental space.

In the first semester of 2021, the Group incurred in €19.0 million of Personnel and Related expenses and in €0.3 million of other miscellaneous expenses, both related to the implementation of the cost saving measures.

3.5 Impairment test

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

As disclosed in the 2020 consolidated annual accounts, the Group considered the latest information available to test for impairment. During 2021, the Group is closely monitoring the evolution of our business and the future projections which are specially impacted by the COVID-19 pandemic. The situation is constantly evolving but vaccination programs and the relaxation of travel restrictions are having a positive effect. Actual figures of 2021 are aligned with our expectations included in our previous financial budgets. Therefore management believes that as at June 30, 2021, there is no triggering event for impairment of the group of CGUs.

3.6 Going concern

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

4. SEGMENT REPORTING

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

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

- Distribution, where the primary offering is Amadeus GDS platform. It generates revenues mainly from booking fees the Group charges to travel providers for bookings made, as well as other non–booking revenues; and
- IT Solutions, where the Group offers a portfolio of technology solutions (primarily Altéa PSS and New Skies) that automate mission-critical processes for travel providers. This segment generates revenues from the transactions processed in the Amadeus platform, as well as from other IT services.

The operating segments identified, the composition of those operating segments, and the accounting policies used in the measurement of the operating segments profit or loss, are consistent with those used and applied in the year ended December 31, 2020.

The Group applies the same accounting policies for the measurement of the profit or loss of its operating segments as those described in the 2020 consolidated annual accounts. Management when evaluating the performance of each operating segment uses contribution as a performance measure. Contribution is defined at the relevant operating segment as revenue less operating costs plus capitalizations directly allocated to the relevant operating segment. The operating expenses (excluding capitalized expenses and those incentives associated to those capitalizations) of the Group are allocated either to operating direct costs or to indirect costs; we denominate operating direct costs to those direct costs that can be assigned to an operating segment and indirect costs to those that cannot be allocated to any operating segment.

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

Notes (millions of euros)

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

	June 30, 2021			June 30, 2020		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	460.1	660.9	1,121.0	441.6	839.6	1,281.2
Contribution	155.0	341.6	496.6	99.0	411.3	510.3

The main reconciling items correspond to:

	June 30, 2021	June 30, 2020
Revenue	1,121.0	1,281.2
Contribution	496.6	510.3
Net indirect cost (1)	(316.9)	(316.2)
Depreciation and amortization	(322.8)	(430.1)
Operating income / (loss)	(143.1)	(236.0)

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

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

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

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

	June 30, 2021	June 30, 2020
EMEA	547.7	582.0
Asia & Pacific	153.3	238.0
America	420.0	461.2
Revenue	1,121.0	1,281.2

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

	June 30, 2021	June 30, 2020
USA	323.9	348.9
Germany	64.6	87.2
France	47.7	59.8
Spain	52.3	23.5

Notes (millions of euros)

5. GOODWILL

The reconciliation of the carrying amount of goodwill for the period ended June 30, 2021, is set forth in the table below:

Carrying amount at the beginning of the period	3,539.8
Exchange rate adjustments	45.0
Carrying amount at the end of the period	3,584.8

The "Exchange rate adjustments" caption for the period ended June 30, 2021, mainly relates to the US Dollar – Euro evolution.

6. FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

6.1 Classification

The Group's classification of financial assets and liabilities as of June 30, 2021, is set forth in the table below:

	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets	71.6	9.4	–	–	81.0
Non-current derivative Financial assets	–	–	8.1	–	8.1
Total non-current financial assets	71.6	9.4	8.1	–	89.1
Trade accounts receivable	254.2	–	–	–	254.2
Other current financial assets	754.9	–	–	150.0	904.9
Current derivative financial assets	–	–	26.8	15.7	42.5
Cash and cash equivalents	1,124.2	–	–	366.1	1,490.3
Total current financial assets	2,133.3	–	26.8	531.8	2,691.9
Non-current debt	4,346.9	–	–	–	4,346.9
Non-current derivative financial liabilities	–	–	3.3	–	3.3
Other non-current financial liabilities	0.9	–	–	12.6	13.5
Total non-current financial liabilities	4,347.8	–	3.3	12.6	4,363.7
Current debt	1,411.0	–	–	–	1,411.0
Other current financial liabilities	11.6	–	–	–	11.6
Dividend payable	0.3	–	–	–	0.3
Current derivative financial liabilities	–	–	11.9	31.1	43.0
Trade accounts payable	436.3	–	–	–	436.3
Total current financial liabilities	1,859.2	–	11.9	31.1	1,902.2

Notes (millions of euros)

Other current financial assets mainly include short-term investments in which the Group has invested part of the liquidity raised through the several financings amounting to €886.3 million (note 15) which are considered for the net financial debt calculations (note 3). Under amortized cost, the Group includes the Triparti repo and the Term Liquidity Fund Class, and under FVPL the Credit Suisse Short term Fund 'FI' and the Morgan Stanley Short Maturity Euro Bond fund disclosed in note 6.2 below.

6.2 Fair value measurements disclosures

The assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the consolidated statement of financial position as of June 30, 2021, are set forth in the table below. These fair value measurements are categorized into different levels of fair value hierarchy based on the inputs to valuation techniques used.

	June 30, 2021	
	Level 2	Level 3
Other non-current financial assets	–	9.4
Foreign currency forward	8.1	–
Non-current derivative financial assets	8.1	–
Foreign currency forward	26.8	–
Foreign currency forward and options held for trading	15.7	–
Current derivative financial assets	42.5	–
Foreign currency forward	3.3	–
Non-current derivative financial liabilities	3.3	–
Foreign currency forward	11.9	–
Foreign currency forward and options held for trading	31.1	–
Current derivative financial liabilities	43.0	–
Current financial assets at fair value	150.0	–
Cash equivalents at fair value	366.1	–
Contingent consideration at fair value	–	12.6

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

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

As of June 30, 2021, level 2 includes an amount of €75 million that corresponds to Credit Suisse Short term Fund 'FI' subscribed in March 2021 that invest mainly in corporate bonds with average rating of assets of A. There is also an additional amount of €75 million that corresponds to Morgan Stanley Short Maturity Euro Bond fund subscribed in April

Notes (millions of euros)

2021 investing in bonds from Treasuries, Government related and Corporates. It also includes Amundi Money Market liquidity fund that invest in short-term debt instruments, amounting to €366.1 million.

Level 3 includes an amount of USD 15 million (€12.6 million, as of June 30, 2021) corresponding to the estimated contingent consideration in relation to the acquisition of Optym's Sky business. This variable consideration is based on revenues derived from the execution of qualified new licenses until the end of year 2024. There have been no changes on fair value estimation for this financial liability. Level 3 also includes interests in certain unlisted non-controlled companies.

There were no transfers between levels of fair value hierarchy during the six months period ended June 30, 2021.

The Group estimates that the carrying amount of its financial assets and liabilities is a reasonable approximation of their fair value as of June 30, 2021, except for the following financial liabilities:

	Carrying amount	Fair Value	% of face value
Bonds	4,959.9	5,405.3	109.0%
European Investment Bank	229.9	227.2	98.8%

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

7. REVENUE

All the revenues booked by the Group under the 'Revenue' caption derive from contracts with customers. The Group obtains revenue from the rendering of services over time in the markets and segments as disclosed in note 4.

A disaggregation of revenue is as follows:

	June 30, 2021	June 30, 2020
Stand ready obligation(1) Distribution	460.1	441.6
Stand ready obligation(2) IT Solutions	409.8	497.6
Subscription and other IT Solutions services	251.1	342.0
Revenue	1,121.0	1,281.2

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

8. BUSINESS COMBINATIONS

Partial divestiture of Amadeus Travel IMS, S.L.

On April 30, 2021, the Group has sold 55% ownership of Amadeus Travel IMS, S.L. through Amadeus IT Group, S.A. As at June 30, 2021, the consideration is outstanding. Consequently, the assets and liabilities of this company, classified as held for sale as disclosed in note 17 of the consolidated annual accounts for the year ended December 31, 2020, have been de-recognized linked to the loss of control. The Group held previously a 95% interest and therefore the 5% non-controlling interest has been also been de-recognized.

As a result, no significant impacts have been recorded in the consolidated statement of comprehensive income for the six months period ended June 30, 2021.

As at May 1, 2021, the Group has recorded the remaining 40% ownership of Amadeus Travel IMS, S.L., at its fair value, bearing a significant influence in this company and therefore it is consolidated under the equity method going forward.

9. EQUITY

9.1 Share Capital

As of June 30, 2021, the Company's share capital amounts to €4.5 million, as represented by 450,499,205 ordinary shares with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

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

As of June 30, 2021, the Company's shares were held as set forth in the table below:

Shareholder	Shares	%
Free float (1)	450,083,789	99.91%
Treasury shares (2)	326,636	0.07%
Board of Directors (3)	88,780	0.02%
Total	450,499,205	100%

(1) Includes shareholders with significant equity stake on June 30, 2021, reported to the National Commission of the Stock Exchange Market (CNMV).
(2) Voting rights remain ineffective given they are treasury shares.
(3) It does not include voting rights that could be acquired through financial instruments.

9.2 Additional paid-in capital

The changes in the balance of the "Additional paid in capital" caption include the recognition of the share-based payments considered as equity-settled. The fair value of the amounts received during the six months period ended June 30, 2021, as consideration for the equity instruments granted, amounts to €10.7 million partially offset by the Restricted Share Plan (RSP) settlement of €0.1 million and the recognition of a treasury shares delivery of €6.2 million to the trading company in preparation of Performance Share Plan settlement to employees which took place July 1, 2021.

9.3 Treasury Shares

The movement of the carrying amounts for the six months period ended June 30, 2021, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount as of December 31, 2020	231,196	9.5
Acquisitions	228,069	13.8
Retirements	(132,629)	(6.3)
Carrying amount as of June 30, 2021	326,636	17.0

Notes (millions of euros)

On May 7, 2021, the Company's Board of Directors agreed to carry out a share buy-back program for a maximum amount of €44.0 million and up to a maximum of 550,000 shares, representing 0.12% of the share capital to meet obligations related to the share based remuneration plans for employees, managers and CEO (Chief Executive Officer – Consejero Delegado) of the Group for the years 2021 and 2022. Under this Program, the Company has purchased 138,069 shares as of June 30, 2021.

On June 15, 2021, the wholly owned subsidiary Amadeus S.A.S., carried out a share buy-back program up to a maximum of 90,000 shares, representing 0.019% of the share capital, to meet obligations related to the share based remuneration plans in order to meet the obligations related to the allocation of shares to employees and senior Management of Amadeus SAS (and its wholly owned subsidiary Amadeus Labs) for the year 2021. The Company reached the maximum investment under this Program with the purchase of 90,000 shares on June 28, 2021.

During the six months period ended June 30, 2021, the Group has settled employee share-based plans and therefore transferred 2,256 shares to employees, and has delivered 52 shares to the former Amadeus IT Group, S.A. minority shareholders in relation to the exchange ratio established in the merger plan between Amadeus IT Group, S.A. and Amadeus IT Holding, S.A. occurred in 2016. The Group has also delivered, as disclosed in note 9.2 above, 130,321 shares to the trading company in preparation for the settlement of the Performance Share Plan, which took place on July 1, 2021.

10. CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of debt as of June 30, 2021, is set forth in the table below:

	June 30, 2021
Bonds	3,959.9
Deferred charges on Bonds	(31.3)
European Investment Bank (EIB)	199.9
Other deferred financing fees	(1.4)
Accrued interest	9.3
Other debt with financial institutions	2.6
Lease liabilities	207.9
Total non-current debt	4,346.9
Bonds	1,000.0
European Investment Bank (EIB)	30.0
European Commercial Paper (ECP)	200.0
Other deferred financing fees	(0.8)
Accrued interest	32.4
Other debt with financial institutions	103.8
Lease liabilities	45.6
Total current debt	1,411.0
Total debt	5,757.9

As of June 30, 2021, approximately 77% of the Groups' outstanding interest-bearing debt is at fixed rate of interest. The reduction in the ratio of debt at fixed rate as compared to the end of 2020 (79%) is mainly due to the issuance of a new floating rate note in February 2021.

10.1 Eurobonds

On February 2, 2021, the Company has issued a Floating Rate Note Eurobond for a total value of €500.0 million admitted to trading on the Luxembourg Stock Exchange. It has a maturity of two years (February 2023) and a quarterly interest payment of 3-month Euribor + 0.650%, and an issue price of 100.1% of its nominal value.

10.2 European Investment Bank (EIB)

The Group has been granted by the European Investment Bank with three unsecured loans in 2012, 2013 and 2020.

EIB loans for 2013 have a repayment schedule every six months, while the loan signed on December 2020, has an annual repayment schedule. On May 14, 2021, the Group paid the last instalment on the EIB loan 2012.

The total EIB loans repaid during period amounts to €32.5 million.

The cash flows resulting from the loans have been discounted at the market interest rate, determined by reference to the market conditions that existed as the origination date of the loans, and interest rates charged for similar debt instruments.

The Group is required to meet two financial covenants, for the European Investment Bank senior loan 2013, calculated on the basis of (i) the ratio of total Net Debt to EBITDA, and (ii) the ratio of EBITDA to Net Interest Payable. As of June 30, 2021, these covenants have been waived by the EIB until its maturity date.

10.3 Revolving Loan Facility

On April 27, 2018, the Group entered into a €1,000.0 million Revolving Credit Facility. This facility has a maturity of five years that could be extended for two additional years. As of June 30, 2021, transaction costs ('Deferred financing fees') amounted to €1.1 million. As of June 30, 2021, the Group has not disposed of this facility.

10.4 Euro-Commercial Paper programme (ECP)

During the six months period ended 2021, the Group has not entered into additional Euro Commercial Paper (ECP). The total commercial paper repaid during period amounts to €422.0 million.

10.5 Other debt with financial institutions

This caption mainly includes non-recourse reverse factoring agreements with financial institutions. As of June 30, 2021, the Group transferred €96.7 million to financial institution under these arrangements. The average interest rates for these transactions were 0.57%.

Notes (millions of euros)

10.6 Maturity analysis

The Group's financial debt by maturity as of June 30, 2021, is set in the table below:

		Current	Non-current				
	June 30, 2021	June 30, 2021 - June 30, 2022	June 30, 2022 - June 30, 2023	June 30, 2023 - June 30, 2024	June 30, 2024 - June 30, 2025	June 30, 2025 and beyond	Total non-current
Bonds	4,959.9	1,000.0	500.0	1,000.0	709.9	1,750.0	3,959.9
EIB	230.0	30.0	200.0	–	–	–	200.0
ECP	200.0	200.0	–	–	–	–	–
Accrued interests	41.6	32.4	–	–	9.3	–	9.3
Other debt with financial institutions	106.4	103.8	2.5	–	–	–	2.5
Leases	253.5	45.6	36.0	28.0	23.9	120.1	208.0
Total debt payable	5,791.5	1,411.8	738.5	1,028.0	743.1	1,870.1	4,379.7
Non-current Deferred financing fees	(32.7)						
Current Deferred financing fees	(0.8)						
Remaining fair value adjustment on EIB loan	(0.1)						
Total debt	5,757.9						

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

11. RELATED PARTIES BALANCES AND TRANSACTIONS

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

As of June 30, 2021, there are neither shareholders nor parties with significant influence considered as related parties.

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

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

	June 30, 2021		
Consolidated statement of comprehensive income	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses		25,663	25,663
Personnel and related expenses	5,345	–	5,345
Total expenses	5,345	25,663	31,008
Dividends from associates		384	384
Revenue		8,169	8,169
Total income	–	8,553	8,553

	June 30, 2021		
Consolidated statement of financial position	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	–	384	384
Trade accounts receivable	–	3,660	3,660
Trade accounts payable	–	20,354	20,354

11.1 Board of Directors

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

On June 17, 2021, the Ordinary General Shareholders' Meeting agreed a fixed remuneration of the members of the Board of Directors, in their capacity as such, in cash or in kind, for the period January to December 2021 with a limit of €1,653 thousand, and vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's bylaws. No loans, advances or stock options have been granted to the members of the Board of Directors.

The breakdown by type of payment (in thousands of euros) received by the members of the Board of Directors as at June 30, 2021, and 2020, is set forth in the table below:

		June 30, 2021		June 30, 2020	
Board Members		Payment in cash	Payment in kind	Payment in cash	Payment in kind
José Antonio Tazón	President (*)	144	2	79	–
Guillermo de la Dehesa	Vice-Chairman (*)	–	–	35	–
William Connelly	President (*)	55	–	23	–
Luis Maroto	Executive Director	18	–	9	–
Xiaoqun Clever	Director	47	–	–	–
Clara Furse	Director	75	–	41	–
Pilar García	Director	58	–	29	–
Stephan Gemkow	Director	58	–	23	–
Pierre–Henri Gourgeon	Director (*)	54	–	29	–
Nicolas Huss	Director	70	–	23	–
Peter Kuerpick	Director	58	–	29	–
Francesco Loredan	Director	58	–	29	–
Josep Piqué	Director	47	–	23	–
David Webster	Director	77	–	41	–
Total		819	2	413	–

(*) Mr. Guillermo de la Dehesa served as Vice-Chairman until June 18, 2020, when he was replaced by Mr. William Connelly. On June 17, 2021, Mr. William Connelly has been appointed as Chairman, substituting Mr. José Antonio Tazón leaving the Board. Mr. Francesco Loredan has been named Vice-President from that date. On the same date, two new independent Directors, Ms. Jana Eggers and Ms. Amanda Mesler have joined the Board and Mr. Pierre-Henri Gourgeon (other external Director) has left the Board.

The new appointments will reinforce the percentage of independent Board members (11 out of 13, representing 84.6%) as well as increasing the Board's gender diversity (5 out of 13, meaning 38.5%).

As of June 30, 2020, the payments to the members of the Board corresponding to the second quarter of 2020 were postponed to the second half of year 2020.

At June 30, 2021, and 2020, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

	June 30, 2021	June 30, 2020
Name	Shares	Shares
José Antonio Tazón	–	205,000
Luis Maroto	88,429	72,360
David Webster	1	1
Pierre–Henri Gourgeon	–	400
Stephan Gemkow	350	350

No information is disclosed for Mr. José Antonio Tazón and Mr. Pierre-Henri Gourgeon for June 30, 2021, as they are no longer members of the Board as at that date.

During the six months period ended June 30, 2021, and 2020, the amounts accrued to the Chief Executive Officer (Consejero Delegado) for his executive functions are the following (in thousands of euros):

	June 30, 2021	June 30, 2020
Compensation in cash (salary and bonus) (*)	894	894
Compensation in kind	11	18
Pension plan and collective life insurance policies	117	117
Share based payments	–	–
Total	1,022	1,029

(*) For comparison purposes, the figures included for both June 30, 2021, and June 30, 2020, under "Compensation in cash (salary and bonus)" are considered including the bonus accrual for half of the year.

11.2 Key Management Compensation

During the six months period ended June 30, 2021, and 2020, the amounts accrued to Key Management are the following (in thousands of euros):

	June 30, 2021	June 30, 2020
Compensation in cash (salary and bonus)	3,125	2,680
Compensation in kind	161	229
Pension plan and collective life insurance policies	219	347
Share based payments	–	–
Total	3,505	3,256

These amounts include compensation of 3 members of the Group's Key Management that, as of June 30, 2021, are no longer part of the Company.

Key management consists of 8 members as at June 30, 2021, (12 members as at June 30, 2020).

The number of shares held by the Group Key Management as at June 30, 2021 amounts to 235,445 (352,874 shares as at June 30, 2020).

12. TAXATION

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

Notes (millions of euros)

The effective tax rate as of June 30, 2021, is 28.0%, which is the expected effective tax rate for year-end 2021. The effective tax rate as of June 30, 2020, was 28.5%.

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

13. EARNINGS PER SHARE

The detail of weighted average number of shares as of June 30, 2021 and 2020 is set forth in the table below:

	June 30, 2021		June 30, 2020	
	Weighted average number of ordinary shares	Weighted average number of potentially dilutive shares	Weighted average number of ordinary shares	Weighted average number of potentially dilutive shares
Total shares issued	450,499,205	450,499,205	440,566,830	440,566,830
Treasury shares	(262,366)	(262,366)	(451,395)	(451,395)
Potentially dilutive shares	–	15,137,799	–	8,033,674
Total shares	450,236,839	465,374,638	440,115,435	448,149,108

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

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

Dilutive effects during the period ended June 30, 2021, and 2020, are driven by the potential conversion of the convertible bonds into ordinary shares.

Notes (millions of euros)

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

Basic earnings / (losses) per share			
June 30, 2021		June 30, 2020	
Profit / (Loss) for the period attributable to owners of the parent	Earnings / (losses) per share basic [in Euros]	Profit / (Loss) for the period attributable to owners of the parent	Earnings / (losses) per share basic [in Euros]
(143.9)	(0.32)	(196.7)	(0.45)

Diluted earnings / (losses) per share			
June 30, 2021		June 30, 2020	
Profit / (Loss) for the period attributable to owners of the parent plus interest accrued (convertible bonds)	Earnings / (losses) per share diluted [in Euros]	Profit / (Loss) for the period attributable to owners of the parent plus interest accrued (convertible bonds)	Earnings / (losses) per share diluted [in Euros]
(140.0)	(0.30)	(195.0)	(0.44)

14. ADDITIONAL INFORMATION

14.1 Interest expense and other financial expenses

The “Interest expense” as of June 30, 2021, and 2020, mainly corresponds to the borrowings detailed in note 10. The breakdown is set forth in the table below:

	June 30, 2021	June 30, 2020
Bonds	39.9	17.7
European Investment Bank	1.4	1.8
European Commercial Paper	–	(0.7)
Interest from derivative instruments	0.9	1.3
Other debt with financial institutions	0.5	–
Lease liabilities	2.4	3.5
Subtotal	45.1	23.6
Deferred financing fees	4.6	4.4
Interest expense	49.7	28.0

Notes (millions of euros)

The breakdown of "Other financial expenses" as of June 30, 2021, and 2020, is set forth in the table below:

	June 30, 2021	June 30, 2020
Net Interest on the Net Defined Benefit Liability	0.7	1.0
Interest expense on Tax	0.6	1.8
Bank commissions, fees and other expenses	1.3	1.0
Others	3.9	2.1
Other financial expenses	6.4	5.9

14.2 Employee distribution

The employee distribution by category and gender as of June 30, 2021 and 2020, is set forth in the table below:

	June 30, 2021			June 30, 2020		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	2	22	24	4	22	26
Group Directors	40	145	185	38	144	182
Managers	1,315	2,720	4,035	1,362	2,835	4,197
Disabled managers	40	37	77	24	36	60
Staff	4,726	6,695	11,421	5,343	7,671	13,014
Disabled Staff	66	71	137	65	79	144
TOTAL	6,189	9,690	15,879	6,836	10,787	17,623

The average employee distribution by category and gender as of June 30, 2021 and 2020, is set forth in the table below:

	June 30, 2021			June 30, 2020		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	2	22	24	4	23	27
Group Directors	38	143	181	37	145	182
Managers	1,311	2,727	4,038	1,344	2,784	4,128
Disabled managers	40	38	78	24	35	59
Staff	4,811	6,870	11,681	5,423	7,836	13,259
Disabled Staff	64	77	141	65	82	147
TOTAL	6,266	9,877	16,143	6,897	10,905	17,802

Notes (millions of euros)

15. CASH FLOWS

The reconciliation of the "Cash and cash equivalents net" caption of the consolidated statement of cash flows and the "Cash and cash equivalents" caption of the consolidated statement of financial position is set forth in the table below:

	June 30, 2021	June 30, 2020
Cash on hand and balances with banks	861.6	805.5
Cash equivalents	628.7	1,574.4
Cash and cash equivalents	1,490.3	2,379.9
Bank overdrafts	(1.4)	(0.8)
Cash and cash equivalents net	1,488.9	2,379.1

As of June 30, 2021, the Group has maintained short-term money market investments with an average yield rate of minus 0.24%.

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

Liquidity available comprises the investments used in cash management activities. The balance includes non-realized financial exchange hedges for those investments held in a different currency than EUR. The breakdown is as follows:

	June 30, 2021	June 30, 2020
Value of Investments used in cash management activities	886.3	–
Fair value of non-realized hedges	(15.2)	–
Investments used in cash management activities	871.1	–

16. SUBSEQUENT EVENTS

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

amadeus

Amadeus IT Group, S.A. and Subsidiaries

Directors' report for the six months period ended June 30, 2021

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

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1. Summary

1.1 Introduction

Highlights for the three months ended June 30, 2021 (relative to the same period of 2019)

- In Distribution, our travel agency air bookings decreased by 67.6%, to 47.1 million.
- In IT Solutions, our passengers boarded declined by 67.7%, to 164.9 million.
- Revenue contracted by 56.0%, to €624.4 million.
- EBITDA[1] decreased by 75.3%, to €145.3 million.
- Adjusted profit[2] contracted by 107.2%, to a loss of €23.6 million.
- Free Cash Flow[3] amounted to -€110.0 million, or -€78.5 million excluding cost saving program implementation costs paid.
- Net financial debt[4] was €3,255.8 million and liquidity available[5] amounted to c.€3.4 billion, at June 30, 2021.

Market background and segment performance

Throughout the second quarter of 2021, our volume performances continued to improve, with an acceleration in the month of June, the best performing month to date since the start of the pandemic.

Amadeus travel agency air bookings declined by 67.6% in the second quarter, compared to the same period in 2019, advancing from the 79.2% air booking reduction we saw in the first quarter of 2021. During the quarter and throughout the first six months of the year, the Amadeus monthly air booking growth rates vs. 2019 gradually improved each month, with a step up in the month of June, where our bookings declined by 58.7%. By region, North America continued to be the best performing geography, followed by our CESE region (which includes Russia). All regions showed improvement in volume performance in the second quarter vs. the first quarter, with the most notable advances taking place in North America, followed by Western Europe and CESE. In the second quarter of 2021, Distribution revenue declined by 66.4% vs. 2019, an improvement compared with the -77.1% revenue fall in the first quarter of 2021.

In the second quarter of 2021, Amadeus passengers boarded contracted by 67.7% compared to the second quarter of 2019, representing an improvement over the -70.8% growth we saw in the first quarter. Monthly growth rates vs. 2019 improved sequentially through the quarter, most notably in June, where passengers boarded declined by 63.4%. Our best performing regions in the quarter were North America and Latin America. In the second quarter, led by North America, all regions except for Asia and Middle East, reported improvements in the passengers boarded performance, relative to the first quarter's evolution. In the second quarter of 2021, IT Solutions revenue contracted by 42.8% vs. the same period of 2019. This progression, a continued improvement over prior quarters, was supported by revenues across our business portfolio not directly linked to airline traffic or not driven by transactions, particularly in the area of Hospitality and Airport IT.

[1] Adjusted to exclude costs incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. These costs relate mostly to severance payments and amounted to €4.2 million in the second quarter of 2021 (€3.0 million post tax). See section 3 for more details.

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

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

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

[5] Composed of (i) cash and cash equivalents, net of overdraft bank accounts (€1,488.9 million), (ii) short term investments, net of associated unrealized hedging results (€871.1 million) and an undrawn revolving credit facility (€1,000 million).

First half 2021 Group financial performance

Driven by the volume evolutions described above, in the second quarter of 2021, Amadeus Group revenue declined by 56.0% and EBITDA contracted by 75.3%[6] compared to the same period in 2019. Over the period, Free Cash Flow amounted to a €110.0 million cash outflow, or a €78.5 million outflow, excluding cost saving program implementation costs paid. In the second quarter of 2021, we had an Adjusted Profit[7] loss of €23.6 million.

In the first half of 2021, Amadeus Group revenue and EBITDA contracted by 60.3% and 83.2%[6], respectively, vs. the first six months of 2019. Free Cash Flow amounted to a €121.8 million cash outflow, or a €47.0 million outflow, excluding cost saving program implementation costs paid. In the six-month period, we had an Adjusted Profit[7] loss of €106.7 million.

As of June 30, 2021, liquidity available to Amadeus amounted to c.€3.4 billion, supported by cash (€1,488.9 million), short term investments (€871.1 million) and an undrawn revolving credit facility (€1,000 million).

Our cost optimization efforts continued to deliver results. Compared to 2020, our P&L fixed costs[8] (excluding cost saving program implementation costs and bad debt) declined by €111.3 million in the first six months of the year. Capitalized expenditure, also part of our fixed cost reduction plan, compared to prior year, declined by €56.6 million in the first six months of the year (excluding cost saving program implementation costs). In aggregate, to date in 2021, the total fixed cost reduction achieved relative to 2020, including both P&L fixed costs and capitalized expenditure, amounted to €167.9 million.

Business update

In the second quarter of 2021, in Distribution, we signed 16 new contracts or renewals of distribution agreements with airlines, including Virgin Australia, amounting to 37 signatures in the year to date. Progress in relation to our NDC strategy continued to be made through agreements signed on the airline front with United Airlines, Qantas, Qatar Airways, LOT Polish Airlines and Kenya Airways as well as, on the travel agency side, with tiket.com in South East Asia and Seera Group and Sharaf Travel in the Middle East.

In relation to Airline IT, LOT Polish Airlines and Amadeus signed a renewal agreement covering a wide range of state-of-the-art solutions related to passenger services, airline operations, revenue management, merchandizing, passenger disruption management and digital experience. Vistara, the Indian carrier, contracted for Amadeus Network Revenue Management. Nordica, a small Estonian airline, contracted and implemented the full Altéa PSS suite, as well as other solutions related to revenue integrity, digital channel and merchandizing. Air Burkina implemented the Altéa PSS and will implement Amadeus' Digital Experience Suite. Also, Uganda Airlines implemented Altéa DCS and additional solutions, while Breeze Airways implemented Navitaire New Skies.

In Hospitality and in Airport IT, we continued to renew contracts and to grow our respective customer bases. In Hospitality, commercial activity included Marriot, signing for an expansion of our partnership by adding Demand360 business intelligence solution. Also, Swire Properties Hotel Management, Siyam World and Millennium New York, signed for Amadeus Digital Media. Additionally, Shiji, a leading hotel information

[6] Adjusted to exclude costs incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020, amounting to €19.3 million (€13.9 million post tax) in the first half, and €4.2 million (€3.0 million post tax) in the second quarter of 2021. See section 3 for more details.

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

[8] Including the Personnel and Other operating expenses captions in the Income Statement.

systems player in China, has partnered with Amadeus to add hotel accommodation options in China to the Amadeus Travel Platform. In Airport IT, Pristina International Airport (Kosovo) will automate the check-in and bag drop processes with Amadeus' solutions. In the U.S., Syracuse Hancock International Airport (New York) contracted for ACUS. Also, Kansas City International Airport (Missouri) contracted for Amadeus Biometric Solutions. Finally, Pittsburg International Airport (Pennsylvania) signed for the deployment of FIDS.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Operating KPI				
TA air bookings (m)	47.1	(19.1)	n.m.	(67.6%)
Non air bookings (m)	7.8	2.4	217.4%	(53.4%)
Total bookings (m)	54.8	(16.7)	n.m.	(66.1%)
Passengers boarded (m)	164.9	31.3	427.6%	(67.7%)
Financial results[1]				
Distribution revenue	267.6	(15.9)	n.m.	(66.4%)
IT Solutions revenue	356.8	275.4	29.5%	(42.8%)
Revenue	624.4	259.5	140.6%	(56.0%)
EBITDA	145.3	(155.4)	n.m.	(75.3%)
Profit (Loss) for the period	(35.0)	(314.7)	(88.9%)	(111.8%)
Adjusted profit (loss)[2]	(23.6)	(231.0)	(89.8%)	(107.2%)
Adjusted EPS (euros)[3]	(0.05)	(0.51)	(89.8%)	(106.8%)
Cash flow				
Capital expenditure	(110.1)	(113.0)	(2.6%)	(35.4%)
Free cash flow[4]	(110.0)	(462.1)	(76.2%)	(168.4%)
Indebtedness[5]	Jun 30, 2021	Dec 31, 2020	Change	
Net financial debt	3,255.8	3,073.9	181.9	

[1] 2021 figures adjusted to exclude costs amounting to €4.2 million (€3.0 million post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 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) other non-operating, non-recurring effects.
[3] EPS corresponding to the Adjusted profit attributable to the parent company.
[4] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.
[5] Based on our credit facility agreements' definition.

Summary of KPI (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Operating KPI				
TA air bookings (m)	80.8	65.9	22.7%	(73.7%)
Non air bookings (m)	12.9	17.0	(24.3%)	(62.0%)
Total bookings (m)	93.7	82.9	13.0%	(72.6%)
Passengers boarded (m)	292.1	415.2	(29.6%)	(69.2%)
Financial results[1]				
Distribution revenue	460.1	441.6	4.2%	(71.9%)
IT Solutions revenue	660.9	839.6	(21.3%)	(44.4%)
Revenue	1,121.0	1,281.2	(12.5%)	(60.3%)
EBITDA	199.0	194.1	2.6%	(83.2%)
Profit (Loss) for the period	(130.3)	(196.9)	(33.8%)	(121.9%)
Adjusted profit (loss)[2]	(106.7)	(89.2)	19.7%	(116.1%)
Adjusted EPS (euros)[3]	(0.24)	(0.20)	17.0%	(115.3%)
Cash flow				
Capital expenditure	(214.2)	(264.5)	(19.0%)	(42.1%)
Free cash flow[4]	(121.8)	(172.4)	(29.3%)	(127.6%)

[1] 2021 figures adjusted to exclude costs amounting to €19.3 million (€13.9 million post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 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) other non-operating, non-recurring effects.
[3] EPS corresponding to the Adjusted profit attributable to the parent company.
[4] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

(millions of euros)

2. Business highlights

Distribution

- During the first half of 2021, we signed 37 new contracts or renewals of distribution agreements with airlines, including United Airlines and Virgin Australia.
- Amadeus and United Airlines renewed their distribution agreement reinforcing their commitment to modern retailing and enhancing communication between the airline and travel sellers. Included in the agreement is the addition of new NDC-enabled content, which will be available to travel agencies and corporations globally later this year via the Amadeus Travel Platform.
- NDC offers from Australia's flag carrier, Qantas, are now available through the Amadeus Travel Platform to pilot agents for testing. During this pilot phase, these travel agents will be able to test the shop, book, and pay processes for NDC offers sourced from the Qantas Distribution Platform. This includes ancillary services not available via EDIFACT, such as carbon offset credits, special frequent flyer price offers, as well as fully integrated post-booking servicing like cancel, refund and modifying an NDC booking.
- In June, Qatar Airways entered into a Letter of Agreement with Amadeus. This deal will make Qatar Airways' offer, including content via NDC, available globally. The airline is also looking to adopt Amadeus Altéa NDC from 2022 onward. The seamless integration with the Amadeus Travel Platform will allow Qatar Airways to distribute its NDC-sourced content to Amadeus' global network of travel sellers, and therefore enhance its retailing and digital touchpoints.
- As part of an expanded distribution and IT partnership, LOT Polish Airlines will start to distribute new and tailored content through the Amadeus Travel Platform. The airline has chosen to deploy Amadeus Altéa NDC which will offer new retailing and personalization opportunities consistently across multiple channels. With this technology backbone, the airlines will be able to distribute NDC-enabled offers in all its distribution channels.
- Also Kenya Airways has selected Altéa NDC for the distribution of their NDC content and will connect to the Amadeus Travel Platform providing Kenya Airways significant reach throughout the global community of travel sellers.
- On the travel agency side, in February, we announced that ezTravel, Taiwan's largest online travel agency (OTA), is implementing Amadeus Travel API. This NDC-enabled solution gives OTAs access to new content and fares from airlines via NDC connectivity.
- tiket.com will be the first online travel agency to adopt NDC in South East Asia, in a partnership with Amadeus which will enable its customers increased options, via a full range of NDC content.
- Seera Group extended its long-standing partnership with Amadeus to adopt NDC. As the Middle East's leading provider of travel and tourism services, Seera Group will join Amadeus' NDC [X] program and implement the NDC-enabled Travel API solution to distribute richer airline products to its customers. In May, Sharaf Travel and Amadeus announced a partnership to drive NDC forward in the UAE.
- Our customer base for Amadeus merchandizing solutions for the travel agency channel continued to expand. At the close of June, 120 airlines had signed up for Amadeus Fare Families and 176 airlines had contracted Amadeus Airline Ancillary Services.

Number of customers (as of June 31, 2021)	Contracted	Implemented
Amadeus Ancillary Services	176	151
Amadeus Fare Families	120	101

- In April, we announced that China's Trip.com, headquartered in Shanghai and parent company to leading online travel brands Trip.com, Ctrip, Skyscanner and Qunar, will adopt Amadeus Custom Search solution as part of its boutique shopping engine to deliver the best customer experience. The Amadeus Custom Search solution, powered by Amadeus' cloud technology, has been designed to offer travel agencies greater flexibility to control content distribution, through the offer of exceptional flight content quality, sub-second response time and 100% accuracy, enhancing Trip.com's customer experience across all global channels. Trip.com will launch this future-proof cloud-based flight search solution in the fourth quarter of this year.

_ During the first half of the year, we announced a new multi-year agreement with Siemens for global travel content distribution, which enables Siemens and its employees, via its Travel Management Company partners, to gain access to the Amadeus Travel Platform, across 81 countries in Europe, Middle East and Africa, Asia Pacific and the Americas.

Airline IT

_ At the close of June, 208 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies PSS) and 201 customers had implemented either of them.

_ LOT Polish Airlines and Amadeus have signed a multi-year deal that will see the airline maximize the benefits of the Amadeus Airline Platform. The renewal agreement covers a wide range of state-of-the-art solutions related to passenger services, airline operations, revenue management, merchandising, passenger disruption management, and digital experience. By signing this new agreement with Amadeus, LOT will add a range of new IT solutions on top of its existing PSS. On the digital front, Amadeus will power the airline's website providing LOT with levers to help increase traffic acquisition and boost sales conversions by enriching the shopping and booking experience on LOT.com.

_ Vistara, the Indian carrier carrying more than 7m passengers in 2019 has contracted Amadeus Network Revenue Management, allowing them to grow revenues by adopting the latest technologies in Origin &Destination Revenue Management as Vistara expands its domestic and international network.

_ Qantas contracted our Airport Companion App, which will move to production later this year. The Airport Companion App will provide an additional platform for Qantas frontline staff to provide a better service to passengers.

_ Nordica, the small Estonian based airline, contracted and implemented the full suite Altá PSS and other solutions related to revenue integrity, digital and merchandising. Amaszonas Bolivia contracted for Amadeus Air Promocode, from our range of merchandizing solutions and will be implementing it in Q3 21.

_ Air Burkina, implemented the Altéa PSS and agreed to implement Amadeus' Digital Experience Suite to enable travelers to enjoy a best-in-class online retailing experience for shopping and booking flights.

_ Air Arabia, the Middle East and North Africa's first and largest low cost carrier, contracted Amadeus Altéa Departure Control Customer Management and Flight Management to facilitate enhanced productivity and customer experience at the airports.

Hospitality

_ Marriott signed for renewal and expansion of their current partnership for the recommended use of Agency360 and GDS Media Services across their portfolio. The expansion of the partnership includes the addition of Demand360 for their portfolio, providing the most comprehensive market insight available.

_ In March, we announced that THE Park Hotels, a pioneer in the concept of luxury boutique hotels in India, and a user of Amadeus' Guest Management Solutions, contracted Amadeus' iHotelier Central Reservations System. The combination of both Amadeus solutions will enable THE Park Hotels to efficiently manage reservations, guest loyalty, and customer communications.

_ Lore Group, with properties across Europe and the United States, Swire Properties Hotel Management, based in Hong Kong, and Siyam World, an all-inclusive resort in Maldives signed for Amadeus Digital Media, while luxury chain Sun Siyam contracted our Guest Management Solutions.

_ Langham Hospitality Group, a global hotel company with more than 30 properties located in major cities over four continents, contracted Amadeus Sales and Event Management and Amadeus Service Optimization during the quarter.

_ HEI Hotels, which owns and manages over 80 full service, upper-upscale and luxury hotels and resorts throughout the United States, signed for Demand360.

- Spanish chain Q Hotels became a customer of our iHotelier solution.
- Shiji, a leading hotel information systems player in China, has partnered with Amadeus to provide new content from small, independent hotel chains to the Amadeus Travel Platform. The objective is to reach out globally to an increasing number of travel agents who are looking for richer hotel accommodation options in China.

Airport IT

- The positive momentum in our Airport IT business continued during the first half of 2021, particularly related to touchless technology, which is helping our airport customers adapt to the new social distancing rules. In April, we introduced Japan's first end-to-end biometric boarding process thanks to our partnership with Narita Airport and NEC. This new experience by Narita Airport Corporation sees passengers check-in at one of a number of new biometric kiosks, provided by ICM Airport Technics, where the passenger's facial image is captured and verified against their passport. Once the verification process is done, luggage is dropped quickly and easily at an ICM Auto Bag Drop unit, with passengers automatically recognized by the camera embedded in the unit as they approach it. Boarding is also straightforward as the passenger's face is recognized when they first approach Narita's security e-Gates and boarding e-Gates, both equipped with cameras, provided by our partner NEC, that automatically validate the passenger's identity and permission to fly.
- In March, Finavia, who runs 11 airports in Finland, chose Amadeus Flow, our new integrated cloud solution, to modernize all aspects of passenger handling, including software, hardware and services. With this new cloud platform, a single internet link connects Finavia's airports to Amadeus where any airline application can be easily deployed in a matter of hours. The company also signed for Airport Pay. The migration is expected to be fully completed at the beginning of 2022.
- Also in March, we announced that eight airports in Turkey (Turkish Ground Services) will move to Amadeus Altéa Departure Control for Ground Handlers, empowering agents with a single, intuitive interface to handle the passengers of any airline flexibly.
- We also expanded our partnership with dnata to continue powering dnata's innovative centralized load control service for airlines at Dubai International Airport and Dubai World Central. As part of the new partnership, ground handlers will continue to rely on Amadeus Altéa Departure Control System for Ground Handlers to provide services to passengers; as well as weight and balance services to a variety of airlines at various airports where dnata operates. The expanded agreement also sees the partners explore the transition to new technology leveraging the Amadeus cloud platform for airport operations.
- In North America, Syracuse Hancock International Airport (New York) contracted for ACUS and Kansas City International Airport (Missouri) contracted Amadeus Biometric Solutions. Pittsburg International Airport (Pennsylvania) signed for the deployment of FIDS.

Payments

- In March, we expanded our global collaboration with Mastercard for five years. Through this relationship, Amadeus will support innovative payment offerings across the travel industry through its B2B Wallet using Mastercard Wholesale Program.

Other

- Amadeus as the digital connector and tech enabler in the rapidly growing Safe Travel Ecosystem is creating a range of solutions with the aim to support air traffic recovery. This portfolio can be split into three areas: (i) Inform and remind: Amadeus agency solutions and the CheckMyTrip app include country regulation information to inform travel agencies and travelers about the latest travel requirements, (ii) Validate: Traveler ID is an Amadeus platform that allows travel companies to digitalize and automate traveler identification and document verification across the traveler journey. Additionally, now it has been expanded to allow airlines to build it into their own front ends (mobile apps / .coms) for travelers to upload their health documentation when using self-service checkin, to comply with travel regulations. On this front, in April, we signed an agreement with Air Europa, as the first airline to pilot Amadeus Traveler ID for this new purpose. Air Europa was the first airline to pilot Traveler ID's health capability, which allows passengers to certify they have the required health documentation at check-in without having to leave the airline's website or app, and (iii) Touchless: Amadeus offers auto check-in and bag drop kiosks and biometric solutions for boarding that help airlines and airports to adapt to the new social distancing rules and ease processing through the airport.

_ In May, Air Corsica, French Bee and Air Caraïbes also implemented Traveler ID for Safe Travel. In June, Air Canada and Norwegian Air Shuttle announced that they were piloting this solution.
_ The EU Digital COVID Certificate is the European Commission's initiative to facilitate free movement of citizens across the EU during the pandemic. In Amadeus, we have been working to integrate this through our Safe Travel Ecosystem. Using Traveler ID, travelers will very soon be able to scan their European QR code directly from the familiar airline digital channels, whether web or mobile. Our solution can automatically read that QR Code, recognizing key details in the documentation: such as name, date and test result, to confirm that the details are in line with travel requirements.

3. Presentation of financial information

The consolidated financial statements of Amadeus IT Group S.A. and subsidiaries corresponding to the first six months of 2021 are the source to the financial information included in this document. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have been subject to a limited review by the auditors.

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

Alternative Performance Measures

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

_ Segment contribution is defined as the segment revenue less operating direct costs plus direct capitalizations. A reconciliation to EBITDA is included in section 5.3.
_ EBITDA corresponds to Operating income (loss) plus D&A expense. A reconciliation of EBITDA to Operating income (loss) is included in section 5.3. The Operating income (loss) calculation is displayed in section 5.
_ Adjusted profit (loss) corresponds to reported profit (loss) for the period, after adjusting for: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-operating, non-recurring items, as detailed in section 5.6.1.
_ Net financial debt as defined by our credit facility agreements is calculated as current and non-current debt (as per the financial statements), less cash and cash equivalents, adjusted for operating lease liabilities and 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.
_ Liquidity available is defined as (i) cash and cash equivalents, net of overdraft bank accounts, (ii) short term investments considered cash equivalent assets under our credit facility agreements´ definition, net of associated unrealized hedging results, and (iii) undrawn revolving credit facilities at the Company's disposal.

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

Cost saving program implementation costs

In the first six months of 2021, we incurred one-time costs amounting to €25.6 million (€7.3 million in the second quarter), related to the implementation of the cost saving program announced in the second quarter of 2020. Of these costs, an amount of €19.3 million (€13.9 million post tax) was reported under the Personnel and Other operating expenses captions in the income statement (€4.2 million pre-tax, or €3.0 million post tax, in the second quarter) and mainly corresponded to severances. Under the capitalized expenditure caption in the cash flow statement, €6.3 million (€3.1 million in the second quarter), largely related to costs incurred for office buildings and facilities, were reported.

In the first half of 2021, we paid cost saving program implementation costs amounting to €74.8 million (€31.5 million in the second quarter). Of these cash-outs, an amount of €6.3 million was reported under the capitalized expenditure caption in the cash flow statement in the first half of 2021 (€3.1 million in the second quarter). The remaining €68.5 million were reported, partly under the EBITDA (€19.3 million) and partly under the Change in working capital (€49.2 million) captions in the cash flow statement in the first half of 2021 (€4.2 million under EBITDA and €24.2 million under Change in working capital, in the second quarter).

Since the implementation of our cost efficiency plan, the related implementation costs incurred amounted to €194.8 million, of which €108.9 million have been paid.

For purposes of comparability with 2020 and 2019, income statement figures shown in section 5 have been adjusted to exclude cost saving program implementation costs. A reconciliation of these figures to the financial statements is provided below.

	Apr-Jun 2021			Jan-Jun 2021		
Income statement (€millions)	Excl. implementation costs	Implementation costs	As reported	Excl. implementation costs	Implementation costs	As reported
Group revenue	624.4	0.0	624.4	1,121.0	0.0	1,121.0
Cost of revenue	(102.0)	0.0	(102.0)	(177.1)	0.0	(177.1)
Personnel expenses	(312.5)	(4.3)	(316.8)	(649.2)	(19.0)	(668.3)
Other op. expenses	(64.6)	0.1	(64.5)	(95.7)	(0.3)	(95.9)
EBITDA	145.3	(4.2)	141.1	199.0	(19.3)	179.7
Dep. and amortization	(160.1)	0.0	(160.1)	(322.8)	0.0	(322.8)
Operating income (loss)	(14.7)	(4.2)	(18.9)	(123.8)	(19.3)	(143.1)
Net financial expense	(29.4)	0.0	(29.4)	(54.3)	0.0	(54.3)
Other income (expense)	3.3	0.0	3.3	3.1	0.0	3.1
Profit before income taxes	(40.9)	(4.2)	(45.1)	(175.0)	(19.3)	(194.3)
Income taxes	11.4	1.2	12.6	49.0	5.4	54.4
Profit (Loss) after taxes	(29.4)	(3.0)	(32.4)	(126.0)	(13.9)	(139.9)
Share in profit assoc/JV	(5.6)	0.0	(5.6)	(4.3)	0.0	(4.3)
Profit (Loss) for the period	(35.0)	(3.0)	(38.0)	(130.3)	(13.9)	(144.2)
EPS (€)	(0.08)	0.00	(0.08)	(0.29)	(0.03)	(0.32)
Adjusted profit (Loss)	(23.6)	0.0	(23.6)	(106.7)	0.0	(106.7)
Adjusted EPS (€)	(0.05)	0.00	(0.05)	(0.24)	0.00	(0.24)

4. Main financial risks and hedging policy

4.1 Foreign exchange rate risk

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

Exposure to foreign currencies

Our revenue is almost entirely generated either in Euro or in US Dollar (the latter representing 40%-50% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 55%-65% of our operating costs[9] are denominated in many currencies different from the Euro, including the US Dollar, which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

[9] Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes depreciation and amortization expense.

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.

Both in the second quarter and the first half of 2021, foreign exchange fluctuations had a negative impact on revenue and a positive impact on costs and EBITDA, relative to 2020.

4.2 Interest rate risk

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

At June 30, 2021, 23% of our total financial debt[10] (mainly related to the European Commercial Paper Program and two Eurobond issues) was subject to floating interest rates, indexed to the EURIBOR. As of this date, no interest rate hedges were in place.

4.3 Treasury 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 500,000 shares and a maximum of 1,800,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

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

5. Group income statement

Q2 Income statement (€millions)	Apr-Jun 2021[1]	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Revenue	624.4	259.5	140.6%	(56.0%)
Cost of revenue	(102.0)	7.8	n.m.	(72.0%)
Personnel and related expenses	(312.5)	(357.5)	(12.6%)	(18.4%)
Other operating expenses	(64.6)	(65.2)	(0.9%)	(23.9%)
EBITDA	145.3	(155.4)	n.m.	(75.3%)
Depreciation and amortization	(160.1)	(239.1)	(33.1%)	(12.3%)
Operating income (loss)	(14.7)	(394.5)	(96.3%)	(103.6%)
Net financial expense	(29.4)	(29.8)	(1.3%)	16.5%
Other income (expense)	3.3	(0.2)	n.m.	(74.4%)
Profit (loss) before income tax	(40.9)	(424.5)	(90.4%)	(110.4%)
Income taxes	11.4	110.9	(89.7%)	(111.4%)
Profit (loss) after taxes	(29.4)	(313.5)	(90.6%)	(110.0%)
Share in profit from assoc./JVs	(5.6)	(1.2)	364.6%	(342.9%)
Profit (loss) for the period	(35.0)	(314.7)	(88.9%)	(111.8%)
EPS (€)	(0.08)	(0.70)	(88.9%)	(111.3%)
Adjusted profit (loss)[2]	(23.6)	(231.0)	(89.8%)	(107.2%)
Adjusted EPS (€)[3]	(0.05)	(0.51)	(89.8%)	(106.8%)

[1] 2021 figures adjusted to exclude costs amounting to €4.2 million (€3.0 million post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 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) other non-operating, non-recurring effects.
[3] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

H1 Income statement (€millions)	Jan-Jun 2021[1]	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Revenue	1,121.0	1,281.2	(12.5%)	(60.3%)
Cost of revenue	(177.1)	(199.0)	(11.0%)	(75.5%)
Personnel and related expenses	(649.2)	(734.9)	(11.7%)	(13.7%)
Other operating expenses	(95.7)	(153.2)	(37.6%)	(42.8%)
EBITDA	199.0	194.1	2.6%	(83.2%)
Depreciation and amortization	(322.8)	(430.1)	(24.9%)	(8.1%)
Operating income (loss)	(123.8)	(236.0)	(47.5%)	(114.9%)
Net financial expense	(54.3)	(33.7)	60.8%	18.2%
Other income (expense)	3.1	(0.2)	n.m.	(75.3%)
Profit (loss) before income tax	(175.0)	(269.9)	(35.2%)	(121.9%)
Income taxes	49.0	76.9	(36.3%)	(123.6%)
Profit (loss) after taxes	(126.0)	(193.0)	(34.7%)	(121.3%)
Share in profit from assoc./JVs	(4.3)	(3.9)	10.2%	(266.0%)
Profit (loss) for the period	(130.3)	(196.9)	(33.8%)	(121.9%)
EPS (€)	(0.29)	(0.45)	(35.4%)	(120.9%)
Adjusted profit (loss)[2]	(106.7)	(89.2)	19.7%	(116.1%)
Adjusted EPS (€)[3]	(0.24)	(0.20)	17.0%	(115.3%)

[1] 2021 figures adjusted to exclude costs amounting to €19.3 million (€13.9 million post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 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) other non-operating, non-recurring effects.
[3] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

For purposes of comparability with 2020 and 2019, figures shown in section 5 (Group income statement) have been adjusted to exclude cost saving program implementation costs, amounting to €19.3 million (€13.9 million post tax) in the first half of 2021, and €4.2 million (€3.0 million post tax) in the second quarter of 2021.

5.1 Revenue

In the second quarter of 2021, revenue amounted to €624.4 million, a decrease of 56.0% relative to the same period in 2019. This growth rate represents an enhancement over the -64.7% revenue growth rate delivered in the first quarter of 2021, supported by segment revenue growth improvements in both Distribution and IT Solutions. Compared to the same period in 2019, Distribution revenue contracted by 66.4% in the second quarter, a 10.7 p.p. improvement vs. the -77.1% growth rate reported in the first quarter. IT Solutions revenue decreased by 42.8% in the second quarter, relative to the same period in 2019, also an improvement compared to the 46.3% revenue contraction reported in the first quarter. With respect to 2020, Group revenue in the second quarter increased by 140.6%, as traffic continues to improve from the low it reached in the same quarter of prior year.

In the first half of 2021, revenue declined by 60.3% vs. the same period of 2019.

Q2 Revenue (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Distribution revenue	267.6	(15.9)	n.m.	(66.4%)
IT Solutions revenue	356.8	275.4	29.5%	(42.8%)
Revenue	624.4	259.5	140.6%	(56.0%)

H1 Revenue (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Distribution revenue	460.1	441.6	4.2%	(71.9%)
IT Solutions revenue	660.9	839.6	(21.3%)	(44.4%)
Revenue	1,121.0	1,281.2	(12.5%)	(60.3%)

5.1.1 Distribution

Evolution of Amadeus bookings

Q2 Operating KPI	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
TA air bookings (m)	47.1	(19.1)	n.m.	(67.6%)
Non air bookings (m)	7.8	2.4	217.4%	(53.4%)
Total bookings (m)	54.8	(16.7)	n.m.	(66.1%)

H1 Operating KPI	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
TA air bookings (m)	80.8	65.9	22.7%	(73.7%)
Non air bookings (m)	12.9	17.0	(24.3%)	(62.0%)
Total bookings (m)	93.7	82.9	13.0%	(72.6%)

In the second quarter of 2021, Amadeus travel agency air bookings declined by 67.6% compared to the same period in 2019, an enhancement from the 79.2% air booking reduction we reported in the first quarter of

(millions of euros)

2021. The Amadeus air booking growth rates vs. 2019 gradually improved each month during the quarter, with an acceleration in the month of June.

All regions reported air booking performance enhancements in the second quarter of 2021, relative to the first quarter of 2021 (vs. 2019). The regions that reported the largest growth rate accelerations were North America, which improved its booking performance from -67.9% in the first quarter of 2021 to -48.9% in the second quarter of 2021, and Western Europe, which delivered an enhanced volume growth rate of -76.6% in the second quarter, compared to -89.3% in the first quarter of 2021. Central, Eastern and Southern Europe and Latin America also showed notable booking growth rate improvements in the second quarter of 2021.

In the first six months of 2021, Amadeus' travel agency air bookings decreased by 73.7% vs. the first half of 2019.

Amadeus TA air bookings	Jul-Sep 2020 vs. 2019	Oct-Dec 2020 vs. 2019	Jan-Mar 2021 vs. 2019	Apr-Jun 2021 vs. 2019
Western Europe	(95.3%)	(87.3%)	(89.3%)	(76.6%)
North America	(83.4%)	(72.5%)	(67.9%)	(48.9%)
Middle East and Africa	(84.5%)	(67.8%)	(67.4%)	(61.0%)
CESE[1]	(78.0%)	(71.5%)	(67.6%)	(55.5%)
Asia-Pacific	(96.7%)	(89.1%)	(88.6%)	(86.8%)
Latin America	(89.9%)	(68.7%)	(70.5%)	(61.4%)
Amadeus TA air bookings	(89.8%)	(79.4%)	(79.2%)	(67.6%)

[1] Central, Eastern and Southern Europe.

Amadeus' non air bookings decreased by 53.4% in the second quarter of 2021 vs. the same period of 2019, an enhancement over the first quarter performance of -70.3%. All products reported progress vs. the first quarter of 2021 (relative to 2019), most notably, hotel and car rental bookings.

Revenue

In the second quarter of 2021, Distribution revenue amounted to €267.6 million, a 66.4% contraction relative to the second quarter of 2019 and a notable improvement over the revenue performance delivered in the first quarter of 2021. The Distribution revenue contraction vs. 2019 resulted from the reduction in booking volumes explained above. Distribution revenue per booking diluted slightly vs. 2019, impacted by a negative effect from the cancellation provision and the higher weight of local bookings (driven by the faster recovery in domestic air traffic compared to international air traffic). This was partly offset by contractions in non-booking related revenue lines, such as revenues from travel agency IT solutions, albeit at softer rates than the travel agency bookings decline.

In the first half of 2021, Distribution revenue decreased by 71.9% vs. the same period of 2019, driven by the reduction in booking volumes.

5.1.2 IT Solutions

Evolution of Amadeus Passengers boarded

Q2 Passengers boarded (millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Total passengers boarded	164.9	31.3	427.6%	(67.7%)

H1 Passengers boarded (millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Total passengers boarded	292.1	415.2	(29.6%)	(69.2%)

In the second quarter of 2021, Amadeus passengers boarded monthly growth rates improved sequentially, most notably in June, contracting by 67.7% in the quarter vs. the second quarter of 2019. This was an enhancement over the -70.8% reported in the first quarter of 2021, relative to 2019.

In the second quarter, all regions except Asia-Pacific (impacted by the COVID-19 situation in India) and Middle East and Africa, reported improvements in the passengers boarded performances relative to the first quarter, vs. 2019. North America showed a clear acceleration, with PB declining by 19.8% in the second quarter, compared to -46.0% in the first quarter, all vs. 2019. In Western Europe, Amadeus volumes contracted by 81.5% in the second quarter vs. 2019, from -88.0% reported in the first quarter.

Amadeus' first half passengers boarded decreased by 69.2% vs. the first half of 2019.

Passengers Boarded	Jul-Sep 2020 vs. 2019	Oct-Dec 2020 vs. 2019	Jan-Mar 2021 vs. 2019	Apr-Jun 2021 vs. 2019
North America	(58.9%)	(58.0%)	(46.0%)	(19.8%)
Asia-Pacific	(83.3%)	(75.3%)	(74.4%)	(81.0%)
Western Europe	(75.7%)	(83.1%)	(88.0%)	(81.5%)
Latin America	(77.2%)	(48.2%)	(47.8%)	(47.2%)
CESE[1]	(53.1%)	(62.4%)	(55.3%)	(48.6%)
Middle East and Africa	(85.0%)	(72.4%)	(67.3%)	(67.5%)
Amadeus PB	(74.9%)	(72.4%)	(70.8%)	(67.7%)

[1] Central, Eastern and Southern Europe.

Revenue

In the second quarter of 2021, IT Solutions revenue contracted by 42.8% vs. the same period of 2019. This revenue contraction, an enhancement over prior quarters, was driven by the reduced airline passengers boarded volumes, impacted by the COVID-19 pandemic, coupled with a decrease in other revenue lines, albeit at a softer rate than airline passengers boarded, due to either (i) their non-transactional nature (such as services, subscription-based or license-based revenues), or (ii) linked to transactions less impacted by the COVID-19 disruption (such as in hospitality).

5.2 Group operating costs

5.2.1 Cost of revenue

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

In the second quarter of 2021, cost of revenue amounted to €102.0 million, a 72.0% reduction vs. the same period of 2019. Cost of revenue was impacted by the sharp reduction in air booking volumes due to the COVID-19 pandemic over the period, as detailed in section 5.1.1.

5.2.2 Personnel and related expenses and other operating expenses

Resulting from our fixed cost reduction plans announced in 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 Personnel and Other operating expenses cost line in the first half of 2021 vs. the same period of 2020 (excluding cost saving program implementation costs) of €143.3 million, or 16.1%. Excluding bad debt effects also (and cost saving program implementation costs), our combined operating expenses cost line declined by €111.3 million, or by 13.2%, in the first half of 2021, relative to the same period of 2020. Compared to the first six months of 2019, our combined Personnel and Other operating expenses lines (excluding bad debt effects and implementation costs) decreased by €172.0 million, or 19.1%.

Q2 Personnel + Other op. expenses (€millions)	Apr-Jun 2021[1]	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Personnel + Other operating expenses	(377.0)	(422.7)	(10.8%)	(19.4%)

[1] Figures adjusted to exclude costs amounting to €4.2 million, incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

H1 Personnel + Other op. expenses (€millions)	Jan-Jun 2021[1]	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Personnel + Other operating expenses	(744.9)	(888.1)	(16.1%)	(19.0%)

[1] Figures adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

5.2.3 Depreciation and amortization

In the second quarter of 2021, depreciation and amortization expense amounted to €160.1 million, a reduction of 33.1% vs. the same period of 2020 (-12.3% vs. the same quarter of 2019). In the first six months of 2021, depreciation and amortization expense was 24.9% lower than the first half of 2020 (8.1% lower than the first half of 2019). This first half reduction vs. prior year resulted from:

- A 1.9% increase in ordinary D&A, primarily caused by (i) higher amortization expense, due to an increase in capitalized, internally developed assets, largely offset by (ii) a contraction in depreciation, driven by a reduction in leased office space and the termination of some building rental contracts, as a result of the cost reduction programs put in place in 2020.
- A 62.1% decrease in amortization from purchase price allocation exercises, due to certain assets which reached the end of their useful lives at the end of the second quarter of 2020.
- €0.5 million impairment losses accounted for in the first six months of 2021, vs. €64.6 million posted in the first half of 2020. 2020 impairment losses were largely driven by the COVID-19 impact on the travel

industry, and related to some customers ceasing operations or cancelling contracts, as well as some assets that were not expected to deliver the benefits over the same timeframe as before.

Q2 Depreciation & Amortization (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Ordinary D&A	(145.4)	(138.0)	5.3%	4.9%
Amortization derived from PPA	(14.7)	(38.0)	(61.4%)	(61.4%)
Impairments	0.0	(63.1)	n.m.	n.m.
D&A expense	(160.1)	(239.1)	(33.1%)	(12.3%)

H1 Depreciation & Amortization (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Ordinary D&A	(292.8)	(287.5)	1.9%	8.5%
Amortization derived from PPA	(29.5)	(78.0)	(62.1%)	(61.0%)
Impairments	(0.5)	(64.6)	(99.3%)	(91.8%)
D&A expense	(322.8)	(430.1)	(24.9%)	(8.1%)

5.3 EBITDA and Operating income

In the second quarter of 2021, EBITDA (excluding cost reduction program implementation costs of €4.2 million) amounted to €145.3 million, a contraction of 75.3% vs. the same period of 2019. The second quarter EBITDA evolution was an improvement vs. the -91.0% contraction reported in the first quarter to 2021 (vs. 2019), supported by enhanced booking and PB volumes performances and continued cost efficiency (see sections 5.1 and 5.2 above). In turn, Operating income contracted by 103.6% in the second quarter of 2021, vs. the same period of 2019, driven by the negative EBITDA growth and a decrease in depreciation and amortization expense of 12.3% relative to 2019 (as described in section 5.2.3).

Q2 Operating income – EBITDA (€millions)	Apr-Jun 2021[1]	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Operating income (loss)	(14.7)	(394.5)	(96.3%)	(103.6%)
D&A expense	160.1	239.1	(33.1%)	(12.3%)
EBITDA	145.3	(155.4)	n.m.	(75.3%)

[1] Adjusted to exclude costs amounting to €4.2 million, incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

H1 Operating income – EBITDA (€millions)	Jan-Jun 2021[1]	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Operating income (loss)	(123.8)	(236.0)	(47.5%)	(114.9%)
D&A expense	322.8	430.1	(24.9%)	(8.1%)
EBITDA	199.0	194.1	2.6%	(83.2%)

[1] Adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.

In the first half of 2021, EBITDA and Operating income contracted by 83.2% and 114.9%, respectively, vs. 2019. EBITDA evolution in the six-month period (excluding cost saving program implementation costs), relative to 2019, was driven by:

- A 79.8% decrease in Distribution contribution, resulting from a decline in revenue of 71.9%, as explained in section 5.1.1 above, and a 64.9% reduction in net operating costs, which mainly resulted from (i) a decline in variable costs, driven by the booking volume evolution, and (ii) a reduction in net fixed costs, impacted by our cost reduction measures.
- A 55.9% contraction in our IT Solutions contribution, as a result of a 44.4% revenue decrease, as explained in section 5.1.2, and a 23.1% net operating costs reduction, supported by cost saving measures.
- A 16.8% decline in indirect costs, impacted by the cost containment measures announced in 2020.

Contribution by segment and EBITDA (€millions)	Jan-Jun 2021[1]	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Distribution				
Revenue	460.1	441.6	4.2%	(71.9%)
Net operating costs	(305.1)	(342.6)	(10.9%)	(64.9%)
Contribution	155.0	99.0	56.6%	(79.8%)
IT Solutions				
Revenue	660.9	839.6	(21.3%)	(44.4%)
Net operating costs	(319.3)	(428.4)	(25.5%)	(23.1%)
Contribution	341.6	411.3	(16.9%)	(55.9%)
Net indirect costs	(297.6)	(316.2)	(5.9%)	(16.8%)
EBITDA	199.0	194.1	2.6%	(83.2%)

[1] Adjusted to exclude costs amounting to €19.3 million, incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020. See section 3 for more detail.

5.4 Net financial expense

In the second quarter of 2021, net financial expense amounted to an expense of €29.4 million, a decrease of €0.4 million, or 1.3%, vs. the same period of 2020. Interest expense increased by 32.3%, as a consequence of both a higher average gross debt outstanding and a higher average cost of debt, driven by the new financings undertaken in 2020. This effect was more than offset by a reduction in exchange losses by €9.4 million in the quarter, compared to the second quarter of 2020.

In the first six months of 2021, net financial expense grew by 60.8% vs. the same period in 2020, due to a higher interest expense, linked to the new financings arranged in 2020.

Q2 Net financial expense (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Financial income	2.0	4.6	(56.0%)	234.2%
Interest expense	(24.7)	(18.7)	32.3%	133.1%
Other financial expenses	(2.8)	(2.4)	19.4%	56.2%
Exchange losses	(3.9)	(13.3)	(71.0%)	(71.2%)
Net financial expense	(29.4)	(29.8)	(1.3%)	16.5%

H1 Net financial expense (€millions)	Jan-Jun 2021	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Financial income	6.5	4.9	34.3%	831.3%
Interest expense	(49.7)	(28.0)	77.6%	138.8%
Other financial expenses	(6.4)	(5.9)	9.4%	56.1%
Exchange losses	(4.7)	(4.7)	(1.4%)	(78.4%)
Net financial expense	(54.3)	(33.7)	60.8%	18.2%

5.5 Income taxes

In the first half of 2021, income taxes (adjusted to exclude the €5.4 million tax impact from the implementation costs related to cost saving programs) amounted to an income of €49.0 million. The Group income tax rate for the period was 28.0%, lower than the 28.5% income tax rate reported in the first six months of 2020, and the 29.5% income tax rate reported for 2020. In comparison with the full-year 2020 rate, the reduction was mainly driven by (i) a lower corporate tax rate in France starting in 2021, in accordance with government regulatory changes, and (ii) non-recurring adjustments to deferred tax liabilities impacting the 2020 income tax rate positively.

5.6 Profit (loss) for the period. Adjusted profit (loss)

5.6.1 Reported and Adjusted profit (loss)

In the second quarter of 2021, Reported profit (adjusted to exclude post-tax costs amounting to €3.0 million, related to the implementation of the cost saving program announced in the second quarter of 2020) amounted to losses of €35.0 million, a contraction of 111.8% vs. the same period of 2019. In turn, Adjusted profit decreased by 107.2% to a loss of €23.6 million (excluding cost saving program implementation costs), relative to 2019. In the first half, reported profit amounted to losses of €130.3 million, and adjusted profit to losses of €106.7 million, a reduction of 121.9% and 116.1%, respectively.

Q2 Reported-Adj. profit (loss) (€millions)	Apr-Jun 2021[1]	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Reported profit (loss)	(35.0)	(314.7)	(88.9%)	(111.8%)
Adjustments				
Impact of PPA[2]	11.0	28.7	(61.8%)	(62.4%)
Impairments[2]	0.0	44.9	0.0%	0.0%
Non-operating FX[3]	2.8	10.1	(72.4%)	(73.3%)
Non-recurring items	(2.3)	0.1	n.m.	(75.7%)
Adjusted profit (loss)	(23.6)	(231.0)	(89.8%)	(107.2%)

[1] Adjusted to exclude costs amounting to €3.0 million (post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.
[2] After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
[3] After tax impact of non-operating exchange gains (losses).

H1 Reported-Adj. profit (loss) (€millions)	Jan-Jun 2021[1]	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Reported profit (loss)	(130.3)	(196.9)	(33.8%)	(121.9%)
Adjustments				
Impact of PPA[2]	22.0	58.1	(62.1%)	(62.2%)
Impairments[2]	0.3	46.1	(99.3%)	(92.3%)
Non-operating FX[3]	3.4	3.4	(0.7%)	(79.5%)
Non-recurring items	(2.2)	0.2	n.m.	(77.1%)
Adjusted profit (loss)	(106.7)	(89.2)	19.7%	(116.1%)

[1] Adjusted to exclude costs amounting to €13.9 million (post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.
[2] After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
[3] After tax impact of non-operating exchange gains (losses).

(millions of euros)

5.6.2 Earnings (loss) per share (EPS)

The table below shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed in section 5.6.1). In the first half of 2021, our reported EPS (excluding cost saving program implementation costs) decreased by 120.9% to a loss of €0.29, and our adjusted EPS by 115.3% to a loss of €0.24, compared to the first half of 2019.

Q2 Earnings per share	Apr-Jun 2021[1]	Apr-Jun 2020	Change vs. Q2'20	Change vs. Q2'19
Weighted average issued shares (m)	450.5	449.9	0.1%	2.5%
Weighted av. treasury shares (m)	(0.3)	(0.6)	(50.7%)	(92.8%)
Outstanding shares (m)	450.2	449.3	0.2%	4.3%
EPS (€)[2]	(0.08)	(0.70)	(88.9%)	(111.3%)
Diluted EPS (€)[2]	(0.07)	(0.68)	(89.5%)	(110.3%)
Adjusted EPS (€)[3]	(0.05)	(0.51)	(89.8%)	(106.8%)
Diluted adjusted EPS (€)[3]	(0.05)	(0.49)	(90.6%)	(106.0%)

[1] Adjusted to exclude costs amounting to €3.0 million (post tax), incurred in the second quarter of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.
[2] EPS and diluted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Profit attributable to the parent company. EPS is calculated based on weighted average outstanding shares of the period.
[3] Adjusted EPS and diluted adjusted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Adjusted profit attributable to the parent company. Adjusted EPS is calculated based on weighted average outstanding shares of the period.

H1 Earnings per share	Jan-Jun 2021[1]	Jan-Jun 2020	Change vs. H1'20	Change vs. H1'19
Weighted average issued shares (m)	450.5	440.6	2.3%	2.2%
Weighted av. treasury shares (m)	(0.2)	(0.5)	(48.8%)	82.8%
Outstanding shares (m)	450.3	440.1	2.3%	2.1%
EPS (€)[2]	(0.29)	(0.45)	(35.4%)	(120.9%)
Diluted EPS (€)[2]	(0.27)	(0.43)	(36.7%)	(119.6%)
Adjusted EPS (€)[3]	(0.24)	(0.20)	17.0%	(115.3%)
Diluted adjusted EPS (€)[3]	(0.22)	(0.19)	15.1%	(114.3%)

[1] Adjusted to exclude costs amounting to €13.9 million (post tax), incurred in the first half of 2021, related to the implementation of the cost saving program announced in the second quarter of 2020.
[2] EPS and diluted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Profit attributable to the parent company. EPS is calculated based on weighted average outstanding shares of the period.
[3] Adjusted EPS and diluted adjusted EPS (dilution effect related to the potential conversion of the convertible bonds into ordinary shares) corresponding to the Adjusted profit attributable to the parent company. Adjusted EPS is calculated based on weighted average outstanding shares of the period.

6. Other financial information

6.1 Statement of financial position (condensed)

Statement of financial position (€millions)	Jun 30,2021	Dec 31,2020	Change
Intangible assets	3,940.0	3,946.9	(6.9)
Goodwill	3,584.8	3,539.8	45.0
Property, plant and equipment	295.1	347.7	(52.6)
Other non-current assets	801.2	748.2	53.0
Non-current assets	8,621.1	8,582.6	38.5
Cash and equivalents	1,490.3	1,555.1	(64.8)
Other current assets[1]	1,528.0	1,562.4	(34.4)
Current assets	3,018.3	3,117.5	(99.2)
Total assets	**11,639.4**	**11,700.1**	**(60.7)**
Equity	3,656.6	3,755.3	(98.7)
Non-current debt	4,346.9	4,343.0	3.9
Other non-current liabilities	1,207.5	1,209.3	(1.8)
Non-current liabilities	5,554.4	5,552.3	2.1
Current debt	1,411.0	1,320.6	90.4
Other current liabilities	1,017.4	1,071.9	(54.5)
Current liabilities	2,428.4	2,392.5	35.9
Total liabilities and equity	**11,639.4**	**11,700.1**	**(60.7)**
Net financial debt (as per financial statements)[1]	3,381.3	3,208.0	173.3

[1] Other current assets include €886.3 million short term investments that have been included in Net financial debt as per financial statements as they are considered cash equivalent assets under our credit facility agreements´ definition.

6.1.1 Financial indebtedness

Indebtedness[1] (€millions)	Jun 30, 2021	Dec 31, 2020	Change
Long term bonds	3,250.0	3,250.0	0.0
Short term bonds	1,000.0	500.0	500.0
Convertible bonds	750.0	750.0	0.0
European Commercial Paper	200.0	622.0	(422.0)
European Investment Bank loan	230.0	262.5	(32.5)
Obligations under finance leases	96.0	68.4	27.6
Other debt with financial institutions	106.4	76.6	29.8
Financial debt	5,632.4	5,529.5	102.9
Cash and cash equivalents	(1,490.3)	(1,555.1)	(64.8)
Other current financial assets[2]	(886.3)	(900.5)	(14.2)
Net financial debt	3,255.8	3,073.9	181.9
Reconciliation with financial statements			
Net financial debt (as per financial statements)	3,381.3	3,208.0	173.3
Operating lease liabilities	(157.4)	(178.0)	20.5
Interest payable	(32.4)	(28.4)	(4.0)
Convertible bonds	30.8	34.6	(3.8)
Deferred financing fees	33.5	37.4	(3.9)
EIB loan adjustment	0.1	0.2	(0.1)
Net financial debt (as per credit facility agreements)	3,255.8	3,073.9	181.9

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

Net financial debt, as per our credit facility agreements' terms, amounted to €3,255.8 million at June 30, 2021.

The main changes to our debt in the first half of 2021, were:

- On February 2, 2021 Amadeus issued a €500 million Floating Rate Note with a two-year term and an optional redemption for the issuer within 374 days after the issuance date. The notes have a variable 3-month Euribor interest rate plus 65 basic points rate and an issue price of 100.101% of its nominal value.
- The decrease in the use of the Multi-Currency European Commercial Paper program by a net amount of €422.0 million.
- The repayment of €32.5 million related to our European Investment Bank (EIB) loan, as scheduled.

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 June 30, 2021.

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 €157.4 million at June 30, 2021, (ii) does not include the accrued interest payable (€32.4 million at June 30, 2021) 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 (€9.3 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 €33.5 million at June 30, 2021), 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 (€0.1 million at June 30, 2021).

6.2 Group cash flow

Consolidated Cash Flow (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change
EBITDA	141.1	(155.4)	n.m.	179.7	194.1	(7.4%)
Change in working capital	(91.8)	(185.2)	(50.4%)	(32.9)	(70.6)	(53.5%)
Capital expenditure	(110.1)	(113.0)	(2.6%)	(214.2)	(264.5)	(19.0%)
Pre-tax operating cash flow	(60.8)	(453.6)	(86.6%)	(67.3)	(141.0)	(52.3%)
Cash taxes	(12.8)	20.6	n.m.	(20.0)	1.3	n.m.
Interest & financial fees paid	(36.4)	(29.1)	24.8%	(34.6)	(32.6)	5.9%
Free cash flow	(110.0)	(462.1)	(76.2%)	(121.8)	(172.4)	(29.3%)
Equity investment	0.0	0.2	0.0%	(0.2)	(39.4)	(99.4%)
Non-operating items	(8.7)	(35.4)	(75.3%)	0.6	(34.0)	n.m.
Debt payment	(304.3)	1,471.2	n.m.	10.7	1,594.5	n.m.
Cash from (to) shareholders	(14.2)	727.6	n.m.	(14.2)	469.5	n.m.
Short-term financial flows[1]	19.0	0.0	n.m.	60.0	0.0	n.m.
Change in cash	(418.2)	1,701.5	n.m.	(65.0)	1,818.1	n.m.
Cash and cash equivalents, net[2]						
Opening balance	1,907.0	677.7	181.4%	1,553.9	561.0	177.0%
Closing balance	1,488.9	2,379.1	(37.4%)	1,488.9	2,379.1	(37.4%)

[1] Mainly related to hedge results from USD-denominated short term investments, which are 100% hedged.
[2] Cash and cash equivalents are presented net of overdraft bank accounts.

Amadeus Group free cash flow amounted to -€110.1 million in the second quarter of 2021. Excluding €31.5 million cost saving program implementation costs paid in the quarter, free cash flow amounted to -€78.5 million in the second quarter of 2021. Amadeus' first half of 2021 free cash flow amounted to -€121.8 million, or -€47.0 million excluding cost saving program implementation costs paid in the period. See further details on the implementation costs in section 3.

6.2.1 Change in working capital

Change in working capital amounted to an outflow of €91.8 million in the second quarter of 2021. Change in working capital was negatively impacted by cost saving program implementation costs amounting to €24.2 million, paid in the second quarter of 2021. Excluding these, Change in working capital amounted to an outflow of €67.6 million in the second quarter of 2021, mainly resulting from (i) a net outflow driven by collections and payments from previous periods vs. revenues and expenses accounted for in the second quarter of 2021, and (ii) timing differences in collections and payments, including, among others, personnel related payments, accrued for in 2020 and paid in the second quarter of 2021, as scheduled.

In the first six months of 2021, Change in working capital amounted to an outflow of €32.9 million, or an inflow of €16.4 million, if cost saving program implementation costs paid in the period are excluded. Change in working capital inflow (adjusted for the cost saving program implementation costs paid) mainly resulted from (i) a net inflow driven by collections and payments from previous periods vs. revenues and expenses accounted for in the first half of 2021, partly offset by (ii) timing differences in collections and payments, including, among others, the above mentioned personnel related payments.

6.2.2 Capital expenditure, R&D investment

Capital expenditure

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

Capital Expenditure (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change
Capital Expenditure in intangible assets	102.8	104.1	(1.2%)	198.2	241.8	(18.0%)
Capital Expenditure PP&E	7.3	8.9	(18.1%)	16.0	22.7	(29.5%)
Capital Expenditure	110.1	113.0	(2.6%)	214.2	264.5	(19.0%)

In the first six months of 2021, capex declined by €50.3 million, or 19.0%, compared to the first half of 2020. Capex in intangible assets decreased by €43.6 million, or 18.0%, mainly as a result of lower capitalizations from software development, in turn driven by a 23.4% decline in R&D investment. The decrease in R&D investment resulted from the COVID-19 impact on our business, in response to which we have prioritized our most strategic and important projects over others and have postponed more long-term initiatives. Also, a lower amount of signing bonuses was paid in the six-month period, compared to signing bonuses paid in the first half of 2020. On the other hand, capex in property, plant and equipment declined by €6.7 million, or 29.5%, in the first half of 2021 vs. the same period of 2020, mostly due to a reduction in hardware investment.

R&D investment (€millions)	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change
R&D investment	183.5	222.2	(17.4%)	364.3	475.7	(23.4%)

R&D investment amounted to €183.5 million in the second quarter of 2021, driving first half investment to €364.3 million. Our main projects included, among others:

- Ongoing efforts for NDC. Investments related to the evolution of our platform and airline solutions to combine content from different sources (existing technology, NDC and content from aggregators and other sources), ensuring easy adoption in the marketplace with minimal disruption.
- For the hospitality industry: continued efforts devoted to the evolution of our hospitality platform to integrate our offering, resources dedicated to the development of our modular and combined central

(millions of euros)

reservation system and property management system and further enhancements to our sales and catering technology stack.

- Investments in digitalization and enhanced shopping, retailing and merchandizing tools.
- Continued shift to cloud services and next-generation technologies, including the application of artificial intelligence and machine learning to our product portfolio.
- Efforts related to customer implementations across our businesses.

7. Investor information

7.1 Capital stock. Share ownership structure

At June 30, 2021, Amadeus' capital stock amounted to €4,504,992.05, represented by 450,499,205 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2021 is as described in the table below:

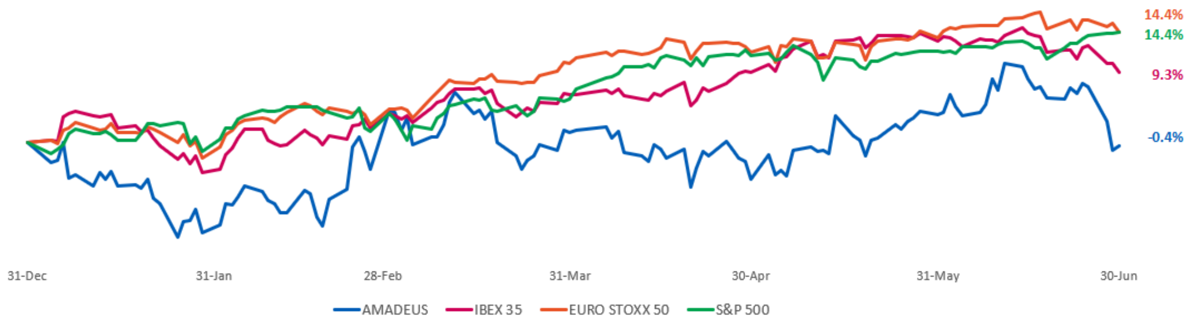
Shareholders	Shares	% Ownership
Free float	450,083,789	99.91%
Treasury shares[1]	326,636	0.07%
Board members	88,780	0.02%
Total	450,499,205	100.00%

[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.

Following the partial cancellation on March 23, 2020 of the share repurchase program announced on February 28, 2020 in response to the COVID-19 situation, on May 7, 2021, Amadeus announced a share repurchase program for a maximum investment of €44 million, or 550,000 shares (representing 0.12% of share capital), to meet the obligations related to the allocation of shares to employees, Senior Management and CEO of the Amadeus Group for the years 2021 and 2022. The program execution period is from May 10, 2021 to December 31, 2021, with a minimum of 70,000 shares to be acquired before or on June 30, 2021. As of June 30, 2021, 138,069 shares had been acquired under this program.

On June 15, 2021, Amadeus announced a share repurchase program for a maximum investment of €7.2 million, or 90,000 shares (representing 0.019% of share capital), 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 2021. The maximum investment under this program was reached on June 28, 2021.

7.2 Share price performance in 2021



Key trading data (as of June 30, 2021)	
Number of publicly traded shares (# shares)	450,499,205
Share price at June 30, 2021 (in €)	59.32
Maximum share price in 2021 (in €) (June 11, 2021)	65.70
Minimum share price in 2021 (in €) (January 25, 2021)	52.26
Market capitalization at June 30, 2021 (in € million)	26,723.6
Weighted average share price in 2021 (in €)[1]	59.05
Average daily volume in 2021 (# shares)	1,043,075.0

[1] Excluding cross trade

7.3 Shareholder remuneration

On January 17, 2020 an interim dividend of €0.56 per share (gross), corresponding to the 2019 profit, was paid in full. The complementary dividend of €0.74 per share corresponding to the 2019 profit, proposed by the Board of Directors of Amadeus on February 27, 2020, was subsequently cancelled, as part of a set of measures that Amadeus announced in response to the COVID-19 pandemic.

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

8. Other additional information

8.1 Key risk factors and uncertainties

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

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

Risk of disruptions to travel

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

Risks related to the current macro-economic environment

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

In the past, global air traffic has grown at a multiple of global GDP growth. However, fighting the COVID-19 pandemic has required isolation, lockdowns, and widespread closures leading to a severe impact on the world economy, but particularly in the travel industry. As a result, the performance of air traffic has decoupled from the performance of world GDP.

In April 2021, the IMF reported that the global economy contracted sharply in 2020, by -3.3%[11], but estimate growth of +6.0% in 2021.

According to IATAs latest estimate, air traffic will decline by -57% in 2021[12] (vs. 2019), an improvement on the -66% decline in air traffic seen in 2020, but still implying low levels of air travel. Most forecasts agree that the unprecedented decline in travel volumes during 2020 will require a recovery period of three to five years.

Execution risk related to the migration of new customers

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

8.2 Environmental sustainability

In 2020 the travel industry reinforced its commitment to sustainability, as the COVID-19 pandemic revealed that the vulnerability of the industry was previously underestimated. We acknowledge our responsibility to minimize Amadeus' environmental impact and to contribute to the sustainability of the travel industry.

Travel industry sustainability and climate change are global challenges, we need to work in cooperation with industry stakeholders to provide global solutions. In this context, Amadeus has reinforced its strategy to address environmental concerns, both internally and in collaboration with industry stakeholders. Accordingly, our environmental strategy is rooted in three pillars:

[11] As reported in the IATA Airline Industry Economic Performance – April 2021

[12] As reported in the World Economic Outlook Update – April 2021

8.2.1 Environmental efficiency of Amadeus' operations

Amadeus' operations involve relatively low environmental risks and impacts compared with other industries. We address the impact of our operations and the concerns of travel industry stakeholders, including customers, providers, employees, partners, regulatory bodies and the society in general.

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

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

1. Measure resource consumption
2. Identify best practices
3. Implement actions for improvement and
4. Follow up regarding results and next steps.

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

The Amadeus Data Center in Germany is the principal source of energy use at Amadeus and is included in the direct reporting of the EMS. Energy efficiency is a priority particularly in this facility, as it accounts for more than half of Amadeus' total energy consumption worldwide. In 2019 we took a significant step forward by moving the Data Center to 100% renewable energy, reducing CO_2 emissions to zero. This was achieved through the purchase of Guarantees of Origin of renewable energy. This initiative represents a significant step to achieve zero company emissions, in alignment with the objectives of the Paris climate change Agreement.

8.2.2 Helping our customers to improve their environmental performance

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

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

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

Thanks to the use of optimization tools, Amadeus Altéa Departure Control Flight Management (DC-FM) helps airlines to save a significant amount of fuel and reduce greenhouse gas emissions, compared with less sophisticated technologies currently on the market.

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

ii) Amadeus Airport Sequence Manager

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

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

iii) Amadeus Airport Common Use Service (ACUS)

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

iv) Managing disruptions with Amadeus Schedule Recovery

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

v) Amadeus Sky Suite

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

8.2.3 Cooperation with travel industry stakeholders in sustainability projects

The third pillar of our environmental sustainability strategy is to identify and engage in collaborative environmental sustainability projects. This is becoming increasingly relevant in the context of growing traveler concern on sustainability topics.

At Amadeus, we offer our data management capabilities, technology, expertise and network to make our contribution towards industry sustainability. Below are some examples of our participation in projects with industry stakeholders in relation to environmental sustainability objectives.

i) Industry standards for carbon calculation per passenger in aviation

The calculation of emissions per passenger in aviation is complicated for various reasons related to data availability, scientific uncertainties about the effect of emissions at altitude and the methodology used to allocating aircraft emissions to passengers. Consequently, different calculation methodologies offer considerably different emissions estimations for the same itinerary. It is important that a standard calculation methodology complies with requirements related to commercial neutrality, global acceptance and reach and legitimacy to represent the industry.

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

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

ii) Participation in forums and research projects

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

We continue our cooperation with institutions like Griffith University (Australia), with which we have worked in the production of white papers like "*Carbon Reporting in Travel and Tourism*" and "*Airline initiatives to reduce climate impact*".

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

Amadeus in sustainability indices

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

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

Climate change-related risks and opportunities

Amadeus conducts an analysis on climate change-related risks and opportunities on an annual basis. On the one hand, this analysis identifies physical and transition risks, further categorized as policy and legal, reputational, technology and market risks related to the impact of climate change in our operations, and assess them according to impact and probability.

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

We produce our climate-related disclosures following TCFD recommendations.

8.3 Treasury Shares

The movement of the carrying amounts for the six months period ended June 30, 2021, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount as of December 31, 2020	231,196	9.5
Acquisitions	228,069	13.8
Retirements	(132,629)	(6.3)
Carrying amount as of June 30, 2021	326,636	17.0

8.4 Subsequent events

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

9. Key terms

- Cancellation provision: as a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of variable consideration from travel agency air bookings which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail in section 3.
- "CESE": stands for "Central, Eastern and Southern Europe"
- "D&A": stands for "depreciation and amortization"
- "EDIFACT": stands for "Electronic Data Interchange For Administration, Commerce and Transport", a set of internationally agreed standards, directories, and guidelines for the electronic interchange of structured data, between independent computerized information systems.
- "EIB": stands for "European Investment Bank"
- "EPS": stands for "Earnings Per Share"
- "IFRS": stands for "International Financial Reporting Standards"
- "JV": stands for "Joint Venture"
- "KPI": stands for "Key Performance Indicators"
- "NDC": stands for "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.": stands for "not meaningful"
- "PB": stands for "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.": stands for "percentage point"
- "PPA": stands for "Purchase Price Allocation"
- "PP&E": stands for "Property, Plant and Equipment"
- "PSS": stands for "Passenger Services System"
- "R&D": stands for "Research and Development"
- "RevPAR": stands for "Revenue Per Available Room"
- "TA": stands for "Travel Agencies"
- "TA air bookings": air bookings processed by travel agencies using our distribution platform

BOARD OF DIRECTORS

Members of the Board of Directors on the date when the interim financial statements and the interim consolidated Directors' Report were prepared.

CHAIRMAN
William Connelly

VICE-CHAIRMAN
Francesco Loredan

EXECUTIVE DIRECTOR
Luis Maroto Camino

DIRECTORS
Amanda Mesler
Clara Furse
David Webster
Jana Eggers
Josep Piqué Camps
Peter Kuerpick
Pilar García Ceballos-Zúñiga
Stephan Gemkow
Xiaoqun Clever

SECRETARY (non-Director)
Tomás López Fernebrand

VICE-SECRETARY (non-Director)
Jacinto Esclapés Díaz

Madrid, July 29, 2021