



**FLEXIBLE · RELIABLE · SUCCESSFUL!**

Amadeus FiRe AG

# Annual report 2020

## Corporate and share figures for the Amadeus FiRe group

Amounts stated in EUR k	01.01.-31.12.2020	01.01.-31.12.2019	Change in percent
<b>Revenue</b>	<b>280,154</b>	<b>233,124</b>	<b>20.2%</b>
<b>Gross profit</b>	<b>136,712</b>	<b>110,608</b>	<b>23.6%</b>
in percent	48.8%	47.4%	
<b>EBITA</b>	<b>30,959</b>	<b>38,721</b>	<b>-20.0%</b>
in percent	11.1%	16.6%	
<b>Operating EBITA*</b>	<b>41,066</b>	<b>38,721</b>	<b>6.1%</b>
in percent	14.7%	16.6%	
<b>Profit before taxes</b>	<b>27,835</b>	<b>38,285</b>	<b>-27.3%</b>
in percent	9.9%	16.4%	
<b>Profit after taxes</b>	<b>19,358</b>	<b>25,748</b>	<b>-24.8%</b>
in percent	6.9%	11.0%	
<b>Profit attributable to non-controlling interests recognized under liabilities</b>	<b>-1,117</b>	<b>-1,432</b>	<b>-22.0%</b>
<b>Profit for the period</b>	<b>18,241</b>	<b>24,316</b>	<b>-25.0%</b>
in percent	6.5%	10.4%	
– thereof attributable to non-controlling interests	455	304	49.7%
– thereof attributable to equity holders of the parent	17,786	24,012	-25.9%
<b>Net cash from operating activities</b>	<b>40,683</b>	<b>36,692</b>	<b>10.9%</b>
<b>Net cash from operating activities per share</b>	<b>7.52</b>	<b>7.06</b>	<b>10.9%</b>
Earnings per share	3.29	4.62	-28.8%
Average number of shares in fiscal year	5,408,439	5,198,237	
	<b>31.12.2020</b>	<b>31.12.2019</b>	
Total assets	348,083	321,935	8.1%
Equity	113,954	50,959	123.6%
Equity ratio	32.7%	15.8%	
Cash and cash equivalents	29,990	20,465	46.5%
	<b>31.12.2020</b>	<b>31.12.2019</b>	
Number of employees (active)	3,502	3,181	10.1%
thereof temporary staff	2,240	2,560	-12.5%
Per-capita revenue	80.0	73.3	9.2%
Per-capita profit	5.2	7.6	-31.9%

\*) Profit from operations before goodwill impairment and amortization of intangible assets from the purchase price allocation (operating EBITA)

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A



Shareholders

# To our shareholders

## Summary

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## Supervisory board

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Ladies and Gentlemen,

Fiscal year 2020 was a turbulent year in the shadow of COVID-19. In retrospect, we believed we achieved a very satisfactory result. We achieved our goal – to chart a path through the crisis with an unchanged workforce and make use of our opportunities – and put the Group into a good starting position for 2021.



Robert von Wülfing,  
CEO

The Personnel Services segment had an excellent start to 2020 with plans for expansion. In March 2020, the lockdown in response to COVID-19 put an end to the positive performance and growth plans and the segment rapidly switched to crisis mode. After an unprecedented slump in demand and orders, internal and external staff began working from home and were put on short-time work: a new and major challenge for a sales organization. The temporary staffing order book fell to the lowest level in 10 years before recovering during the summer months. Thanks to demand rebounding, the sales organization returned to normal working schedules at the beginning of the fourth quarter and closed the year in a satisfactory position and with a positive trend, having made numerous placements in all service areas. Of particular note is the growth of the interim management service in the midst of the crisis.

The Training segment expanded significantly with the acquisition of COMCAVE in December 2019 and GFN in September 2020. The activities of both companies are focused on the publicly funded education market. COMCAVE is a longstanding leading provider of commercial and IT qualifications and can look back on a very successful development with dynamic growth rates. GFN also operates in the IT training market. COMCAVE Holding GmbH's business figures are included in the consolidated income statement for the first time. Since the acquisition was made late in the fiscal year, the business figures of GFN are only included in the consolidated income statement from the fourth quarter of 2020.

With the core brands COMCAVE, GFN, Steuer-Fachschule Dr. Endriss, Akademie für Internationale Rechnungslegung and TaxMaster, the Group now enjoys a broad presence in the training market. All manner of different educational needs are catered to, those of companies in respect of their staff, private individuals as they plot out their personal careers and now also those of the unemployed looking to return to the job market.

Education, and particularly adult education, is an important part of a futureproof society. We are especially pleased to have committed ourselves even more fully to this task. A high quality of education, the best possible learning experience and ensuring that all participants reap the benefits of what they have learned in their careers: these are the goals we aspire to every day throughout our entire training organization.

Interesting prospects are emerging to link the expertise of the Amadeus FiRe Group in the areas of publicly funded Training and Personnel Services. COMCAVE and GFN equip their course participants for re-entry into the labor market, and Amadeus FiRe can help to find their next assignment.

The management board was joined by a new member in the fiscal year. The post of COO Training was created to reflect the growing significance of the segment. Welcome to the board, Thomas Surwald. Thomas Surwald was appointed to the management board on 3 November 2020 and had previously been CEO of COMCAVE since 2016. He now has overall responsibility for the Training segment and will work toward and implement the Group's defined targets together with the other management board members.

Whether in the Training or Personnel Services segment, whether for new or existing business, it was an eventful year for the Amadeus FiRe Group and one that has set the course for the future. Weathering the crisis, integrating new companies, the refinancing of the COMCAVE transaction including a successful capital increase, temporary short-time work in the Personnel Services segment together with the expansion of publicly funded Training, and the creation of many alternatives and solutions to enable us to continue to offer our very personal services: it was an intensive year for all involved.

I would like to say thank you to all our employees, also on behalf of my fellow management board members Dennis Gerlitzki and Thomas Surwald. We owe them an especially big thank you this year. The success we achieved would not have been possible without the commitment of each and every employee, our close collaboration and belief in a bright future together as the Amadeus FiRe Group. Many thanks!

We grew our operating profit in a recessionary macroeconomic environment in Germany caused by a pandemic. Consolidated profit from operations before interest, taxes, goodwill amortization and amortization of purchase price allocations reached a new high of EUR 41.1m, an increase of 6.1% on the prior year's figure of EUR 38.7m. Yes, it is true that the increase is largely attributable to inorganic growth from the acquisitions of COMCAVE and GFN. In terms of organic growth, profit fell by 19.5%. Thus our Group ultimately achieved an operating EBITA margin of 14.7% (prior year: 16.6%). Considering that at times we members of the management board could hardly imagine being able to present such a high level of profitability at the end of this particularly special year 2020, we are all the more satisfied to do just that.

Revenue in the fiscal year was up by EUR 47.1m, from EUR 233.1m to EUR 280.2m, which is an increase of 20.2%. Revenue from continuing operations decreased by 8.5% to EUR 213.4m. Overall, we achieved a profit for the period of EUR 17.8m after minority interests recognized under liabilities and equity in comparison with EUR 24.0m in the prior year, a decrease of 25.9%.

At the balance sheet date, the leverage ratio was 2.5 after 4.3 in the prior year. This development was due to the increase in equity by EUR 51m following the capital increase and the increase in operating profit and cash flows generated as a result of the figures from COMCAVE and GFN being included for the first time. The short-term bridge loan of EUR 170m for the COMCAVE acquisition was transferred to a longer-term funding structure in December 2020. The volume of borrowed funds came to EUR 115m as of 31 December 2020. Cash and cash equivalents rose from EUR 20.5m to EUR 30.0m as of the balance sheet date. This puts the Amadeus FiRe Group on a solid footing for future development.

The potential further course of the coronavirus pandemic is still making it extremely difficult to provide an outlook for 2021. Over the next few months, we will find out how well vaccinations are progressing and what effects the mutated strains of the virus will have.

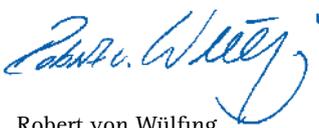
The Amadeus FiRe Group's goal for fiscal year 2021 is to grow revenue and operating profit in both segments. The management board expects the first half of 2021 to be hampered by the economic fallout of the coronavirus pandemic and that this will be followed by a rise in business momentum in the second six months. Consequently, the Amadeus FiRe Group will not be able to leverage its full growth and earnings potential again until 2022.

For 2021, the Amadeus FiRe Group expects to achieve organic growth of 15% and inorganic growth of around 20% owing to the effect from the full-year inclusion of GFN. The management board also expects operating EBITA to be some 15% higher. We do not see any obstacles to making the planned expenditure for expanding business operations. In 2021, the positive effect from the savings made in 2020 from imposing short-time work for the sales organization in the Personnel Services segment will be absent.

The management board and supervisory board intend to return to their policy of paying regular dividends in 2021. With due consideration to the Group's financing obligations, level of equity, high profitability from operations and its liquidity, there are plans to distribute a dividend amounting to 50% of earnings per share to the shareholders of Amadeus FiRe AG. In agreement with the supervisory board, the management board will propose a dividend of EUR 1.55 per share at the annual shareholder meeting.

On behalf of the entire management board, I would like to thank our employees, shareholders and all business partners for their trust, support and loyalty. We would also like to thank all the members of the supervisory board for our very constructive and, as ever, good and trusting working relationship.

Sincerely,



Robert von Wülfig



Christoph Groß,  
chairman of the  
supervisory board

Dear Shareholders,

Fiscal year 2020 was a year of extraordinary circumstances and conditions. Despite the impacts from the coronavirus pandemic, the management board and employees of the Amadeus FiRe Group displayed impressive operational fortitude. The Group's operating EBITA (consolidated profit before interest, taxes, goodwill and amortization of purchase price allocations) soared a new high of EUR 41.1m, up 6.1% on the prior year. The increase is largely attributable to inorganic growth from the acquisitions of COMCAVE and GFN. The supervisory board considers the comparatively moderate organic decrease in earnings from EUR 38.7m to EUR 31.0m to be remarkable given the all-encompassing economic restrictions in place due to the coronavirus pandemic. Amadeus FiRe thus weathered the acute coronavirus crisis in 2020 very well and profitably.

Following the Company's largest acquisition ever in December 2019, in September 2020, the Group acquired GFN, a specialist in publicly funded advanced vocational Training and occupational retraining in the area of IT. These moves saw the Training segment grow stronger and become significantly more important in 2020.

In the Personnel Services segment, expansion plans for 2020 were put on hold due to the unforeseen coronavirus pandemic. Despite an initially sharp decline in business, the Company was able to inch its way back to the pre-crisis level in the second half of the year. The entire organization and workforce emerged from the crisis intact. Amadeus FiRe is therefore well equipped to return to its past business level and to take new steps toward expansion, which will enable it to tap potential growth going forward. The network of locations for publicly funded Training was expanded again in 2020. Market conditions for this countercyclical business have improved.

On 3 November 2020, the management board welcomed a new member, Mr. Thomas Surwald. He will have overall responsibility for the Training segment. Thomas Surwald has worked in various management roles since 2001 and was CEO at COMCAVE from 2016. At the same time, Mr. Robert von Wülfing, former spokesman of the management board, was appointed CEO with effect from 3 November 2020. The third management board member, Mr. Dennis Gerlitzki, retains overall responsibility for the Personnel Services segment. The supervisory board believes that the Amadeus FiRe Group is now very well equipped to continue its successful growth story. There were no personnel changes on the supervisory board in fiscal year 2020. New members representing the shareholders will be elected to the supervisory board at this year's annual shareholder meeting. Longstanding members Hartmut van der Straeten and Knuth Henneke will not stand for reelection on account of their age and will leave the supervisory board. Mr. Henneke served the supervisory board for 10 years and was a member of the personnel committee, Mr. van der Straeten can look back on 20 years of service, many of which he also spent as chairman of the audit committee. Ms. Ulrike Bert, who has been an employee representative on the supervisory board since 2000, has decided not to stand for reelection. On behalf of the entire supervisory board and also on behalf of the management board, I would like to thank these members for their many years of successful work and for their considerable contribution to Amadeus FiRe's success story over this long period.

The work of all Amadeus FiRe supervisory board members is characterized by their highly constructive and transparent cooperation. In fiscal year 2020, this again applied to both the plenum and the committees, as confirmed in the annual evaluation of the supervisory board's activities. During fiscal year 2020, the supervisory board discharged its duties with great care in accordance with the law, the articles of incorporation and bylaws and the corporate governance principles.

Amadeus FiRe's supervisory board thus meets the legal requirement for the equal participation of women and men in management positions in the private sector and public service. This now applies to both shareholder and employee representatives on Amadeus FiRe's supervisory board.

As chairman of the supervisory board, I would personally like to say thank you to all members of the supervisory board for their unwavering contribution to the Company and its employees as well as for our working relationship that is based on mutual trust.

In the course of the year, the supervisory board focused in detail on the business and personnel development and prospects of the Amadeus FiRe Group. This involved continually monitoring the management board and regularly advising it on matters concerning the management of the Company and the conduct of its business. All decisions of fundamental importance to the Company were discussed at length with the management board and adopted at meetings of the full supervisory board where required. The management board regularly took part in the supervisory board's meetings. The management board ensured that the members of the supervisory board were prepared extensively and in plenty of time for decisions and investment projects requiring their approval. The preparatory work carried out by the respective committees supported the work of the entire supervisory board. The supervisory board thus voted on the reports and proposals in question on the basis of careful prior examination and consultation.

Aside from regular meetings, the management board also informed the supervisory board regularly, in good time and in detail about the Company's development in written monthly reports. Moreover, the supervisory board was also informed verbally about key financial indicators as well as important developments and pending decisions. The management board also provided the supervisory board with the half-yearly report and quarterly statements.

The chairman of the supervisory board was also informed about the current business situation and significant transactions during regular meetings with the spokesman of the management board/CEO. These took place particularly frequently after the coronavirus pandemic commenced toward the end of the first quarter, during which the management board and supervisory board liaised closely at all times.

### **Meetings of the supervisory board and committees**

The full supervisory board meetings mainly discussed the development of revenue, earnings and employment figures and the financial situation of the Group as well as the measures taken in this regard. Moreover, the management board provided the supervisory board with information on any deviations of business performance from the approved plans and targets. Furthermore, the management board regularly reported on the risk situation of the Company and the Group as part of the risk management system. Individual transactions and measures which might be significant for the Group were discussed. They were then reviewed by the supervisory board. The supervisory board meetings saw intensive and open discussion.

Seven meetings of the supervisory board were held in the reporting period. Besides the regular supervisory board meetings, there were two additional meetings during the coronavirus pandemic from the end of the first quarter. One resolution was also passed by circulation. All members of the supervisory board attended at least half of the meetings. Unlike in prior years, most meetings in 2020 were held as telephone or video conferences.

## Attendance of supervisory board meetings by its members

Table 001

	Meeting						
	in person 26.02.	Tele- phone 19.03.	Tele- phone 05.05.	Tele- phone 03.08.	in person 10.09.	Video 02.11.	Video 01.12.
Mr. Christoph Gross	X	X	X	X	X	X	X
Mr. Michael C. Wissler	X	X	X	X	X	X	X
Mr. Knuth Henneke	X	X	X	X	X	X	X
Ms. Annett Martin	X	X	X	X	X	X	X
Dr. Ulrike Schweibert	X	X	X	X		X	X
Mr. Hartmut van der Straeten	X	X	X	X	X	X	X
Ms. Ulrike Bert	X	X	X	X	X	X	X
Ms. Angelika Kappe	X	X	X	X	X	X	X
Mr. Elmar Roth	X	X	X	X	X	X	X
Mr. Andreas Setzwein	X	X	X	X	X	X	X
Ms. Ulrike Sommer	X	X	X	X	X	X	X
Mr. Mathias Venema	X	X	X	X		X	X

Two standing committees and two temporary committees for fiscal year 2020 were formed from the members of the supervisory board; the personnel committee and the audit committee as standing committees and a capital increase committee and credit committee as temporary arrangements. No decision-making powers have been delegated to the standing committees, they perform an advisory function. They prepare the supervisory board's resolutions and address issues that are the responsibility of the supervisory board. The chairpersons report on the work of their committees at the next supervisory board meeting. The supervisory board believes that the number of committees formed from the members of the supervisory board and their functions are appropriate and efficient.

The audit committee convened four times in fiscal year 2020. The auditors, members of the management board and, as a guest, the chairman of the supervisory board participated in the meetings if the items on the agenda necessitated their attendance. The committee focused on the separate and consolidated financial statements, the interim financial statements, the monitoring of the (group) financial reporting process, the review of the sustainability report and the operating effectiveness of the internal control system, the risk management system and the internal audit system. The committee also made a recommendation to the supervisory board for the latter to propose a candidate for auditor to the annual shareholder meeting and issued the audit engagement to the auditors selected by the shareholder meeting. Furthermore, the committee determined the audit priorities and the audit fees and satisfied itself of the independence of the auditors. The chairman of the committee has specialist knowledge and experience in the application of accounting principles and internal controls. He is independent and is not a former member of the Company's management board.

The personnel committee comprises three members representing the shareholders and one representing the employees. The personnel committee, which is responsible for employment contracts for members of the management board and for other matters relating to the management board, met twice in the reporting period and deliberated on the management board contracts for Mr. von Wülfing and Mr. Surwald. Personnel-related matters were discussed and resolved by the full supervisory board.

Both newly negotiated management board contracts contain the new rules applicable to the management board compensation system, which were put to the annual shareholder meeting in 2020 for the third time and were finally approved by the majority of shareholders. Under the changes to the management board compensation system, the long-term component under the management board contracts of Mr. Robert von Wülfing and Mr. Thomas Surwald that were negotiated in 2020 depends on share price performance. The old management board compensation system continues to apply to the contract for Mr. Dennis Gerlitzki.

The capital increase committee was formed in 2020 with the aim of discussing the capital increase at two meetings held as conference calls and adopting a resolution under an authorization issued for this purpose by the supervisory board.

The credit committee was established in 2020 in order to decide on the final approval of the lending arrangements in connection with the refinancing of the bridge loan for the acquisition of COMCAVE Holding GmbH. The supervisory board also issued an authorization for this purpose. The committee met once in a conference call.

There is currently no standing nomination committee. The personnel committee has assumed the functions of the nomination committee.

### **Corporate Governance**

The supervisory board consistently follows the provisions of the German Corporate Governance Code. The management board and the supervisory board submitted the annual declaration of compliance in accordance with Sec. 161 (1) AktG [“Aktengesetz”: German Stock Corporation Act] on 2 November 2020. The declaration is published in the report on corporate governance in the management report together with a detailed report on the amount and structure of the compensation of the management board and supervisory board and is made permanently available on the Company’s website.

No conflicts of interest were reported by supervisory board members in the reporting period.

The Company supports the training and professional development of its supervisory board members by regularly providing specialist literature and training.

### **Separate and consolidated financial statements**

The financial statements prepared in accordance with the provisions of the HGB [“Handelsgesetzbuch”: German Commercial Code], the consolidated financial statements of Amadeus FiRe AG as of 31 December 2020 prepared in accordance with Sec. 315a HGB on the basis of the International Financial Accounting Standards (IFRSs) as adopted by the EU and the combined management report of Amadeus FiRe AG and the Amadeus FiRe Group were duly audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn, together with the underlying books and records and the risk management system. The auditors issued an unqualified auditor’s report on each of the aforementioned documents. The auditors also found that the management board had put an appropriate monitoring system in place that is capable of identifying developments jeopardizing the Company’s ability to continue as a going concern at an early stage.

The financial statements, the auditors' long-form audit reports and the management board's proposal for the appropriation of net retained profit were distributed to all members of the supervisory board in advance and in due time for examination. At the audit committee's meeting, the auditors reported at length on the process and key findings of their audit and were available to answer further questions and provide additional information. The chairman of the audit committee reported at length on the results of the audit committee's reviews at the next supervisory board meeting. After discussing the audit process, results and report of the auditors in detail, the supervisory board approved the findings of the audit conducted by the auditors. As part of its own review, the supervisory board declared, upon the recommendation of the audit committee, that it had no reservations and, on 22 March 2021, endorsed the financial statements prepared by the management board. The financial statements have thus been approved.

Due to the liquidity expected to be required to fund the acquisition of COMCAVE Holding GmbH, the management board announced a new dividend policy in December 2019. To protect employees, customers and our Company, no dividend was distributed in 2020 following the coronavirus pandemic.

It is thus all the more encouraging that the management board and supervisory board have indicated that they want and are able to return to a policy of paying regular dividends in 2021. With due consideration to the Group's financial obligations, level of equity, high profitability from operations and its liquidity, there are plans to distribute a dividend amounting to 50% of earnings per share to the shareholders of Amadeus FiRe AG. After thorough examination, the supervisory board approved this proposal on 22 March 2021.

In agreement with the supervisory board, the management board will therefore propose a dividend of EUR 1.55 per share at the annual shareholder meeting. Based on a profit for the period attributable to the equity holders of Amadeus FiRe AG of EUR 17.8m, this is equivalent to a payout ratio of 50.0%.

### **Management board and supervisory board members**

As of 31 December 2020, the supervisory board of Amadeus FiRe AG comprised six members representing the shareholders and six members representing the employees. The 12 members currently serving on the supervisory board are:

Mr. Christoph Gross, Chairman  
 Mr. Michael C. Wisser, Deputy Chairman  
 Mr. Knuth Henneke  
 Ms. Annett Martin  
 Dr. Ulrike Schweibert  
 Mr. Hartmut van der Straeten  
 Ms. Ulrike Bert, employee representative  
 Ms. Angelika Kappe, employee representative  
 Mr. Elmar Roth, employee representative  
 Mr. Andreas Setzwein, employee representative  
 Ms. Ulrike Sommer, employee representative  
 Mr. Mathias Venema, employee representative

In accordance with Art. 6 of its articles of incorporation and bylaws, Amadeus FiRe AG's management board must consist of at least two members. As of 31 December 2020, these were Robert von Wülfing, Dennis Gerlitzki and Thomas Surwald. All three are also members of the management board in 2021.

We owe the fact that fiscal year 2020 was satisfactory under the given circumstances with another record result to the commitment and dedication of each and every employee in the Amadeus FiRe Group. The management board and all of the Group's employees therefore deserve a commendation from the supervisory board. Together they have achieved this result for our Company and our shareholders.

On behalf of the supervisory board, I would like to express special thanks to our customers and shareholders for the trust they have placed in our Company.

Frankfurt am Main, 22 March 2021

On behalf of the supervisory board



Christoph Gross  
Chairman of the supervisory board

## Supervisory board

### Members of the supervisory board (End of term in office: 2021 annual shareholder meeting)

#### Shareholder representatives

**Mr. Christoph Groß** (5,200 shares)

Place of residence: Mainz

Chairman

Born in 1953

Member since May 2011

Auditor

Directorships:

- Chairman of the supervisory board of Aveco Holding AG, Frankfurt am Main
- Member of the supervisory board of IC Immobilien Holding AG (until 31 August 2020)

**Mr. Michael C. Wisser**

Place of residence: Neu-Isenburg

Deputy Chairman

Born in 1971

Member since January 2005

Business administration graduate; member of the management board of Aveco Holding AG

Directorships:

- Chairman of the supervisory board of Lang & Cie Real Estate AG, Frankfurt am Main

**Mr. Knuth Henneke**

Place of residence: Neustadt

Born in 1944

Member since May 2011

Independent business consultant

Directorships: None

**Ms. Annett Martin** (120 shares)

Place of residence: Wiesbaden

Born in 1967

Member since August 2017

Auditor, tax advisor

Directorships: None

**Dr. Ulrike Schweibert**

Place of residence: Bad Vilbel

Born in 1966

Member since May 2016

Lawyer and partner of the law firm

Schweibert Lessmann & Partner,

Frankfurt am Main

Directorships: None

**Mr. Hartmut van der Straeten**

Place of residence: Wehrheim

Born in 1941

Member since January 2001

Business administration graduate, independent business consultant

Directorships: None

#### Employee representatives

**Ms. Ulrike Bert**

Place of residence: Grossostheim-Ringheim

Born in 1968

Member since January 2000

Chair of the employee council

Financial accountant at Amadeus FiRe AG

Directorships: None

**Ms. Angelika Kappe**

Place of residence: Haunek

Born in 1989

Member since January 2018

Trade union secretary

Directorships: None

**Mr. Elmar Roth**

Place of residence: Alzenau

Born in 1961

Member since May 2011

Executive employee in IT at Amadeus

FiRe AG

Directorships:

None

**Mr. Andreas Setzwein**

Place of residence: Obertshausen

Born in 1981

Member since May 2016

Lawyer at Amadeus FiRe AG

Directorships: None

**Ms. Ulrike Sommer**

Place of residence: Mühlheim

Born in 1965

Member since May 2011

Deputy chair of the employee council

Personnel clerk at Amadeus FiRe AG

Directorships: None

**Mr. Mathias Venema**

Place of residence: Mainz

Born in 1972

Member since May 2011

Trade union secretary

Directorships:

- Supervisory board of Fraport AG, Frankfurt am Main (since 1 July 2020)

### Supervisory board committees

#### Accounting and audit committee

Mr. Hartmut van der Straeten (Chairman)

Mr. Michael C. Wisser

Ms. Ulrike Bert

Mr. Andreas Setzwein

#### Personnel committee

Mr. Christoph Gross (Chairman)

Mr. Michael C. Wisser

Ms. Ulrike Sommer

Mr. Knuth Henneke

## Management board

### Members of the management board

#### Robert von Wülfing



Place of residence: Königstein  
 Born in 1972  
 CEO of Amadeus FiRe AG since  
 3 November 2020  
 Member of the management board of  
 Amadeus FiRe AG since 1 November  
 2012  
 Appointed until 31 December 2025  
 Business administration graduate

#### Responsible for:

- Corporate strategy
- Acquisitions and investments
- Investor relations
- Finance and accounting, tax, reporting, financial control
- ICS (consolidation), risk management (where risk owner), risk control
- Human resources, legal, IT, organization, internal audit
- Labor relations
- Training segment (until 2 November 2020)

#### Directorships:

- None

#### Dennis Gerlitzki



Place of residence: Frankfurt am  
 Main  
 Born in 1976  
 Member of the management board  
 of Amadeus FiRe AG since 1 January  
 2019  
 Appointed until 31 December 2021  
 Business administration graduate

#### Responsible for:

- Personnel Services segment
- Personnel development
- Marketing/public relations
- Corporate design/identity
- Risk management (where risk owner)
- Sales analyses/budgets

#### Directorships:

- None

#### Thomas Surwald



Place of residence: Bonn  
 Born in 1968  
 Member of the management board of  
 Amadeus FiRe AG since 2 November  
 2020  
 Appointed until 31 December 2023  
 Industrial engineer

#### Responsible for:

- Training segment
- Marketing/public relations
- Corporate design/identity
- Risk management (where risk owner)
- Sales analyses/budgets

#### Directorships:

- None

## The share

### Performance of the Amadeus FiRe share in fiscal year 2020

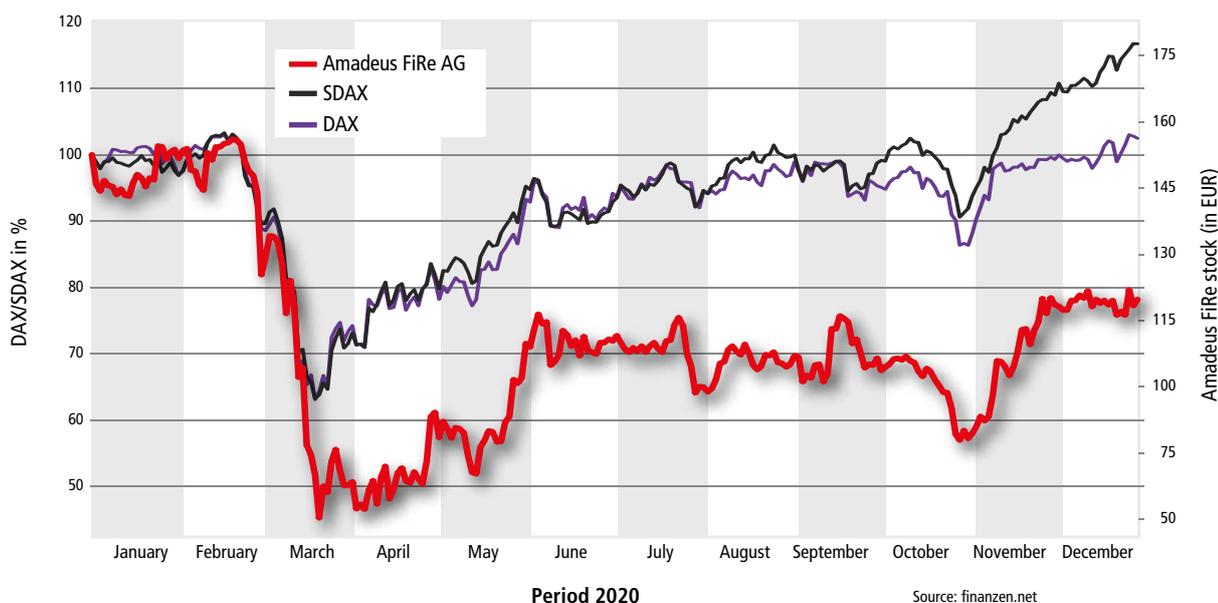
Amadeus FiRe AG shares have been listed on the Regulated Market of the Frankfurt Stock Exchange since 4 March 1999 and admitted to the Prime Standard since 31 January 2003. Amadeus FiRe AG was listed on the SDAX from 2010 to 2017. Due to new listings of larger and more cash-strong companies in the MDAX and SDAX as part of the regular review of the SDAX, the share of Amadeus FiRe AG was removed from the index in 2017. Following another regular review of the SDAX in March 2019, the share of Amadeus FiRe AG has been included in the index again since 18 March 2019.

In a capital increase on 5 August 2020, the capital stock of Amadeus FiRe AG was increased by EUR 519,823.00, from EUR 5,198,237.00 to EUR 5,718,060.00, excluding the subscription right of the existing shareholders, through the issue of 519,823 new no-par value bearer shares in return for cash contributions by making partial use of the existing authorized capital. The new shares were placed at a discount of less than 1% of the Xetra daily closing rate for EUR 100 per new share in an accelerated bookbuilding

procedure as part of a private placement with selected qualified investors. The new shares were oversubscribed many times. The next day, the Amadeus FiRe share reacted to the successful transaction with a significant price increase.

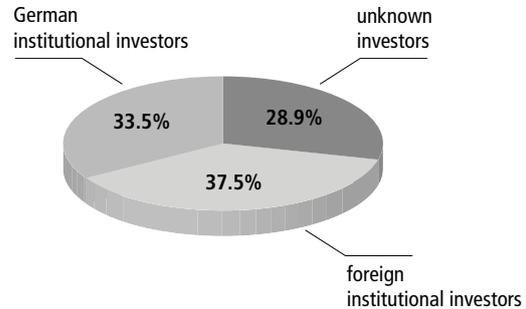
Overall, the price of the Amadeus FiRe share fluctuated in 2020. At the beginning of the year, the share price initially performed well, moving up from a starting price of EUR 147.20 to a new all-time high of EUR 157.40 on 18 February. From the end of February, the share price lost considerable ground due to the effects of the coronavirus pandemic, hitting a low of EUR 69.60 in mid-March. It then recovered to a level of around EUR 110.00 by the beginning of June and trended sideways until mid-October. After another dip to EUR 89.00 at the beginning of November, the share price rebounded at the same pace and closed the year at EUR 120.20. The share price therefore decreased by 11.8% over 2020 as a whole. The SDAX performed positively overall, increasing by 16.8% despite the coronavirus pandemic.

Indexed share price performance



## Shareholder structure

According to the definition of Deutsche Börse AG, 94% of the shares of Amadeus FiRe AG are in free float. About 71% of the known shareholdings are held by institutional investors, about 47% thereof by investors from Germany and about 53% by foreign investors. As the shares of Amadeus FiRe AG are bearer shares and the reporting threshold under the German Securities Trading Act is 3%, the ownership of a sizable portion is unknown.



## The share

### The share on the market Table 002

	2020	2019
Shares issued as of the balance sheet date (units)	5,718,060	5,198,237
Capital stock (EUR)	5,718,060.00	5,198,237.00
Highest stock market price* (EUR)	157.40	147.00
Lowest stock market price* (EUR)	69.60	80.70
Stock market price at year-end* (EUR)	120.20	147.00
Absolute share price performance	-11.8%	+82.8%
SDAX performance	+16.8%	+30.8%
Trading volume on German exchanges (in thousands of units)	5,434	2,295
Market capitalization at year-end (in millions of euros)	687	764
Earnings per share	3.29	4.62

\* Xetra closing price, Frankfurt am Main

## Analyst assessment

The Amadeus FiRe share was covered by one financial analyst in fiscal year 2020.

Independent analyses support the transparency of Amadeus FiRe AG and we therefore make the results of the study available on our investor relations website.

<https://www.amadeus-fire.de/en/investor-relations/the-amadeus-fire-share/>

### Analyst recommendation regarding the Amadeus FiRe share Table 003

Institution	Analyst	Date	Recommendation	Share price target in EUR
M.M. Warburg, Hamburg	Andreas Wolf	11 Feb 2021	Buy	165,00

Current as of: 11 Feb 2021

## Shareholder meeting

Amadeus FiRe AG held its annual shareholder meeting for 2020 on 17 June 2020 in Frankfurt am Main. It was conducted online due to the measures aimed at curbing the spread of coronavirus and the related contact restrictions.

All items on the agenda were approved with a large majority: the management board and supervisory board were exonerated for fiscal year 2019 and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was elected as auditor of the Company and the Group for fiscal year 2020. The

new compensation system for members of the management board and the creation of new authorized capital 2020 were also approved. In addition, authorization was granted to purchase and use treasury shares. It was resolved to carry forward the net retained profit for 2019 to new account and not to distribute a dividend in 2020.

Detailed voting results and other annual shareholder meeting documents are available at <https://www.amadeus-fire.de/en/investor-relations/annual-general-meeting/>.

## Profit appropriation

The statutory annual financial statements of Amadeus FiRe AG as of 31 December 2020 show a net retained profit of EUR 49,907,448.08 (prior year: EUR 36,216,125.48). In the prior year, this was carried forward to new account in view of the uncertainty stemming from the coronavirus pandemic.

For fiscal year 2020, in agreement with the supervisory board, the management board proposes to distribute a dividend of EUR 1.55 per share from the net retained profit and to carry forward the remainder to new account.

## Investor relations

Amadeus FiRe AG's management board and investor relations department maintain an ongoing dialog with existing and potential investors, stock market analysts and banks. As well as providing regular reports on the current state of business, strategic direction and objectives of the Amadeus FiRe Group, the management board presented the Company at two digital roadshows in Germany and several other European countries. In addition, meetings were held with national and international investors and analysts to address and discuss the content of the roadshows.

The Company's annual, half-yearly and sustainability reports, quarterly statements, capital market dispatches, analyst assessments, online stock market information and information on the annual general meeting are available via the Group's investor relations homepage ([www.amadeus-fire.de/en/investor-relations](http://www.amadeus-fire.de/en/investor-relations)). Amadeus FiRe ensures that up-to-date and extensive information is made available and that the Company can be contacted at any time.

### Your contact for investor relations

Jan Hendrik Wessling  
Tel.: +49 69/96876-180  
Fax.: +49 69/96876-182  
Email: [investor-relations@amadeus-fire.de](mailto:investor-relations@amadeus-fire.de)



#### Financial calendar for 2021

11.02.2021	Preliminary results for fiscal year 2020
23.03.2021	Press and DVFA Conference for fiscal year 2020
25.03.2021	Publication of Annual Financial Report 2020
April 2021	International Roadshow
22.04.2021	Statement for the first quarter of fiscal year 2021
27.05.2021	Annual shareholder meeting
22.07.2021	Publication of half-yearly financial report 2021
21.10.2021	Statement for the first nine months of fiscal year 2021
October 2021	International Roadshow
16.12.2021	Publication of the sustainability report for 2021

The coronavirus pandemic has turned many existing work processes upside down and poses great challenges for many companies. The Amadeus FiRe Group has also had to develop new processes, find solutions and dismantle existing structures.

## **Video interviews and hybrid client events**

### **How the coronavirus pandemic is digitalizing work processes**

As partners in careers, recruiting and continuous professional development, we are in close contact with candidates, external employees, customer contacts and people interested in training and education every day to support them as best we can with our services. Personal conversations and one-on-one exchanges are the cornerstone of our approach. Yet following the rapid spread of the coronavirus and the attendant contact restrictions, personal contact was suddenly no longer possible and digital solutions had to be created as fast as possible.

In the area of temporary staffing, for example, we were able to offer the majority of our external employees the opportunity to work remotely, in close collaboration with our customer companies. In many cases, we provided technical equipment in the form of laptops to ensure optimal and timely solutions.



### **Video interviews replacing personal introductions**

During the recruiting phase, our personnel consultants are increasingly using video interviews to get to know applicants and to develop an understanding of their knowledge and skills as well as their wishes and goals. Likewise, we offer our customer companies the opportunity to use video interviews to assess suitable candidates.

## Hybrid and purely digital events for our customer companies

Over the course of the year, the restrictions and constraints introduced as a result of the pandemic also affected the tried-and-tested events for our customers in the area of Personnel Services.

Presentations and conferences were postponed from March 2020 while digital formats were created. For the first time, presentations held purely digitally as live webinars also offered an incentive to customers who may otherwise not have attended due to long travel times.

For the labor law days, which had already been planned, two purely digital events were organized alongside two hybrid versions. Around 500 participants followed the talks online. Thanks to hygiene measures in hotels, a total of 50 people were able to attend the hybrid events in person, giving speakers a sense of a “real audience,” despite the requirement to wear a mask. Thanks to extensive arrangements at the headquarters in Frankfurt, online participants were able to ask the speakers questions live and interact with them.



**1,663 assignments**

of external employees working remotely



**175 employees**

equipped with laptops at short notice



**2,067**

**participants**

at our live webinars for customer companies



**33 hours**

of video material reviewed and edited



For our digital customer events, part of the fifth floor of the Amadeus FiRe headquarters was converted into a control room.

# Our subsidiaries' digital learning formats

## Virtual classrooms and video seminars

The coronavirus pandemic also demands flexibility from our partner companies in the area of training. 2020 is particularly noteworthy for the number of digital learning methods that were developed, allowing the Amadeus FiRe Group to guide its participants towards success by offering high-quality seminars and training in a digital format as well.

### Flexible learning at COMCAVE

As an experienced and innovative education provider, COMCAVE attaches great importance to progressive learning methods and maximum flexibility. It therefore offers telelearning – online lessons available regardless of location – alongside conventional in-person teaching. Participants can take part in live lessons in a virtual classroom provided by way of video conferencing. Participants can even choose to combine in-person and online events flexibly.

This modern and flexible form of learning is realized using the specially developed and highly efficient learning system GECS®. It allows participants to access all course content at any time and to apply newly acquired knowledge immediately using real-world case studies.





## **Flexible training at Steuer-Fachschule Dr. Endriss**

With its own recording studio and qualified staff, Steuer-Fachschule Dr. Endriss is already well equipped for digitalization within further education. The flexible system allows participants to decide themselves which training content they would like to use and when, including video seminars recorded in the company's own studio and live events held using modern video conferencing systems.

## **Interaction and full flexibility, even in online courses**

Like in-person events, the live online events are lively and interactive lessons. Participants can ask questions using the chat tool or their microphones, making a discussion possible. Selected videos can be replayed later if participants cannot watch the live stream, further increasing flexibility. Whether lessons are in person or virtual, all course documents are available on the personalized MyEndriss platform.



**100% knowledge**  
through digital training

A close-up photograph of a person's hand holding a pen, positioned over a laptop screen. The screen displays a bar chart with several blue bars of varying heights. The background is a blurred office setting. The text 'B' and 'ment repor' is overlaid in a large, semi-transparent, light blue font.

# B ment repor

# B

## Combined management report

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## Background of the Group

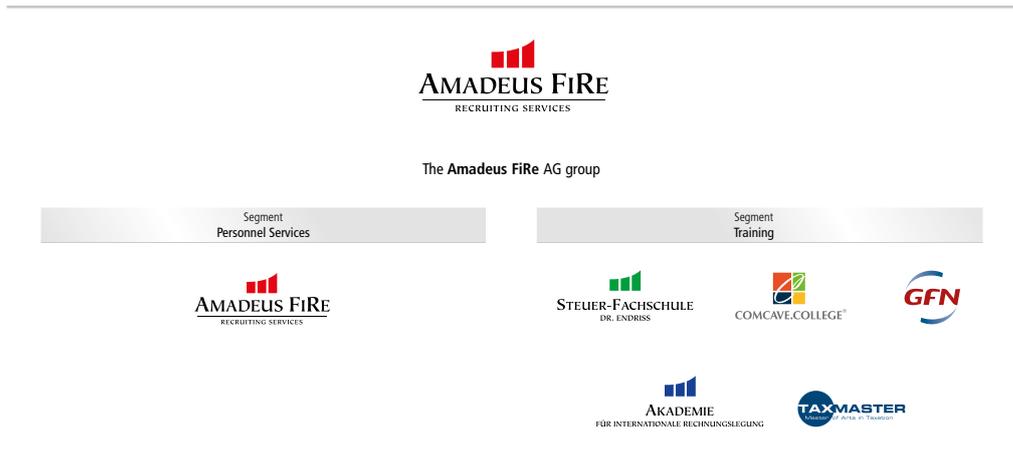
### Business activities

The Amadeus FiRe Group is a service company operating exclusively in Germany focused on the areas of Personnel Services and Training.

The Amadeus FiRe Group comprises Amadeus FiRe Aktiengesellschaft (Amadeus FiRe AG), a stock corporation under German law, as the parent company, and its subsidiaries. The Company is based in Germany with its group headquarters in Frankfurt am Main.

As of 31 December 2020, the Amadeus FiRe Group’s reportable segments were Personnel Services and Training, which are described below.

The following chart illustrates the group structure as of 31 December 2020:



With its **Personnel Services segment**, the Amadeus FiRe Group has been a specialized Personnel Services provider for professionals and executives in the fields of commerce and IT for over 30 years and currently has 21 locations. The segment comprises the services specialist temporary staffing, permanent placement and interim and project management.

For the temporary staffing service, the Company’s own staff are placed at customer companies to use their professional expertise to increase productivity on projects or cover peak periods. Permanent placement involves Amadeus FiRe establishing contact between candidates and companies for the purpose of permanent employment. In contrast to temporary staffing, interim and project management does not place its own staff at customer companies. All work is carried out with independent specialists. In this way, external expertise is made available to customer companies for a limited period

of time in connection with commercial projects. Amadeus FiRe’s core competencies include the temporary or permanent filling of vacancies at customer companies with professionals and executives in finance and accounting, financial control, other commercial professions and in IT roles. This allows Amadeus FiRe to serve all the personnel needs of a company’s business administration.

Candidates and employees benefit from the Amadeus FiRe Group’s market access and from active support in achieving individual goals throughout their careers. This takes the form of placements in positions that perfectly match their personal skills and abilities as well as professional training courses provided by the Training segment.

Customers of Amadeus FiRe use the services offered to achieve greater flexibility in resource planning and to ena-

ble them to react more quickly to temporary peak workloads. This makes it possible for these companies to fill vacant positions, cover staff shortages or generate capacities when implementing projects. In addition, when searching for and selecting personnel, they can benefit from Amadeus FiRe’s market access and market image and thereby realize savings in costs, time and resources.

Amadeus FiRe has been a partner on the market for customers, candidates and employees for over 30 years. Customers are national and international companies from all industries. For many years, no industry has accounted for more than 10% of revenue and the 10 largest customers combined account for less than 10% of revenue.

With its Training segment, the Amadeus FiRe Group offers advanced vocational training and retraining options with a focus on commercial and IT skills at more than 60 locations throughout Germany. Depending on the specialization, publicly funded training (B2G), training for business customers (B2B), in particular open or inhouse seminars and for private individuals (B2C), in particular courses and degree programs, are offered under the core brands COMCAVE, COLLEGE, GFN, Steuer-Fachschule Dr. Endriss, Akademie für Internationale Rechnungslegung and TaxMaster.

The Amadeus FiRe Group’s Training segment was established in 2001 with the acquisition of Steuer-Fachschule Dr. Endriss and was expanded in 2005 with the acquisition of Akademie für Internationale Rechnungslegung. Since 2010 it has offered the TaxMaster degree program. The biggest acquisition to date was made in December 2019, when COMCAVE.GROUP® (COMCAVE Holding GmbH), the market leader in publicly funded education for many years, joined the Amadeus FiRe Group. Business with publicly funded Training was further expanded in September 2020 with the acquisition of GFN GmbH, a key competitor in this field.

With a history stretching back 70 years, Steuer-Fachschule Dr. Endriss is Germany’s largest specialist school for professional training in the fields of tax, accounting and financial control. Its service offering covers all preparatory training for state examinations such as tax advisor, tax specialist, accountant or financial controller. It also offers recognized private-sector certificate courses specially tailored to professional practice in the field of finance and accounting. The product portfolio is rounded off by an extensive and steadily growing range of seminars.

Akademie für Internationale Rechnungslegung strategically supplements the service portfolio with specialized training in international accounting (IASs/IFRSs, US GAAP). In addition to many different formats dealing with essential topics and special issues relating to international accounting, the academy’s brand product is the “Certificate in International Accounting” (CINA®), which is well established and widely recognized in the business world. The TaxMaster GmbH offering complements the Training segment with an academic qualification in the form of a master’s degree. Graduates of the master’s program receive a Master of Arts in Taxation (M.A.). The course also includes preparation for the tax advisor examination. On passing the examination of the Chamber of Tax Advisors, students can acquire both qualifications.

COMCAVE.GROUP® delivers educational content mainly on IT, multimedia and commercial subjects at more than 50 locations across Germany as well as from home in the form of telelearning. Virtual teaching is always led by an instructor live online. Participants thus have the flexibility to take part from different places, be that one of the COMCAVE locations or remotely from anywhere via telelearning. Wherever they are, they are brought into the same virtual classroom via the virtual, technology-driven learning environment. For people who want to improve their development and career advancement prospects, COMCAVE offers training for nume-

Publicly funded training	B2G					
Seminars (open and inhouse)	B2B					
Courses, seminars, degree programs	B2C					
Commercial professions						
Accounting, taxes, financial control						
IT						

Business area = Fully covered = Partly covered = Hardly covered

rous modular qualifications that can be subsidized through an education voucher from the German Federal Employment Agency or another public funding institution. Alternatively, there are two-year retraining courses with the aforementioned focuses and the recognized diploma from the IHK [“Industrie- und Handelskammer”: Chamber of Industry and Commerce]. For corporate customers, COMCAVE offers executive and team training, seminars for trainers and language courses. COMCAVE is a licensed premium education partner for SAP®, Microsoft® and Cisco® and offers training on all the standard applications of these manufacturers.

GFN is one of Germany’s largest IT training providers in the publicly funded sector and a service provider with a wide range of education and training offerings. It develops individual education programs and supports people in training, education, study or in professional reorientation. GFN has over 20 locations across Germany.

All educational content is delivered at the various locations in the form of instructor-led teaching in GFN’s own lecture theaters, via telelearning, i.e., remote live online instructor-led teaching, or through inhouse seminars at customer

companies. The individual needs of training participants and customers are taken into account through a broad range of possible teaching formats.

The Amadeus FiRe Group offers its customers complementary services with its two segments.

By taking part in the retraining, courses, seminars and training sessions held across Germany in the Training segment, participants update and build on their professional knowledge, thereby increasing their appeal on the labor market. For participants in publicly funded Training in particular, the primary goal is reintegration in the labor market. Participants can use the close-knit network of company contacts in the Personnel Services segment to achieve their career goals as part of specialized Personnel Services.

The Amadeus FiRe Group’s overall service offering enables a lifelong professional partnership. At the same time, this creates the opportunity to better persuade interested parties of the Training segment’s offerings.

## Objectives and strategies

As a specialist Personnel and Training Service provider, the Amadeus FiRe Group focuses on qualifications in commerce and IT.

The Group concentrates on the German market and on close proximity to customers, participants and employees at regional locations. The aim is to achieve local market leadership. The Amadeus FiRe Group aims to build the best possible reputation among all market players through a high level of expertise and high-quality standards combined with a rapid response to customer requirements.

We want to establish longstanding partnerships with customers, candidates, employees, interim managers and course and training participants, ideally with changing roles over the years. From employee to training participant to customer. Or in other combinations: relationships develop in all kinds of ways. The service portfolio with Personnel Services and Training creates opportunities.

Service quality is guaranteed by the Company’s own employees as well as by constant improvements in processes and

systems. Our aim is to ensure the expertise, satisfaction and success of employees by means of restrictive, targeted recruitment, extensive internal training and appropriate, attractive compensation. Investments are made in software, infrastructure and technology on an ongoing basis.

We want to continuously work on a strong, unassailable market position. Steady recruitment of qualified employees and instructors enables constant expansion and penetration of local markets, with a view to increasing operating results and thus the business value sustainably for the long term.

In the Training segment, we pursue growth through targeted acquisitions as well as on an organic basis.

By giving the Amadeus FiRe Group a clear focus, the aim is also to achieve the highest operating margins in the industry.

Amadeus FiRe manages target achievement using the following financial indicators.

## Management system

**Overview** – The key performance indicators for profitability, growth and liquidity used by the Amadeus FiRe Group form the basis for operational and strategic management decisions. The key performance indicators are used to set targets, to measure the Company's success and to define variable compensation for executives. The most important financial indicators for the Amadeus FiRe Group are operating EBITA, operating EBITA margin, gross operating profit and gross operating profit margin, revenue and the leverage ratio.

**Revenue** – Sustainable organic growth is a core element of the Amadeus FiRe Group's strategy to increase the business value. The development of revenue is used as a key measure for this purpose.

**Gross operating profit and gross operating profit margin** – Gross operating profit is the difference between revenue and cost of sales. Cost of sales only includes the input factors necessary to generate revenue. For the temporary staffing service, these mainly comprise the costs of employees on customer assignments. For interim and project management, these are the accumulated costs of independent specialists used. In the Training segment, cost of sales mainly includes the costs of instructors used for training plus corresponding costs of premises, materials and IT that directly relate to the training. The absolute gross profit is the central metric showing the potential for covering selling and administrative expenses. The gross operating profit margin gives the ratio of gross operating profit to revenue, thereby measuring the direct profitability of operations. In order to ensure comparability over time and improve the transparency of margin quality, gross profit and gross profit margin are adjusted for PPA effects arising from the purchase price allocations of the COMCAVE Group and the GFN Group.

**Operating EBITA and operating EBITA margin** –

Profit from operations before interest, taxes and goodwill impairment (EBITA) includes all components of the income statement that relate to operating performance. For better comparability over time and for improved transparency of profitability, the Amadeus FiRe Group considers EBITA adjusted for special effects. Special expenses relate to amortization resulting from the purchase price allocation (PPA effects). In addition, the analysis looks at return on earnings. The operating EBITA margin is used as a performance indicator for return on earnings. It represents operating EBITA as a percentage of revenue.

**Leverage ratio** – A sound capital structure supports sustainable revenue and earnings development. As such, broad access to the capital market through a range of debt financing arrangements is of crucial importance for the Amadeus FiRe Group. The Amadeus FiRe Group uses the leverage ratio as a central performance indicator. It reflects the ratio of reported debt to equity.

## Statement on corporate governance and non-financial report

The statement on corporate governance for Amadeus FiRe AG and the Group can be found in the Corporate Governance Report 2020, which is permanently available at <https://www.amadeus-fire.de/en/investor-relations/corporate-governance/> and on page 120.

The combined separate non-financial report for Amadeus FiRe AG and the Group with the disclosures pursuant to Sec. 289b et seq. and Sec. 315b et seq. HGB ["Handelsgesetzbuch": German Commercial Code] can be found in the Sustainability Report at <https://www.amadeus-fire.de/en/investor-relations/sustainability-report/>.

## Economic report

### Macroeconomic and industry-specific conditions

Both the global and the German economy were dominated by the impact of the coronavirus pandemic in 2020. Gross domestic product (GDP) adjusted for calendar effects fell 5.5% in the year. This was the biggest drop in GDP of the German economy since the financial crisis of 2008/2009.

The deep recession in 2020 is attributable to general uncertainty on the global markets. The German economy already recorded significant declines in revenue and orders in the first quarter, despite the fact that economic output was not significantly affected in January and February. This decline in German economic output accelerated in the second quarter. In the third quarter, the German economy was able to recover a large part of the previous loss of activity. But it is likely to have declined again to some extent in the fourth quarter, as a result of the pandemic flaring up again.

Accordingly, German economic sentiment was gloomy in 2020. The ifo Business Climate Index (source: ifo Institute for Economic Research, Munich) was down by 7.8 points or 8.0% on the annual average for 2019 at 89.3. On the ifo Business Cycle Clock, the Business Climate Index was in the recession quadrant after the first quarter of 2020 for the first time since 2009. In the following months, business expectations improved in line with the economic recovery, such that in September, the Business Cycle Clock moved into the

boom quadrant. The second coronavirus wave forced business expectations back down again, with the Business Cycle Clock swinging back into the downturn quadrant in October.

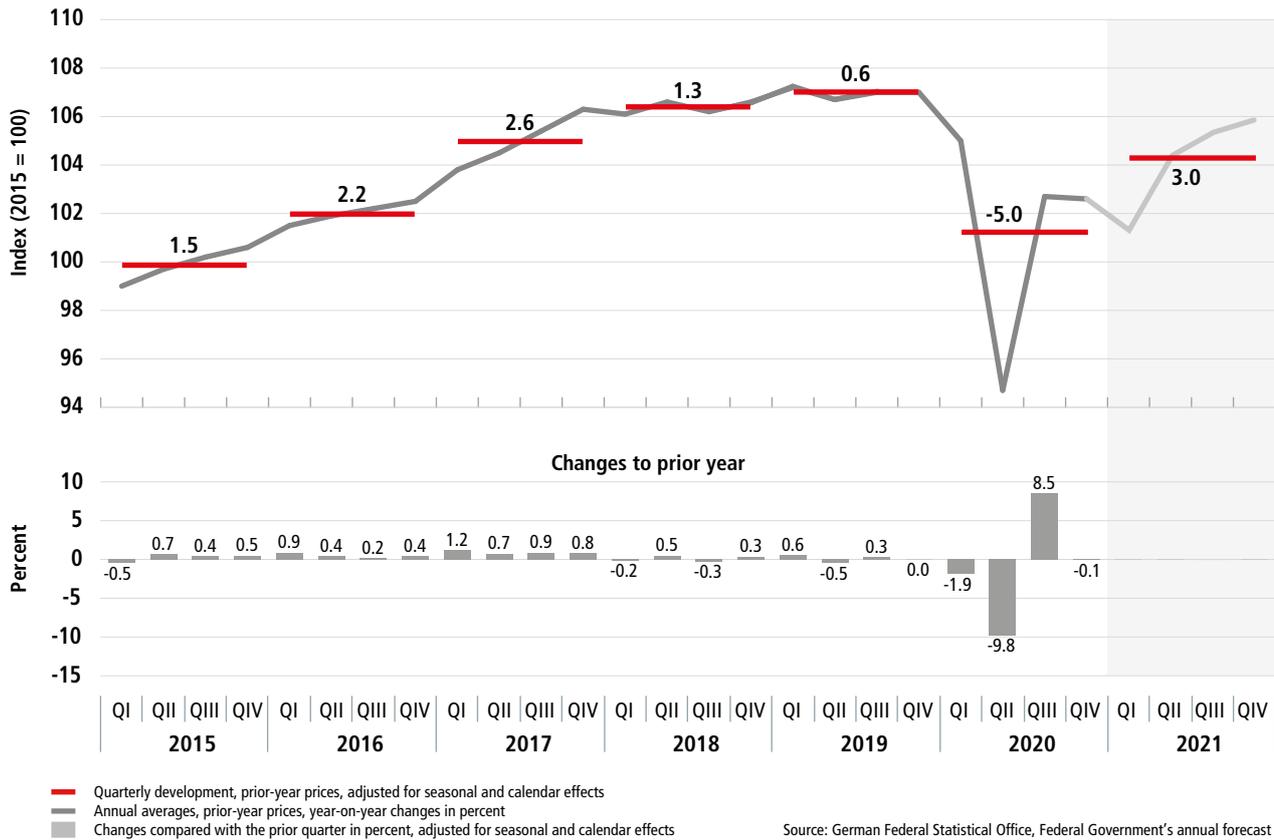
All in all, there was a sharp decline in economic development in 2020, after 10 years of growth. The coronavirus pandemic left a clear mark on almost all sectors of the economy in 2020. The manufacturing industry recorded a decline of 9.7% in price-adjusted economic output compared with 2019. The processing industry saw a decline of as much as 10.4% in the same period. Services declined by 6.3% in 2020. By contrast, the construction industry weathered the crisis well, recording an increase of 1.4% year on year.

The positive development on the labor market did not continue in 2020. In Germany, 44.6 million people were in work in November 2020, which was down by an average of 455,000 year on year after the first 11 months of 2020, thus breaking the more than a decade-long trend of rising employment. At the peak in April 2020, there were nearly 6 million short-time workers in addition to the fall in employment. As the economy recovered, this figure fell to 3.3 million in July and, according to the provisional figures of the German Federal Employment Agency, declined to a little over 2 million short-time workers as of year-end.

At the same time, unemployment and underemployment increased on average in 2020. The risk of becoming unemployed from current employment increased despite the massive use of short-time work, but nevertheless remains low. The chance of escaping unemployment by finding a job fell

year on year. An average of 2,702,510 people were registered as unemployed in Germany in 2020, down 435,777 or 19.2% on 2019 (2,266,733 people). The number of unemployed as a percentage of the total civilian labor force was 5.9% on average in 2020, up 0.9 percentage points year on year.

### Development of GDP in Germany - Annual projection 2021



Source: German Federal Statistical Office, Federal Government's annual forecast

## Industry performance

### Personnell services segment

The general economic downturn and the labor market situation described above had a noticeably negative impact on the Personnel Services segment. In some industries, the need for Personnel Services has now come to a complete standstill. Other sectors, however, saw a pandemic-related boom with correspondingly high demand, although this was not sufficient to offset the losses.

### Temporary staffing

The temporary staffing market has been weak, with the pandemic accelerating the decline into the middle of 2020. The number of people working under an employee leasing arrangement dropped sharply accordingly. According to data published by the German Federal Employment Agency, the number of temporary workers amounted to 747,623 at the end of the first half of 2020, which was down 16.6% against the prior-year level (30 June 2019: 896,057 temporary workers). The trend data published by the German Federal Employment Agency for employees in the temporary staffing industry also point to a substantial pandemic-driven decline in the market environment for the full year. For the first 11 months of 2020, the German Federal Employment Agency's trend figures indicated a decline of between 12% and 13% compared with the first 11 months of 2019. After reaching a low in the middle of the year, the absolute number of temporary workers returned to incremental growth in the second half of the year.

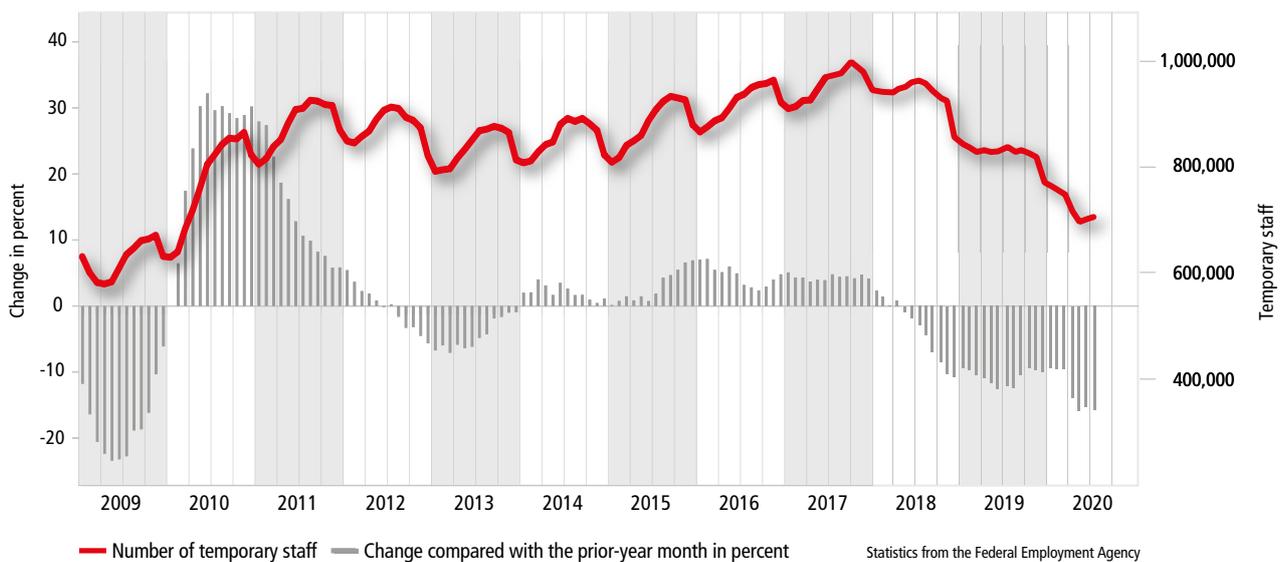
The number of people working in employee leasing arrangements is thus expected to have decreased by around 12% in 2020. This marks a continuation of the downward trend in the temporary staffing market, following a 4% decline in 2018 and an 11% decline in 2019.

The Amadeus FiRe Group's core submarket of commercial and IT professions recorded a sharper decline than the overall market in the first half of 2020 according to the data of the German Federal Employment Agency. The volume of the relevant submarket for the Amadeus FiRe Group shrank by 24% year on year as of 30 June.

There is still demand for qualified temporary workers to meet flexible labor requirements and recruiting for this purpose is still a key challenge for the industry. In 2020, the share of reported vacancies from the temporary staffing industry was 26.9% (prior year: 30.6%), while the number of vacant positions reported to the German Federal Employment Agency declined by 20.8%.

The German temporary staffing market is still heavily fragmented. According to the figures published by the German Federal Employment Agency as of 31 December 2019, the number of companies dedicated entirely or mostly to employee leasing decreased to 11,000 (11,600 in 2018). This trend is likely to have been driven by the economic impact of the pandemic. The majority operate in the industrial sector, where competition is correspondingly fierce as a result. The Amadeus FiRe Group does not operate in this sector.

Number of temporary staff in Germany



Collective agreements for the temporary staffing industry have been in place since 2003. From the outset, Amadeus FiRe has applied the industry collective wage agreement concluded between the iGZ [“Interessenverband Deutscher Zeitarbeitsunternehmen”]: German Temporary Employment Companies Industry Association] and the DGB [“Deutscher Gewerkschaftsbund”]: German Trade Union Federation]. The collective wage agreement currently in force was concluded on 18 December 2019 and is valid until 31 December 2022. Under the collective wage agreement, the pay received by temporary workers rose by 1.9% (West) and by 3.0% (East) as of 1 April 2020. As of 1 October 2020, collectively agreed pay in the East rose by a further 2.2%.

From 2012, industry surcharge agreements were introduced gradually, as a result of which, in cases of extended periods of assignment and correspondingly high surcharge levels, surcharges generally of up to 50% on collectively agreed pay have to be paid.

An amendment to the AÜG [“Arbeitnehmerüberlassungsgesetz”]: German Personnel Leasing Act] entered into force on 1 April 2017. The main components are equal pay for temporary workers after nine months on customer assignment and a maximum lease duration generally of 18 months.

These legal regulations and collectively bargained contractual provisions have made temporary staffing a real alternative in Germany for returning to the labor market and for career development. At the same time, they have made temporary staffing increasingly expensive.

#### Permanent placement

The overall market environment driving the demand for permanent placement deteriorated significantly in 2020 on account of the economic situation, triggered by the coronavirus pandemic. One indicator is the fall in the number of workers in insurable employment. According to an estimate by the German Federal Employment Agency, there were 33.9 million people in insurable employment in October 2020, which is 109,000 or 0.3% less than the year before. This is the first decline after many years of growth.

Demand for labor in Germany, measured by the German Federal Employment Agency’s BA-X job index, fell sharply over 2020 in the wake of the coronavirus pandemic. In 2020, the average level of the BA-X was 100 points, down 27 points or 21.3% on the prior-year average.

The ifo Employment Barometer, an indicator for the future employment plans of the companies surveyed for the next three months, shows that companies are becoming increasingly cautious in building up personnel. The indicator

averaged 94.3 points in 2020, 5.9% below the comparable prior-year level. With the start of the second quarter and the spread of the coronavirus, the value fell in April, initially by 7.6%, recovering only slowly from this drop over the subsequent months.

There was a contrasting effect from the generally very limited offering of qualified professionals and executives, the shortage of skilled labor, from which the market for permanent placement has benefited for some time.

According to a survey conducted by the German Association of Chambers of Commerce and Industry in Berlin in the fall of 2020, 37% (fall 2019: 56%) of the businesses surveyed see the shortage of specialists as a risk to the growth of their business. The risk factor of the shortage of skilled labor therefore remains significant for companies, it has simply decreased as a result of the lower demand for labor.

Until a few years ago, the hiring patterns of companies were still influenced primarily by general economic trends. The market’s response to economic fluctuations was generally directly observable. This correlation has weakened increasingly in the past few years. Attracting and retaining personnel and in particular qualified personnel has emerged as a critical success factor for many companies in Germany. Companies are trying to secure their workforce over the long term and are prepared to invest accordingly. As such, the permanent placement market has become significantly more resilient to cyclical volatility and has become less important as an early warning indicator pointing to prospects for the economy. Other factors such as sectoral change, a tight labor market, a shortage of skilled labor as well as immigration now play a greater role with respect to employment.

Given the limited access to labor, companies in Germany are still dedicating substantial resources to recruiting and retaining employees.

There are no reliable sources indicating the size of the market in Germany.

#### Interim and project management

There is no reliable data in Germany for the size and development of market volume for the interim and project management service.

Macroeconomic development has only a limited impact on interim and project management. In periods of downturn, large numbers of restructuring and cost-cutting projects are carried out, whereas periods of upturn tend to give rise to interim management projects from the expansion of organizations and operations. The organization of companies

in Germany has changed significantly in recent decades. Companies have streamlined their operations, set up smaller organizational units and in some cases spun off entire divisions. Tasks which companies were able to sufficiently resource in the past are now performed by external service providers, like interim managers. Consequently, the interim management market can be deemed robust.

The coronavirus pandemic certainly gave rise to demand for administrative projects from companies, for example operational processing of short-time work or the necessary transparency of relevant key performance indicators and financial ratios.

### Training segment

The coronavirus pandemic triggered an abrupt change in the overall market for training from mid-March 2020. Training companies have been directly affected. The training market is to be considered as three separate submarkets. These are the markets of publicly funded training (B2G), offers for business customers (B2B), in particular open or inhouse seminars, and the market with offerings for private individuals (B2C), in particular courses and degree programs.

These three submarkets react very differently to economic cycles. The publicly funded B2G market with its dependency on unemployment is countercyclical. In contrast, the B2B Training market demonstrates classic early cyclical behavior. The B2C market, in turn, is largely independent of current economic developments. The development of the individual submarkets is described in more detail below:

#### Publicly funded training (B2G)

The market for adult education with a focus on publicly funded occupational retraining and advanced vocational training is highly fragmented and comprises a handful of providers operating across Germany and a large number of regional and local educational institutions. Unemployment numbers are a key indicator for market development. The rapid rise in unemployment in Germany since mid-2020 as a result of the coronavirus pandemic is a positive market environment overall. The labor market is characterized by very high and growing demand for professionals and for the corresponding qualifications. Public institutions and political parties alike consider the promotion of skills development to be a key government task to address the shortage of specialists long term. Investment in education and training is firmly established across all political parties in Germany as the most effective instrument to tackle unemployment. This has a stabilizing and positive effect on the growing market for publicly funded occupational retraining and advanced vocational training.

In 2020, there was a pandemic-related delay effect on the market. The rising numbers of unemployed persons and hence potential participants in advanced vocational training contrasted with reduced processing of training vouchers by the authorities. A lack of infrastructure and digital processes for remote working, an increase in unemployment figures and the processing of applications and payments in connection with short-time work meant that the workforces of the funding institutions (German Federal Employment Agency, chambers, administrations) were severely limited or otherwise tied up. Consequently, the increase in unemployment did not have an immediate positive effect.

#### Open or inhouse seminars (B2B)

The corporate customer business (mainly short-term public and inhouse seminar business) is much more sensitive to short-term economic trends or regulatory changes than the course and degree program business (B2C) described below. From the start of the first lockdown from mid-March 2020, corporate customers abruptly slashed their training budgets and banned employees from attending (in-person) events as a result of the requirement to restrict contact.

The field of tax, finance and accounting training is also affected by the extent of new legal and regulatory provisions and changes to existing laws. There was no significant demand for training as a result of this and, consequently, no boom in the area of seminars in 2020. As such, there was no effect offsetting the pandemic-related fall in demand.

In recent years, inhouse training has become increasingly important in connection with employee recruitment and retention (employer branding). The resulting positive demand effect did not materialize in 2020 owing to the coronavirus pandemic. Overall, the regular B2B business declined sharply as a result of the pandemic-related restrictions on contact. After extremely strong revenue growth in the prior year, the surveyed member companies of Wuppertaler Kreis e.V., primarily training companies operating in the cyclical submarkets, were very pessimistic in 2020 about the current business situation. The survey value of 86 points was 6 points lower than the business situation index during the financial crisis of 2009.

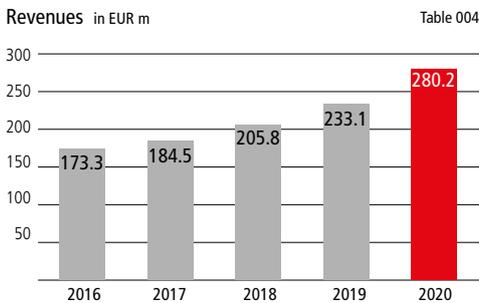
#### Courses and degree programs (B2C)

The niche markets for training, such as longer-running courses and degree programs in tax, finance and accounting, are not very sensitive to economic cycles in the economy at large, mainly thanks to the high proportion of private customers. The decision to participate is mainly determined by the participants' long-term personal life and career plan. However, temporary bans on events and training mandated in connection with the pandemic resulted in revenue delays and losses in this submarket for training companies in 2020.

## Business performance

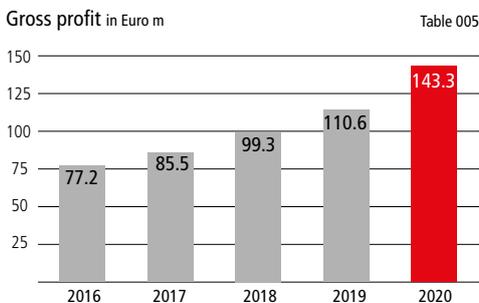
### Overall presentation of the development of the Amadeus FiRe group in fiscal year 2020

On 19 December 2019, the Amadeus FiRe Group acquired all the shares in COMCAVE Holding GmbH. The COMCAVE business figures are included in the consolidated income statement for the first time in fiscal year 2020. On 15 September 2020, GFN GmbH was acquired as a further subsidiary in the Training segment. The company's shares and assets were transferred from the original owners to the Amadeus FiRe Group on 29 September 2020 (closing). Accordingly, the business figures of GFN are only included in the consolidated income statement from the fourth quarter of 2020.



Revenue increased by EUR 47,030k in the fiscal year from EUR 233,124k to EUR 280,154k. This increase of 20.2% is due to additional revenue of EUR 60,802k from the COMCAVE Group and revenue of EUR 5,989k, generated in the fourth quarter by GFN GmbH. Offsetting effects primarily include the declines in demand and associated declines in revenue, especially in the Personnel Services segment as a result of the coronavirus pandemic.

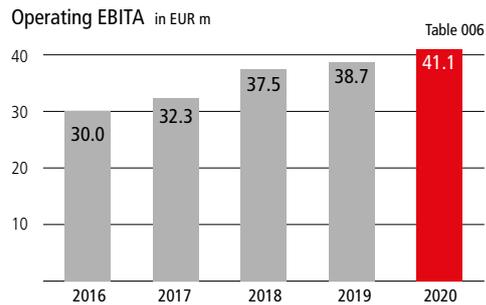
Gross operating profit increased from EUR 110,608k in the prior year to EUR 143,254k in the reporting year, a year-on-year increase of 29.5%. This reflected the additional gross profit from COMCAVE and GFN. In organic terms, gross profit declined by 8.8% as a result of the pandemic.



The gross operating profit margin increased by 3.7 percentage points to 51.1% in 2020, up from 47.4% in 2019. The Training segment, which stronger in terms of gross profit, gained in significance. The shares of gross profit attributable

to COMCAVE, GFN and Endriss increased sharply, resulting in a substantial positive effect on the gross operating profit margin.

Operating EBITA increased from EUR 38,721k to EUR 41,066k in the reporting period. This is an increase of EUR 2,345k or 6.1% year on year. Growth was also achieved thanks to the first-time inclusion of the results of COMCAVE.



In organic terms, operating EBITA of the continuing operations fell sharply by 19.5% to EUR 31,170k. Cost-cutting measures were not enough to offset the decline in business volumes. From the second quarter there was a strict cost regime. However, management's top priority was to lead the entire organization through the acute phase of the crisis intact. And to do so with the aim of carving out a position from which all business areas would be able to benefit more than proportionally when their market segments begin to recover. In both segments, a big push was necessary to improve the digitalization of business processes. In Training, for example, to enable prohibited classroom teaching to go ahead as online teaching; in Personnel Services, for example, to make the switch from in-person interviews, which are only possible to a limited extent, to video interviews.

Ultimately, in the coronavirus crisis year of 2020, an operating EBITA margin of 14.7% was achieved (prior year: 16.6%).

The leverage ratio declined from 4.3 in 2019 to 2.5 in the reporting year. This was due, on the one hand, to the increase in equity by EUR 51m as a result of the 10% capital increase carried out in fiscal year 2020 subject to the exclusion of subscription rights, which was used to repay the bridge loan, and, on the other hand, to the first-time attribution of the operating results of the COMCAVE Group and the GFN Group. After the acquisition of the COMCAVE Group in December 2019 was initially financed by a short-term bridge loan of EUR 170m, this was transferred to a longer-term structure in December 2020. The current loan financing is divided into an amortizing loan of EUR 100m, which provides for a quarterly fixed repayment of EUR 5m, and a flexible revolving credit facility of up to EUR 35m.

## Segment development

### Personnell services segment

The Personnel Services segment has been massively impacted by the consequences of the coronavirus pandemic. Owing to the changing demand situation due to government restrictions on public life to protect the population, average workloads in Germany have fallen and, as a result, companies have significantly reduced staff recruitment activities. After demand plummeted at the start of the lockdown in March until the middle of the year, there was a steady recovery over the course of the second half of the year. It did not return to pre-crisis levels, however.

Revenue in the Personnel Services segment fell to EUR 190,591k (prior year: EUR 207,129k). This corresponds to a decrease of EUR 16,538k or 8.0%. While the interim and project management service recorded a revenue increase of 37.7% in the reporting year, revenue declined by 10.7% in the temporary staffing service and by 13.6% in permanent placement.

Gross operating profit in the Personnel Services segment fell by EUR 9,021k to EUR 87,920k, a decrease of 9.3%. The change in the demand situation meant that fewer temporary employment contracts and permanent placements were recorded in 2020. The gross operating profit margin declined by 0.7 percentage points year on year to 46.1%. The fall in the gross profit margin follows the disproportionate decline in revenue from the highest-margin service, permanent placement, and clear growth in the relatively low-margin interim and project management service.

In the Personnel Services segment, operating EBITA declined by EUR 6,724k or 19.9% in the reporting year to EUR 27,115k. As was the case throughout the whole of 2019, the sales organization continued to grow in the first quarter of 2020 and planned expansion activities were initiated. Among other things, the opening of another new branch in Bremen was initialized at the start of the year. The branch was ultimately opened in the fourth quarter. When the effects of the coronavirus pandemic began to hit in March, all other expansion plans were put on hold and a strict cost regime was adhered to. As a result, administrative and selling expenses for the full year 2020 were reduced to EUR 60,810k (prior year: EUR 63,122k).

Before the crisis adjustments following the first quarter, expenses for the sales and administrative organization increased by 14.4% or EUR 2,488k. From April to September, short-time work was used for the sales and administrative organization. For parts of the internal workforce, working hours were cut by up to 50%. The use of short-time work

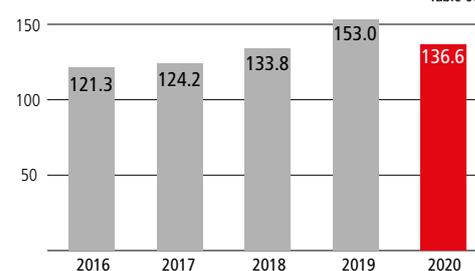
made it possible to substantially reduce personnel expenses. It was particularly important for Amadeus FiRe to be able to capitalize in this way on the improving market environment in its full line-up. Further cost reductions were achieved by cutting back substantially on marketing and advertising activities and on recruitment expenses.

The operating EBITA margin of the Personnel Services segment fell a good 2 percentage points in the pandemic-dominated 2020 to 14.2%, down from 16.3% in the prior year.

### Temporary staffing

The temporary staffing service recorded a revenue decline of 10.7% or EUR 16,409k in fiscal year 2020. Revenue from temporary staffing amounted to EUR 136,627k after EUR 153,036k in the prior year. There were three more chargeable days in fiscal year 2020 than in the prior year, leading to a positive effect on revenue, gross profit and profit before taxes of around EUR 1.5m. First of all, the good start to the fiscal year had a positive effect. The seasonal decline in orders in temporary staffing going into 2020 was weaker this fiscal year compared with the long-term average. The number of orders was initially up on the prior year. A further positive effect on revenue came from the average hourly charge-out rates, which increased by 5.3% in 2020 (prior year: 4.0%). This reflects the higher salaries of temporary workers, largely stemming from the general increase in real wages. The decline in revenue from the temporary staffing service is mainly attributable to the large number of canceled orders and the fall in demand from mid-March 2020 as a result of the first lockdown in response to the coronavirus pandemic. The number of temporary staffing orders fell by around 700 between mid-March and the start of July 2020. At its peak, therefore, the order volume was down by nearly 30% on the prior year. The lowest point was reached at the start of the third quarter. Thereafter, temporary staffing orders began to increase again until the end of the fiscal year. At the end of December 2020, temporary staffing orders were down by around 15% on the prior-year level. Thus the interim decline was halved in the second half of the year.

Revenue from temporary staffing in EUR m Table 007

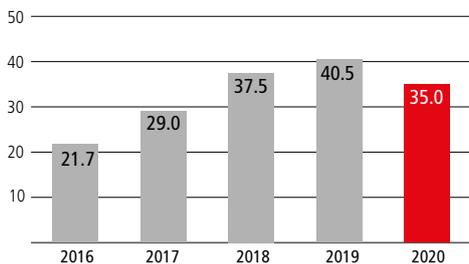


Gross profit from the temporary staffing business fell from EUR 52,937k in 2019 to EUR 48,124k in the reporting year. This corresponds to a decline of 9.1%. The gross profit margin increased year on year from 34.6% to 35.2%. The increased capacity utilization of Amadeus FiRe’s temporary workers had a positive effect on the gross operating profit margin, with reductions in both temporary workers without assignments and in the sickness rate. The option to use short-time work for external employees of the Amadeus FiRe Group was a supporting factor. The use of short-time work from the second quarter of 2020 made it possible to retain temporary workers in the Company and ultimately to find new companies to assign them to. Under these conditions, the cost of sales for temporary staffing was lessened by EUR 3,719k. The sickness rate of temporary workers was below average, with adherence to the general distancing and hygiene rules, working on customer assignments from home and the reduced overall risk of infection as a result of less social contact likely having a positive effect.

**Permanent placement**

Revenue from permanent placement declined by EUR 5,516k or 13.6% in the reporting year to EUR 34,978k (prior year: EUR 40,494k). While revenue was more or less on a par with the prior-year level in the first quarter, it fell dramatically in the second and third quarters. It was down by almost 25% in both of these quarters; a direct consequence of the first lockdown from mid-March 2020, due to the fall in requests and difficulties in conducting the face-to-face interviews needed to make decisions. In the fourth quarter of 2020, revenue was only marginally down on the prior-year quarter thanks to a substantial upturn. The increased use of video interviews by customer companies brought the number of interviews back to pre-crisis levels in the fourth quarter of 2020.

Revenue from permanent placement in EUR m Table 008

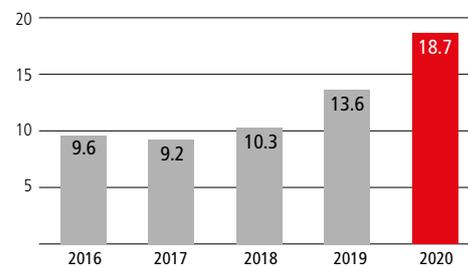


No costs of sales are allocated directly for the provision of the personnel placement service. Hence gross profit essentially corresponds to revenue. Consequently, the personnel placement service’s share in total gross profit is higher than its share in total revenue.

**Interim and project management**

Revenue from interim and project management rose significantly by 37.7% from EUR 13,599k in the prior year to EUR 18,729k in fiscal year 2020. Accordingly, the share of segment revenue attributable to the interim and project management service rose from 6.6% in the prior year to 9.8%. As with temporary staffing, the coronavirus pandemic had a similar impact on the development of the order volume in interim and project management from the second quarter of the reporting year. However, the starting point in the first quarter of 2020 was much more positive following very dynamic growth previously. After reaching a low, also in the middle of the year, the number of orders returned to the pre-crisis level by the end of the year. The order volume for the year as a whole was up on the prior-year level.

Revenue from interim and project management in EUR m Table 009



Gross profit from interim and project management amounted to EUR 4,696k (prior year: EUR 3,513k). The gross operating profit margin decreased to 25.1% (prior year: 25.8%).

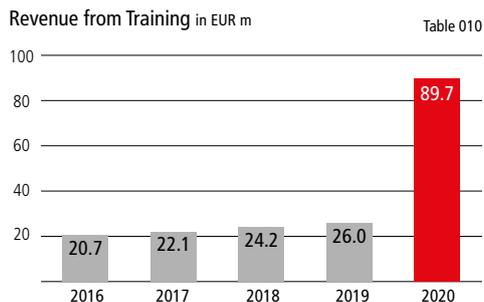
**Training segment**

Revenue in the training segment rose from EUR 25,995k in 2019 to EUR 89,670k in the reporting year. This increase is mainly due to the first-time inclusion of the results of the COMCAVE Group and the GFN Group.

In fiscal year 2020, gross operating profit (gross profit before amortization of purchase price allocations) increased by EUR 41,743k to EUR 55,410k. The increase in gross operating profit, like revenue, resulted from the additional gross operating profit contributed by the COMCAVE Group and the GFN Group. The gross operating profit margin increased by 9.2 percentage points to 61.8% in the reporting period, mainly as a result of the structurally high-margin business of the COMCAVE Group, which generated around 72% of the training segment’s gross operating profit in the fiscal year.

Operating EBITA in the training segment increased from EUR 4,882k in 2019 to EUR 13,955k in 2020, due to the additional operating EBITA of the COMCAVE Group. The operating EBITA margin decreased from 18.8% in the prior

year to 15.6% in 2020. The fallout from the pandemic was felt in all areas of the training segment: cancellation of in-person teaching, fall in demand from corporate customers or overburdened authorities with knock-on effects for the issue of education vouchers for publicly funded training; the consequences were many and varied. Added to this were one-time expenses for the acquisition of GFN GmbH. All these factors put pressure on the operating EBITA margin in this segment.



#### Steuer-Fachschule Dr. Endriss

The entities of Steuer-Fachschule Dr. Endriss reported revenue of EUR 22,881k in fiscal year 2020 (prior year: EUR 25,324k). This corresponds to an organic revenue decline of 9.7%.

In particular, the cancellation of all in-person events as a consequence of the first lockdown from mid-March 2020 required a response. The transformation of in-person events to online courses was smooth and quick. While demand for courses or seminars for private end customers (B2C) proved very robust, the market segment for business customers (B2B) saw a significant fall in demand.

The gross operating profit of Steuer-Fachschule Dr. Endriss declined by EUR 452k to EUR 12,955k (prior year: EUR 13,407k). Steuer-Fachschule Dr. Endriss reported a gross operating profit margin of 56.6% (prior year: 52.9%). Crucial to this increase in gross operating profit margin was the cutting of costs of premises and travel expenses as well as the merging of courses as a result of the temporary shift of ongoing in-person events to an online format.

Thus the entities of Steuer-Fachschule Dr. Endriss recorded a 12% decline in operating EBITA in the reporting year by EUR 566k from EUR 4,622k in 2019 to EUR 4,056k in 2020. The operating EBITA margin of 17.7% nearly reached the prior-year margin of 18.3%.

#### COMCAVE

The COMCAVE Group's countercyclical business of publicly funded training (B2G) tends to profit from weaker economic periods. At EUR 60,802k, COMCAVE's revenue was slightly up on the prior-year level. Because the results of the COMCAVE Group were only attributed to the Amadeus FiRe Group

as of 1 January 2020, it is only possible to derive general trends in relation to the prior year. An increase in revenue was possible as COMCAVE has been providing telelearning, i.e., instructor-led, live online teaching in virtual classrooms for many years. This made participation and teaching from home possible during the coronavirus pandemic. The reduced number of education vouchers issued by the public funding institutions from mid-March due to their digitalization deficits and shortage of resources had an offsetting effect on the revenue generation. This is because rising unemployment and applications for short-time work gave rise to particularly high workloads at the funding institutions, which could not be sufficiently managed owing to a lack of infrastructure and processes for remote working.

Gross operating profit at COMCAVE amounted to EUR 39,804k. The gross profit margin stood at 65.5%.

In 2020, the COMCAVE Group reported operating EBITA of EUR 10,153k. COMCAVE used fiscal year 2020 to drive forward the expansion of its business operations. This makes sense given the positive market outlook. The increase in expenses exceeded the revenue increase in 2020, which was hampered by the bottleneck in issuing education vouchers. As a result, the operating EBITA margin fell to 16.7% in the reporting year.

#### GFN

Revenue in the GFN Group amounted to EUR 5,989k in the fourth quarter of 2020. Because GFN GmbH was acquired in September 2020 and its results only became relevant for the Amadeus FiRe Group as of the fourth quarter of 2020, a prior-year comparison is not possible for 2020.

The gross operating profit of the GFN Group amounted to EUR 2,652k in the reporting year. The gross operating profit margin stood at 44.3% in the fourth quarter.

Revenue and gross profit fell year on year, driven by the pandemic. The consequences of the coronavirus pandemic for GFN were, on the one hand, the challenge of transforming in-person events into online events where possible, and, on the other, similarly to COMCAVE, the fall in the number of education vouchers issued from March 2020.

Due to the substantial decline in the market for business customers (B2B), the pandemic-induced restraint in demand for IT training from corporate customers also had a negative impact on revenue and gross operating profit.

At the GFN Group, operating EBITA stood at around -EUR 254k in the reporting period. The operating EBITA margin was -4.2% in the fiscal year. The reduction in personnel expenses as a result of short-time work had a positive impact on operating EBITA.

## Financial performance

### Financial performance

Table 011

Amounts stated in EUR k	2020	PPA effects	2020 operating	2019	Change (abs.)	Change (%)
<b>Revenue</b>	<b>280,154</b>	<b>0</b>	<b>280,154</b>	<b>233,124</b>	<b>47,030</b>	<b>20.2%</b>
Cost of sales	-143,442	6,542	-136,900	-122,516	-14,384	11.7%
<b>Gross profit</b>	<b>136,712</b>	<b>6,542</b>	<b>143,254</b>	<b>110,608</b>	<b>32,646</b>	<b>29.5%</b>
<b>Gross profit margin</b>	<b>48.8%</b>	<b>n/a</b>	<b>51.1%</b>	<b>47.4%</b>	<b>3.7%</b>	<b>n/a</b>
Selling and administrative expenses	-105,977	3,565	-102,412	-72,141	-30,271	42.0%
Other income and expenses	224	0	224	254	-30	-11.8%
<b>EBITA</b>	<b>30,959</b>	<b>10,107</b>	<b>41,066</b>	<b>38,721</b>	<b>2,345</b>	<b>6.1%</b>
<b>EBITA margin</b>	<b>11.1%</b>	<b>n/a</b>	<b>14.7%</b>	<b>16.6%</b>	<b>-2.0%</b>	<b>n/a</b>
Financial result	-3,124	0	-3,124	-436	-2,688	>100%
<b>Profit before taxes</b>	<b>27,835</b>	<b>10,107</b>	<b>37,942</b>	<b>38,285</b>	<b>-343</b>	<b>-0.9%</b>
Income taxes	-8,477	-1,668	-10,145	-12,537	2,392	-19.1%
<b>Profit after taxes</b>	<b>19,358</b>	<b>8,439</b>	<b>27,797</b>	<b>25,748</b>	<b>2,049</b>	<b>8.0%</b>

Since fiscal year 2020, the results of the Amadeus FiRe Group have been impacted by PPA effects from the acquisition of the COMCAVE Group and the GFN Group. The cost of sales, comprising selling and administrative expenses, includes amortization of intangible assets identified in the purchase price allocation. To improve comparability of the operating performance of the Amadeus FiRe Group, the income statement was adjusted for these effects.

In fiscal year 2020, the Amadeus FiRe Group generated revenue of EUR 280,154k, which was up EUR 47,030k or 20.2% on the prior-year value of EUR 233,124k. For an explanation of the increase in revenue, please refer to the description of the business performance.

The operating cost of sales for all services rendered increased 11.7% to EUR 136,900k (prior year: EUR 122,516k). This increase is lower than the increase in revenue, mainly on account of the change in the ratio of segment contributions to the overall Group since 2020 (see the comments on the segments). The PPA effects on the cost of sales of EUR 6,542k relate to write-downs on the order backlog.

Gross operating profit increased by EUR 32,646k in absolute terms, with the gross operating profit margin in the Group rising by 3.7 percentage points from 47.4% to 51.1%. This increase is due to the change in the margin mix, since the training segment posts a higher gross profit margin and accounts for a larger share of gross operating profit.

The operating selling and administrative expenses amounted to EUR 102,412k, compared with EUR 72,141k in the prior year. EUR 30,271k of the increase is attributable to the

COMCAVE and GFN Groups, which were included in 2020. Also, higher IT expenses, consulting fees in connection with the acquisitions and amortization, depreciation and impairment in particular contributed to the higher selling and administrative expenses. Reduced personnel expenses as a result of the use of short-time work and lower variable compensation components had a contrasting effect. On the other hand, the increase was reduced by lower advertising and marketing expenses as well as lower travel and entertainment costs. The PPA effects on selling and administrative expenses relate to amortization of acquired trademarks, technologies, certifications and instructor pools.

Profit from operations before interest, taxes and goodwill impairment (EBITA) amounted to EUR 41,066k in the reporting year (prior year: EUR 38,721k). Thus the Amadeus FiRe Group recorded an increase in operating EBITA of 6.1%, with inorganic growth more than offsetting the pandemic-driven decline in the operating business. The operating EBITA margin stood at 14.7% in fiscal year 2020 (prior year: 16.6%).

The increase in the financial result by EUR 2,688k in the 2020 reporting year is due to an increase of EUR 3,124k in interest expenses and commissions due to financing as well as increased interest expenses from leasing. By contrast, the measurement of the settlement option held by the non-controlling interests of Steuer-Fachschule Dr. Endriss had an offsetting effect on the financial result.

The Amadeus FiRe Group ultimately generated an operating profit after income taxes for fiscal year 2020 of EUR 27,797k (prior year: EUR 25,748k), an increase of 8.0%.

The tax rate stood at 30.5% in the reporting year, down from 32.8% in the prior year, with a tax expense of EUR 8,477k (prior year: EUR 12,537k).

For fiscal year 2020, profit for the period attributable to equity holders of Amadeus FiRe AG amounted to EUR 17,786k (prior

year: EUR 24,012k) and basic earnings per share to EUR 3.29 (prior year: EUR 4.62). Adjusted for the PPA effect, earnings per share would have increased to EUR 4.50.

## Assets and liabilities

### Assets and liabilities

Table 012

Amounts stated in EUR k	31 Dec 2020	%	31 Dec 2019	%	Change (abs.)	Change (%)
Goodwill	171,942	49.4%	171,706	53.3%	236	0.1%
Other intangible assets	35,231	10.1%	41,420	12.9%	-6,189	-14.9%
Property, plant and equipment	7,882	2.3%	5,328	1.7%	2,554	47.9%
Right-of-use assets	59,764	17.2%	47,669	14.8%	12,095	25.4%
Deferred tax assets	952	0.3%	0	0.0%	952	>100%
Total non-current assets	275,771	79.2%	266,123	82.7%	9,648	3.6%
Trade receivables	34,943	10.0%	30,676	9.5%	4,267	13.9%
Other current assets	7,255	2.1%	4,671	1.5%	2,584	55.3%
Income tax assets	124	0.0%	0	0.0%	124	>100%
Cash and cash equivalents	29,990	8.6%	20,465	6.4%	9,525	46.5%
Total current assets	72,312	20.8%	55,812	17.3%	16,500	29.6%
<b>Total ASSETS</b>	<b>348,083</b>	<b>100.0%</b>	<b>321,935</b>	<b>100.0%</b>	<b>26,148</b>	<b>8.1%</b>

The Amadeus FiRe Group's total assets increased by EUR 26,148k or 8.1% as of 31 December 2020 to EUR 348,083k.

The increase in non-current assets was due in part to a EUR 236k increase in goodwill from the acquisition of the GFN Group and a EUR 2,554k rise in property, plant and equipment. The increase in property, plant and equipment is attributable to the acquisition of new assets (EUR 638k) as well as current investments, in particular in hardware and office equipment. Right-of-use assets accounted for the largest share of the growth in non-current assets with an increase of EUR 12,095k. This increase was due, on the one hand, likewise to the newly acquired right-of-use assets of the GFN Group (EUR 5,870k) and, on the other, in particular to the conclusion and extension of lease agreements. The decrease in intangible assets by EUR 6,189k had an offsetting effect, with amortization of EUR 12,206k exceeding additions from acquisitions of EUR 3,013k and investments of EUR 3,004k. The high level of amortization is attributable to the PPA effects already explained of EUR 10,107k.

The non-current assets to equity and non-current liabilities ratio is 93.2% (prior year: 38.1%).

Current assets increased by EUR 16,500k to EUR 72,312k (prior year: EUR 55,812k). EUR 4,267k of the increase in trade receivables is attributable to the GFN Group, which was not included in the prior year. By contrast, receivables in the Personnel Services segment were down year on year largely due to end-of-period effects. The EUR 2,584k increase in other current assets is mainly attributable to claims of EUR 1,759k arising from short-time work allowances not yet reimbursed by the German Federal Employment Agency. Cash and cash equivalents increased by EUR 9,525k compared with the prior year to EUR 29,990k (see relevant explanations on liquidity).

## Financial position

### Financial position

Table 013

Amounts stated in EUR k	31 Dec 2020	%	31 Dec 2019	%	Change (abs.)	Change (%)
<b>Total equity attributable to equity holders of Amadeus FiRe AG</b>	<b>112,535</b>	<b>32.3%</b>	<b>49,996</b>	<b>15.5%</b>	<b>62,539</b>	<b>&gt;100%</b>
Non-controlling interests	1,419	0.4%	963	0.3%	455	47.3%
<b>Total equity</b>	<b>113,954</b>	<b>32.7%</b>	<b>50,959</b>	<b>15.8%</b>	<b>62,994</b>	<b>&gt;100%</b>
Non-current financial liabilities	46,277	13.3%	37,015	11.5%	9,262	25.0%
Non-current lease liabilities	76,746	22.0%	0	0.0%	76,746	>100%
Non-current liabilities to non-controlling interests	13,707	3.9%	5,990	1.9%	7,718	>100%
Other non-current liabilities	1,669	0.5%	2,198	0.7%	-529	-24.1%
Deferred tax liabilities	4,697	1.3%	5,152	1.6%	-456	-8.8%
<b>Total non-current liabilities</b>	<b>143,096</b>	<b>41.1%</b>	<b>50,355</b>	<b>15.6%</b>	<b>92,741</b>	<b>&gt;100%</b>
Current financial liabilities	15,245	4.4%	12,337	3.8%	2,908	23.6%
Current lease liabilities	38,134	11.0%	170,096	52.8%	-131,962	-77.6%
Current liabilities to non-controlling interests	1,968	0.6%	1,719	0.5%	249	14.5%
Current trade payables	8,153	2.3%	12,316	3.8%	-4,163	-33.8%
Contract liabilities	4,196	1.2%	3,954	1.2%	242	6.1%
Income tax liabilities	1,523	0.4%	1,391	0.4%	132	9.5%
Other current liabilities	21,814	6.3%	18,808	5.8%	3,006	16.0%
<b>Total current liabilities</b>	<b>91,033</b>	<b>26.2%</b>	<b>220,621</b>	<b>68.5%</b>	<b>-129,588</b>	<b>-58.7%</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>348,083</b>	<b>100.0%</b>	<b>321,935</b>	<b>100.0%</b>	<b>26,148</b>	<b>8.1%</b>

Equity amounted to EUR 113,954k as of 31 December 2020, which was significantly higher than in the prior year (EUR 50,959k) due to the capital increase carried out in August. The Company's capital stock was increased by EUR 520k to EUR 5,718k using authorized capital and excluding subscription rights for existing shareholders. In the process, 519,823 new no-par value bearer shares were issued at a price of EUR 100 per new share. This generated proceeds of EUR 51,982k. After transaction costs and deferred taxes, equity increased by EUR 51,217k. The profit for the fiscal year of EUR 18,241k also contributed to the increase in equity in 2020.

By way of the capital increase at Amadeus FiRe Weiterbildung Verwaltungs GmbH in November 2020, 25% of the shares in Amadeus FiRe Weiterbildung Verwaltungs GmbH and therefore indirectly a 25% equity investment in the GFN Group was sold to Surwald Holding UG (haftungsbeschränkt). This initially gave rise to non-controlling interests of EUR 1,364k. At the same time, mutual put/call options were concluded on the 25% equity investment. At the time of agreement, the

value of the options was determined at EUR 7,828k. Because of the equivalent terms of the put/call options, the non-controlling interests of EUR 1,364k were directly derecognized again using the anticipated acquisition method. The excess amount of EUR 6,464k was netted against retained earnings, thereby reducing them.

The equity ratio increased from 15.8% in the prior year to 32.7%. On the one hand, this is due to the absolute increase in equity as a result of the capital increase and, on the other, the proceeds were used to reduce debt financing, which ultimately resulted in a substantial improvement in the equity ratio.

Non-current liabilities increased from EUR 50,355k to EUR 143,096k. Other financial liabilities alone contributed EUR 76,746k to this increase, which resulted from the maturity-related reclassification of current to non-current other financial liabilities as a result of the financing agreement concluded in December 2020 (see section "Financing"). Non-

current lease liabilities increased as a result of the newly acquired GFN Group and due to the extension of existing leases and conclusion of new leases. Non-current liabilities to shareholders/partners include for the first time the purchase price liability of EUR 7,856k relating to the 25% share in Amadeus FiRe Weiterbildung Verwaltungs GmbH.

Current liabilities amounted to EUR 91,033k as of the balance sheet date compared with EUR 220,621k in the prior year, with other current financial liabilities decreasing by EUR 131,962k to EUR 38,134k due to repayments of

EUR 55,000k made in the fiscal year and the maturity-related reclassifications to other non-current liabilities already described.

By contrast, current lease liabilities increased from EUR 12,377k to EUR 15,245k, mainly due to the newly acquired leases of the GFN Group. An increase in trade payables as a result of end-of-period effects also contributed to the rise in current liabilities. The increase of EUR 21,814k in other current liabilities (prior year: EUR 18,808k) was chiefly due to the newly acquired GFN Group (EUR 1,744k).

## Financing

The Amadeus FiRe Group continues to raise funds primarily through its operating cash flows. In December 2019, a bridge loan of EUR 170,000k with a maximum term of one year was raised with Deutsche Bank to finance the acquisition of the COMCAVE Group. EUR 55,000k of this was repaid in fiscal year 2020. EUR 50,943k of these funds came from the capital increase carried out in August 2020 and EUR 4,057k from cash flows from operating activities.

Furthermore, the aim was to transfer current debt financing to a broad basis with a balanced maturity profile. In this connection, in addition to Deutsche Bank, Amadeus FiRe acquired new financing partners in UniCredit Bank AG, Helaba Landesbank Hessen-Thüringen and NRW.Bank. In December

2020, the bridge financing was replaced by a long-term syndicate loan, which has a term of three years with options to extend to a total of five years. The facility is divided into two tranches, one of which comprises an amortizing loan of EUR 100,000k, with quarterly fixed repayments of EUR 5,000k. The other tranche comprises a revolving credit facility of EUR 35,000k, EUR 15,000k of which had been utilized as of the balance sheet date, leaving an available line of EUR 20,000k. This gives Amadeus FiRe a high degree of flexibility.

The agreement contains standard loan clauses (including a change of control clause, raising of new debt financing). In addition, Amadeus FiRe is obligated to comply with certain covenants. These relate to the net leverage ratio, which is to be tested quarterly starting from 31 March 2021.

## Liquidity

### Cash flows

Table 014

Amounts stated in EUR k	2020	2019	Change (abs.)	Change (%)
<b>Net cash from operating activities</b>	<b>40,683</b>	<b>36,692</b>	<b>3,991</b>	<b>10.9%</b>
thereof: Change in working capital	-4,731	3,121	-7,852	-251.6%
<b>Net cash used in investing activities</b>	<b>-13,426</b>	<b>-200,032</b>	<b>186,606</b>	<b>-93.3%</b>
thereof: Acquisitions of subsidiaries	-6,654	-195,372	188,718	-96.6%
<b>Net cash used in/from financing activities</b>	<b>-17,732</b>	<b>139,246</b>	<b>-156,978</b>	<b>-112.7%</b>
thereof: Cash received from/cash paid for financial liabilities	-55,034	170,000	-225,034	-132.4%
thereof: Capital increase	50,859	0	50,859	>100%
thereof: Dividends paid to equity holders of Amadeus FiRe AG	0	-24,224	24,224	-100.0%
Net change in cash and cash equivalents	9,525	-24,094	33,619	-139.5%
Cash and cash equivalents at the beginning of the fiscal year	20,465	44,559	-24,094	-54.1%
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>29,990</b>	<b>20,465</b>	<b>9,524</b>	<b>46.5%</b>

The cash flow statement for fiscal year 2020 is dominated by three issues: the consequences from the acquisition of the COMCAVE Group and the GFN Group, the capital increase and the decision not to make a dividend payment.

Net cash from operating activities increased by EUR 3,991k or 10.9% from EUR 36,692k to EUR 40,683k. This increase is mainly due to the first-time inclusion of the COMCAVE Group, with the operating cash flows increasing despite the increase in working capital. This shows that, despite the coronavirus pandemic, Amadeus FiRe continues to generate its funds in large part through its operations.

Net cash used in investing activities declined from -EUR 200,032k to -EUR 13,426k. This decline is mainly attributable to the payments of EUR 195,372k for the acquisition of the COMCAVE Group in the prior year. In fiscal year 2020, net cash used in investing activities included payments of -EUR 6,654k for the acquisition of the GFN Group.

In 2019, net cash used in financing activities was dominated by the raising of the bridge loan of EUR 170,000k and the payment of the dividend for fiscal year 2018 of -EUR 24,224k. The capital increase carried out in fiscal year 2020 generated a cash inflow of EUR 50,859k. This was used together with other funds generated from the operating cash flows to make repayments on the bridge loan (EUR 55,000k). The remaining liability from the bridge loan of EUR 115,000k was transferred to a new loan in December 2020, as explained above.

In contrast to prior years, the Amadeus FiRe Group suspended payment of a dividend in fiscal year 2020 as the consequences of the coronavirus pandemic on the financial situation of the Amadeus FiRe Group were not foreseeable.

Cash and cash equivalents totaled EUR 29,990k as of 31 December 2020 (31 December 2019: EUR 20,465k).

We report free cash flow as an additional liquidity ratio:

#### Free cash flow

Table 015

Amounts stated in EUR k	2020	2019	Change (abs.)	Change (%)
<b>Net cash from operating activities</b>	<b>40,683</b>	<b>36,692</b>	<b>3,991</b>	<b>10.9%</b>
Additions to intangible assets and property, plant and equipment	-6,818	-4,944	-1,874	37.9%
<b>Free cash flow</b>	<b>33,865</b>	<b>31,748</b>	<b>2,117</b>	<b>6.7%</b>

Free cash flow increased from EUR 31,748k to EUR 33,865k. This reflects the fact that the increase in net cash from operating activities of EUR 3,991k more than offset the

increase of EUR 2,710k in cash paid for intangible assets and property, plant and equipment.

## Employees

The Amadeus FiRe Group had an annual average of 3,355 employees including trainees in 2020, which is an increase of 232 employees compared with the prior-year average. Amadeus FiRe AG consummated the acquisition of 100% of the shares in GFN AG (now GFN GmbH) as of 29 September 2020. The employee statistics for the Amadeus FiRe Group for fiscal year 2020 include GFN employee figures from 1 October 2020.

As of 31 December 2020, the Amadeus FiRe Group had 3,502 employees, 303 more than a year earlier. This positive development is attributable to the acquisitions of the two companies COMCAVE and GFN. Adjusted for this effect, the number of employees decreased by 262 in 2020, mainly due to the pandemic-driven fall in the number of temporary workers. The economic consequences of the coronavirus pandemic were substantially cushioned for employees thanks to the use of short-time work, including a top-up on the short-time work allowance by the Company for both temporary workers and affected internal staff.

On average, around two thirds of our employees represented Amadeus FiRe working for customers under employee leasing arrangements in fiscal year 2020. They work there on assignments as accountants, banking experts, assistants, clerks in the fields of marketing, sales, HR, procurement and administration or as IT specialists. Feedback from our customer companies shows that they are highly satisfied with our employees' motivation and professional qualifications.

But our internal sales and administrative staff are also trained in our customers' needs and the often highly complex

regulatory framework. As such, our HR consultants, recruiters, internal sales organization, specialist consultants, instructors, employees in all manner of roles in the training organization, as well as our employees in accounting, HR, the legal department, information technology, marketing and all other functional and administrative functions are the basis for our operations.

As of 31 December 2020, the share of part-time employees at Amadeus FiRe was 10.9%.

Until the first lockdown began as a consequence of the coronavirus pandemic, the number of employees on customer assignments was up on the prior year. From mid-March, the number of ongoing temporary employment contracts collapsed abruptly and did not return to the prior-year level until the end of the year. A large number of temporary workers who temporarily found themselves on short-time work returned to customer assignments or were found permanent placements with a new employer. Amadeus FiRe hired 2,335 employees for customer assignments over the course of 2020 (prior year: 3,382 employees), with due regard to the hygiene and regulatory implications of COVID-19. The number of temporary workers fell by 12.5% year on year as of 31 December 2020.

The average age of temporary workers was around 40 in 2020 and 59% of external staff were female.

Undertaking temporary work at Amadeus FiRe is usually a stepping stone along our employees' individual career paths and not a long-term preferred working model. Amadeus FiRe

### Number of employees\*

Table 016

		Mar	Jun	Sep	Dec	Average
Leased employees	2020	2,458	2,150	2,113	2,240	2,240
	2019	2,426	2,467	2,579	2,560	2,508
Employees in marketing, sales, instructors and training organization	2020	900	878	892	1,063	933
	2019	542	542	551	572	551
Administrative staff	2020	110	110	111	136	117
	2019	46	50	50	49	49
Trainees	2020	68	67	59	63	64
	2019	12	11	18	18	15
Total	2020	3,536	3,205	3,175	3,502	3,355
	2019	3,026	3,070	3,198	3,199	3,123

\*) This list only includes people who were in active employment in the fiscal year

actively supports its workers in transitioning to a permanent position at a customer company. Only a small number of temporary workers remain with Amadeus FiRe for several years. Approximately one half of external staff on ongoing assignments are offered a permanent position by the customer company.

Recruiting qualified specialists remains a challenge. The internet is still Amadeus FiRe's most important source of new recruits. In 2020, the proportion of hires resulting from the placement of job advertisements in various job portals and on Amadeus FiRe's home page was 60% (prior year: 61%). A second, very stable long-term source of recruitment are former employees and recommendations. This second source accounted for a share of 24% in the reporting year (prior year: 25%). Amadeus FiRe considers itself to be a partner for the future development of its employees' careers and offers employees and candidates alike an ideal platform through its portfolio of various Personnel Services and Training opportunities.

An average of 933 people were employed in the sales and training organization, 69.3% or 382 more than in fiscal year 2019, mainly on account of the acquisition of COMCAVE and GFN.

In administration, the average number of employees increased from 49 in 2019 to 117 in 2020 as a result of this acquired growth.

Each year, the Amadeus FiRe Group employs young trainees. It had an average of 64 trainees in 2020, which was higher than in the prior year.

## Anticipated development and significant opportunities and risks

## Overview and explanation of the prior-year forecast

Table 017

	Forecast for 2020 made in the 2019 annual report	Current status (2020) in 2020 annual report
<b>Global economy</b>		
Global economic growth	3.3%	-4.4%
Eurozone growth	1.3%	-8.3%
<b>German economy</b>		
<b>GDP (real)</b>	0.6%	-5.5%
Components of real GDP		
Private consumption	1.1%	-6.6%
Government consumption	2.4%	4.6%
Gross fixed capital formation	0.2%	-4.0%
Exports	0.8%	-10.5%
Imports	1.6%	-9.5%
<b>Contributions to GDP growth (in percentage points)</b>		
Domestic final demand	1.1%	-3.4%
Changes in inventories	-0.3%	-1.0%
Net exports	-0.2%	-0.9%
<b>German labor market</b>		
Average unemployment figure	Annual average for 2020 expected to be slightly over 2.27 million people	Approx. 2.7 million people
<b>Industry performance</b>		
Temporary staffing market	- 3%*	-12%*
Permanent placement market	2.5% to 5%*	Pandemic-related market contraction*
Interim and project management market	Unchanged*	N/A
Total training market	Unchanged*	Pandemic-related market contraction*
Publicly funded training market	Unchanged to slight growth*	Unchanged to slight growth*
<b>Revenue and earnings performance of Amadeus FiRe</b>		
<b>Personnel Services segment**</b>		
Revenue, temporary staffing	Moderate revenue growth	- 10.7%
Revenue, permanent placement	Slight revenue growth	- 13.6%
Revenue, interim and project management	Substantial revenue growth	+ 37.7%
Total revenue, segment	Moderate revenue growth (7%)	- 8.0%
Total operating earnings, segment	Increase in earnings (>7%)	- 25.8%
<b>Training segment**</b>		
Organic revenue, Training	Slight revenue growth	- 9.7%
Total revenue, segment	Over EUR 90m	EUR 89.7m
Organic operating earnings, Training	At prior-year level	- 12.2%
Total operating earnings, segment	Increase in earnings to over EUR 18m	EUR 14.0m
<b>Amadeus FiRe Group</b>		
Consolidated revenue	No forecast due to pandemic (target before coronavirus crisis > EUR 300m**)	EUR 280.2m
Consolidated operating EBITA	No forecast due to pandemic (target before coronavirus crisis > EUR 58m**)	EUR 41.1m

\* Estimate for Amadeus FiRe

\*\* Forecasts before impact of COVID-19

## Outlook

### Overall economic outlook

The global economy, and hence also the export-based German economy, is expected to recover in fiscal year 2021 to some extent from the COVID-19-driven recession in 2020. Deutsche Bundesbank anticipates growth of 3.0% in gross domestic product (GDP) in calendar year 2021. Uncertainty over the economic outlook is high, especially given the coronavirus pandemic and the associated economic consequences. As such, the uncertainty pertaining to this forecast is unusually high.

The progress on comprehensive vaccination currently entails many unknown factors. Hence the development of the coronavirus pandemic (possible variants and associated lockdowns) and the resulting negative impact on demand, additionally driven by a potentially rapid rise in the number of company insolvencies, is very difficult to predict at the start of fiscal year 2021.

The recovery observed in Germany in the second half of 2020 slowed down in the face of the second wave of infections from October 2020. This, combined with the tighter lockdown at the start of January 2021, will have had a negative impact on economic activity in the first quarter of fiscal year 2021. However, the effects are likely to have been much less severe than in the second quarter of 2020, since ways of managing the coronavirus pandemic, remote working and compliance with distancing and hygiene rules are already widely known and in place. What is more, the global economic recovery is still intact.

There is also huge uncertainty with regard to key political developments, for example the development of trade relationships between the US and China or the consequences of the UK's exit from the EU. It is also unclear what political changes will result from the upcoming "super election year" in Germany, with various state parliament elections, followed by the federal elections in the fall.

According to the current consensus, the economy of the EU countries is expected to grow by 4.1% in calendar year 2021. Given the sharp fall in economic output in calendar year 2020, this would not be enough to return to the level of 2019.

In contrast to the economic downturn driven by the coronavirus pandemic, the labor market has proved pretty robust. Compared with the massive drop in the volume of work, employee numbers have fallen only moderately and unemployment has increased to a minor extent. This development owes a great deal to the use of short-time work to bridge the loss of work and the rapidly emerging economic recovery. In October 2020, employment was down by around 1.5% against the pre-crisis level.

With the economic upturn, working hours were first normalized again, by minimizing short-time work. In the second step, with increasing successes in the fight against the coronavirus pandemic, planning certainty is expected to rise for companies, making them more willing to hire employees. This recovery may be set back by the second wave of infections in the coronavirus pandemic. The reintroduction of measures to contain the virus led to another increase in the number of employees receiving the short-time work allowance. This number reached 2.26 million in November 2020, up from 1.99 million in October. This suggests that the majority of these 270,000 or so employees were directly affected by the containment measures. If the pandemic measures continue for any period of time, a relevant proportion of these employees on short-time work could lose their jobs. Any economic recovery will also be hampered by an increase in the number of insolvencies expected. According to forecasts by Creditreform Rating AG, more than 24,000 insolvencies are expected in 2021. In 2019, 18,830 insolvencies were recorded.

At the time of preparing the management report, the latest developments in the federal government's vaccination strategy for COVID-19 suggest the pandemic should be under medical control by the summer or the fall. This should bolster the probable improvement in the economic situation in the second half of 2021. However, it is not possible at the time of preparing this report to quantify these effects since the organization of the distribution of vaccines and the related immunization of the population are fraught with immense uncertainties. A third wave of infections cannot be ruled out at present.

## Market and earnings forecast for the submarkets of the Amadeus FiRe group

### Focus in the coming fiscal year

In the Personnel Services segment, the Amadeus FiRe Group will continue to offer the services temporary staffing, permanent placement and interim and project management. The Training segment in its current form will also retain the same basic focus, which in both segments, is on the professions and qualifications in commerce and IT. There are no plans to

expand into other countries. For the Amadeus FiRe Group, the reintegration of participants of publicly funded advanced vocational training and occupational retraining in the labor market and, as a result, a close linking of the activities of the two business segments will again play a key role in fiscal year 2021.

## Markets and development of the segments

### Personnel Services segment

#### Personnel Services market development

The temporary staffing market is heavily influenced by the development of the overall economy. In the dominant industrial sector, experience has shown that direct and strong reactions to economic changes are to be expected, whereas the skilled white-collar segment of the temporary staffing market tends to react rather late in the economic cycle.

A recovery in the economy should push up demand in the temporary staffing market. In times of uncertainty, employee leasing offers a flexible, low-risk option for companies to secure personnel resources. Starting in the industrial submarket, which reacts early in the cycle, order and temporary worker numbers should start to rise in the course of 2021.

Higher collectively agreed compensation will push up prices for temporary staffing in Germany further, which could have a negative impact on demand.

The current collective wage agreement between the iGZ [“Interessenverband Deutscher Zeitarbeitsunternehmen e.V.”: German Temporary Employment Companies Industry Association] and the DGB [“Deutscher Gewerkschaftsbund”: German Trade Union Federation] is valid until 31 December 2022. It stipulates wage increases of 3.0% in the West and 4.1% in the East as of 1 April 2021. After gradual harmonization over many years, collective bargaining salaries will be consistent across all of Germany for the first time as of 1 April 2021.

Added to this, from 1 January 2021, the annual leave entitlement increased to at least 25 days per annum (from 24 days per annum in 2020), rising, also based on the length of service, to up to 30 days per annum from the fourth year of employment.

The recruitment of skilled employees will remain a central challenge in 2021 given the ongoing limited access to professionals. There has also been a shortage of qualified personnel in various skilled areas during the coronavirus pandemic. Given the demographic trend in Germany, qualified person-

nel will become scarcer in the long term. These factors will also make it challenging in the future to win over candidates for temporary staffing, despite rising wages and salaries for temporary workers.

Overall, with the incipient economic recovery after the spring, the Amadeus FiRe Group expects the temporary staffing service to see both volume and price-driven increases in market volumes compared with the level in 2020.

2021 should present sound market opportunities for the permanent placement service. In the first half of the year, the market outlook will remain distinctly clouded on account of the pandemic. Due to the expected improvement in the economic situation, the trend toward permanent placement is likely to be more pronounced than in 2020. Despite the currently greater degree of caution when it comes to increasing headcount, companies are prepared to secure personnel resources and offer applicants permanent contracts. Experience has shown that a short supply of qualified staff on the labor market increases the willingness of companies to invest in acquiring suitable personnel. The shortage in Germany in the area of qualified professionals and executives is especially pronounced. The permanent placement service was able to withstand the economic crisis in 2020 better than in the past and continues to be dominated by the short supply on the labor market. Based on these factors, in 2021, after an initial period of weakness or stagnation in the first few months of the year, followed by recovery, the permanent placement market is expected to grow slightly overall in the course of the year.

The overall performance of the economy has only a slight impact on interim and project management. Times of change generally give rise to a relevant project volume. This applies in periods of both upturn and downturn. When internal resources are not available, companies often turn to interim and project managers for support. In Amadeus FiRe's assessment, demand for interim and project management on the extremely competitive market in Germany was comparatively unchanged in 2020. A similar pattern and a stable market volume are expected for 2021.

### Development of the Amadeus FiRe Personnel Services segment

In the Personnel Services segment, the opportunities for market growth, as described above, are generally deemed to be improving, given the situation on the labor market. High demand for professionals combined with short supply on the labor market supports Amadeus FiRe's business model. If the weak economic phase continues, there is a risk that the underlying high demand for professionals in the permanent placement service in particular will be curbed in some customer companies.

The volume of orders in the temporary staffing industry falls at the beginning of the year due to seasonal factors. The adjustment at the start of 2021 was in line with the long-term average. However, at the start of January 2021, the number of orders was down by around 15% against the prior-year level, a significant drop driven by the crisis. The development of temporary staffing orders is likely to be hampered in the first quarter by the renewed lockdown measures. Amadeus FiRe then expects a moderate increase in the temporary staffing volume in the course of the year, boosted by the aforementioned immunization of the population and the associated improvement in the outlook for the economic situation. In addition, a positive effect on revenue, gross profit and profit before taxes of approximately EUR 0.5m is expected in fiscal year 2021 since there will be one more chargeable day available. The gradual recovery in the order backlog combined with a price effect from the annually rising hourly billing rates should return temporary staffing revenues for 2021 towards the levels generated in 2019.

The permanent placement service recorded a negative development in the past fiscal year due to the collapse in demand as a consequence of the coronavirus pandemic and the first lockdown from mid-March 2020. Recently, the demand situation has been very encouraging, as a result of which revenue is expected to increase again in 2021 as a whole. However, revenue is not expected to surpass the pre-crisis level of 2019 until 2022.

In connection with previous forecasts, a positive effect is expected for the temporary staffing and permanent placement services through the hiring or placement of graduates from the training courses at COMCAVE and GFN. Unemployed participants will receive further training to enhance their commercial and IT qualifications so that they can then be reintegrated in the labor market. In this context, a high rate of reintegration is the most important measure of success for the funding institutions. The aim is for the regional Amadeus FiRe Personnel Services organization to assist participants looking to find a new job as they complete their training, if they wish. The first synergies were realized last year as both COMCAVE and GFN participants were able to find new employment through Amadeus FiRe. Amadeus FiRe expects these synergies to grow in the future. Given the current shortage of skilled labor and limited supply, this is a strategically attractive expansion of recruiting activities for Amadeus FiRe.

For interim and project management services, the Amadeus FiRe Group plans to further expand its own market position and grow its revenue.

For the time being, Amadeus FiRe plans to continue with the existing branches for 2021. If the economy performs well, it may be possible to create further units or teams at selected sites. Opening additional branches in the course of 2021 is not a top priority but has not been ruled out. In 2020, the core workforce of the Personnel Services organization was held together despite the spread of coronavirus and the associated economic downturn. The employee turnover rate in Amadeus FiRe's sales organization fell to its lowest rate in recent years. The stable situation and the development of personnel opened up opportunities for expanding the branches at several locations. If the market situation improves, it will be possible to take advantage of these favorable circumstances. The overall objective is to steadily strengthen the sales and recruitment organization in the long term in order to successfully penetrate regional markets and ultimately further improve the Company's market position.

The Group will therefore invest in personnel and operations in the Personnel Services segment in 2021. An increase in personnel and related expenses of more than EUR 5m is planned for fiscal year 2021. Nearly half of this increase will be attributable to savings made in 2020 as a result of internal short-time work. The remaining increase will come from increases in variable compensation and fixed salaries, expenses for building up personnel and a full-year effect following the opening of the new branch in Bremen in the fourth quarter of 2020. The expectation of earnings growth also leads to rising variable management compensation.

Furthermore, there are plans to increase expenses for sales promotion and recruitment activities by around EUR 1m after savings were made in 2020.

It is important to Amadeus FiRe to ensure that its systems and processes are state of the art. Additional IT expenditures of around EUR 2m are planned for 2021. A key component will be the technical refitting of all workstations as a result of the changed demands on IT infrastructure. The plans also include investments in various digitalization projects and in IT security infrastructure as well as in the Group's IT team with a high level of specialist expertise and project management experience.

Overall, we expect an increase in revenue, gross profit and EBITA in the Personnel Services segment compared with the prior year. This assumes a "coronavirus recovery phase" and hence a relatively good market environment, especially in the second half of the year. Provided the aforementioned projects involving increased expenditure can be implemented as described, the segment result is forecast to grow by 10% to 15%.

## Training segment

### Development of the training market

Amadeus FiRe's Training segment is divided into the relevant submarkets for publicly funded training (B2G), training for business customers with open or inhouse seminars (B2B) and customized training programs for individuals (B2C) with a wide range of training activities, courses and degree programs.

The largest market segment is publicly funded advanced vocational training (B2G). This includes short and long-term programs in the area of adult education funded by the German Federal Employment Agency (in accordance with the SGB III ["Drittes Buch Sozialgesetzbuch": Third Book of the German Social Code]) and by job centers (in accordance with the SGB II ["Zweites Buch Sozialgesetzbuch": Second Book of the German Social Code]).

COMCAVE and GFN's activities are focused on these niche markets within the education sector. The development of the unemployment rate, the shortage of skilled labor, advancing digitalization and ongoing skills development by companies and employees are the main drivers of this largely counter-cyclical business area.

After years of falling unemployment, the unemployment rate has been rising since mid-2019 as a result of structural deficits in a number of industries related to the fact that Germany is still lagging behind in digitalization – irrespective of the start of the coronavirus pandemic in March 2020. Digitalization gives rise to new areas of activity, entire professions are changing. At the same time, demand for qualified specialists continues to grow and constantly expanding and changing working conditions require qualification-based skills development over a person's entire career cycle. When the coronavirus pandemic began in March 2020, the structural deficits in many companies and industries intensified. The increased pressure to revamp business models and ways of working is accelerating the ability of entire sectors and their employees to change. It must be assumed that training and education will become much more important in 2021 in order to enable structural change and transformation.

At the start of 2019, the federal government began to promote skills development for employees through the Skills Development Opportunities Act ["Qualifizierungschancengesetz"]. This also applies for employees on short-time work, whereby employment agencies pay for course fees and in some cases also wage costs for the duration of a training course. Although many companies registered for short-time work in the course of the coronavirus pandemic, only 1 in 10 companies is taking advantage of the training opportunities offered under the Skills Development Opportunities Act. This is down to the lack of awareness of

publicly funded programs and the uncertainty in the short and medium-term business outlook.

In order to make skills development more appealing to companies during short-time work, policymakers are creating new incentives in 2021. For example, from July 2021, companies that develop their employees' skills while they are on short-time work will continue to have social security contributions refunded in full. Companies that do not engage in skills development will only be refunded half from this date (this incentive applies until 31 July 2023). This is intended to create an incentive to view the crisis more as an opportunity and to make better use of freed up capacities during this period.

Thanks to the political incentives taking effect in 2021 and increasing awareness of the Skills Development Opportunities Act, it can be assumed that more companies on short-time work will send their employees on publicly funded advanced vocational training under the Skills Development Opportunities Act.

In December 2020, the number of people in unemployment rose by 480,000 compared with the same month of the prior year. The consensus in the forecasts for 2021 suggests a rising number of people in unemployment. It is still not possible to clearly forecast whether an economic recovery could prevent insolvencies and thereby secure jobs.

Important strategic measures to address the shortage of specialists – which will continue to be exacerbated by the demographic trend – in the short, medium and long term will include targeted skills acquisition in specialist areas relevant for the employment market or occupational retraining for professions in high demand on the market. There is a consensus among the political parties, employers' associations, trade unions and affiliated government agencies about the necessity of providing sufficient funding for these projects. Assuming a rising number of job seekers on the labor market compared with 2020 and the ongoing shortage of specialists, it is to be expected that funding for publicly funded adult education will increase in 2021. This affects both the number of publicly funded courses and the chargeable prices. In 2020, an increase in the national average cost rate relevant in this regard was adopted. This increase applies exclusively to new training courses that have yet to be certified. Accordingly, there will be a delay before market growth from price increases filters through in the course of 2021 and 2022.

The general demand for training from business customers is expected to improve gradually in line with economic recovery. But the B2B training market is not expected to return to the level of 2019 until 2022.

Demand from private individuals for courses and degree programs (B2C) is expected to remain stable.

With regard to our focus on tax, finance and accounting, as mainly served by Steuer-Fachschule Dr. Endriss and Akademie für Internationale Rechnungslegung, no major regulatory changes in the fields of tax or accounting are anticipated at a national level in 2021.

#### Development of the Amadeus FiRe Training segment

COMCAVE expects to capture additional market shares thanks to constant regional expansion activities in recent years and further planned openings. Revenue in the B2G business is expected to rise significantly on the back of the positive market environment and anticipated prices increases.

Further market share will be gained thanks to the expansion of marketing and sales activities, the ever broader range of courses and seminars the Group offers in economic centers where it has its own training premises and multimedia and digital training programs. Despite slight growth in revenue from corporate customers (B2B) and self-financing private individuals (B2C), profit is expected to be at the prior-year level due to increased expenses for premises and technology.

COMCAVE, whose revenue, expenses and profits were included in the segment for the first time in 2020, will capture the larger revenue and profit share of the Training segment in the future. Furthermore, GFN's revenue and profits will also flow into the segment in full in 2021. GFN's revenue outlook for 2021 stands at around EUR 28m with a break-even operating result. The aim is to use 2021 to improve structures and procedures and create the conditions for rising profitability in the following years.

The summary revenue forecast for the overall Training segment stands at EUR 125m. The EBITA margin for the Training segment is expected to be around 14%; still diluted in 2021, as explained, by the GFN result.

Significant investments in the Training segment will be made in expanding the IT infrastructure, further developing classroom technology and opening new locations for COMCAVE with a view to obtaining the best access to prospects and candidates and systematically further improving and digitizing operating processes.

#### Anticipated business development of the Amadeus FiRe group

The objective of the Amadeus FiRe Group in fiscal year 2021 is to increase revenue and earnings from both Personnel Services and Training. The management board expects the first half of 2021 to be hampered by the economic

fallout of the coronavirus pandemic and that this will be followed by a rise in business momentum in the second six months.

For 2021, the Amadeus FiRe Group expects overall revenue growth of around 20%. This forecast revenue growth includes an inorganic full-year effect due to the inclusion of GFN's revenue from the fourth quarter of 2020. Adjusted for this effect, organic growth would stand at around 15%. The management board expects that last year's operating EBITA of EUR 41,066k will be exceeded by a good 15%. This assumes that the planned expenditure for expanding operations can be invested successfully. Savings made in 2020 from the use of short-time work for the Personnel Services sales organization will not recur in 2021. The management board does not expect GFN to make a positive contribution to earnings until 2022.

To improve its market position in the Training segment, the Group may consider acquisitions in addition to the planned organic growth.

Due to the liquidity expected to be required to fund the acquisition of COMCAVE Holding GmbH, the management board announced a new dividend policy in December 2019. Then in 2020, no dividend was paid out as a consequence of the coronavirus pandemic. The management board and supervisory board intend to return to their policy of paying regular dividends in 2021. With due consideration to the Group's financing obligations, level of equity, high profitability from operations and its liquidity, there are plans to distribute a dividend amounting to 50% of earnings per share to the shareholders of Amadeus FiRe AG.

In agreement with the supervisory board, the management board will therefore propose a dividend of EUR 1.55 per share at the annual shareholder meeting. With profit after taxes of EUR 17.8m, this is equivalent to a payout ratio of 50.0%.

## Risk management

The risk strategy is a component of our corporate strategy and is aimed at safeguarding the continued existence of our Company and systematically and continuously increasing its business value. Amadeus FiRe's management board has established a monitoring system to allow risks to be identified as early as possible. This system also serves to mitigate financial losses by promptly initiating counteraction. As part of the risk strategy, Amadeus FiRe's opportunities are assessed on the one hand and its risks evaluated on the other. An appropriate, transparent and manageable level of risk is consciously taken on in core areas of competency if an adequate return is likely.

### Risk management system

The management board has set forth in writing the specific processes and definitions of the risk management system at Amadeus FiRe, including uniform assessment methods. The

general managers of the subsidiaries, departmental heads and other employees identify and assess risks at prescribed intervals. The responsible member of the management board reviews the risks and, if necessary, assesses the correlation of individual risks in terms of the risk for the Company as a whole. In addition, there is a standardized, timely reporting function that allows the Group to identify deviations and peculiarities at an early stage. The management and supervisory boards review the Group's medium and long-term strategy annually and evaluate the achievement of the defined steps outlined in the strategy. In this way, the risk assessment is integrated in the Company's strategy, and opportunities and the related earnings potential are identified. The supervisory board reviews the internal control system at regular intervals. Where it makes financial sense, risks are transferred to insurers by concluding group insurance policies.

## Risks

The significant risks for the Amadeus FiRe Group are described below, starting with the highest risk in each risk category.

### General economic risks

The economic situation deteriorated in the reporting year compared with the prior year. The German economy shrank as a result of the pandemic in the second quarter, by 9.8% at the peak, recovering again slightly from the middle of the year. Given the wide-ranging restrictions on public and economic life, the economy in Germany is expected to remain cautiously solid at the start of 2021 and to gain momentum as the restrictions are lifted.

There is a potential risk that problems in the industrial sector will persist for longer than expected. The resulting sustained downturn in the industrial sector could then have a knock-on effect on the service industry, which has been robust to date.

Further risks to the German economy can be found in international trade in particular. The ongoing trade conflict between the US and China, the ongoing uncertainty in respect of future relations between the UK and the EU as well as

the general political disintegration tendencies could pose a threat to economic growth. It also remains to be seen to what extent geopolitical tensions will intensify, for example in the Middle East.

Transparency is low overall and it is difficult to forecast how the various factors will develop. However, the underlying economic and political situation appears to be sufficiently robust and stable at present, considering the pandemic-related upheaval.

### Industry risks

Despite these essentially positive developments, customer companies' economic situation and the associated demand for flexible forms of employment pose an intrinsic risk to the future performance of the industry and the Amadeus FiRe Group's Personnel Services segment.

In our experience, the temporary staffing sector is generally quickly hit by cyclical fluctuations. This poses a risk as it means that adverse economic or labor market developments directly impact the sector.

The industry is highly regulated and draws a lot of attention from the world of politics and society at large. The statutory and collective provisions that have been introduced or amended have made employee leasing more expensive and substantially increased the administrative workload of temporary staffing companies. There is a risk that regulations will be further tightened, which would make temporary staffing even more expensive.

As a rule, changes in labor legislation also affect the temporary staffing industry. A reduction in protection from dismissal or similarly far-reaching measures could have a negative impact on companies' business volumes. However, there is currently no indication of any plans to fundamentally change the existing arrangements. For the federal elections, individual parties could include temporary staffing in their election manifestos, which could have an adverse impact on the business basis in the long term.

It is impossible to assess the potential impact of any such future legislative changes on the industry, as this would depend on the specific details.

Temporary staffing represents an alternative type of employment for companies which allows them to respond flexibly to fluctuations in labor demand and is also a time and resource-saving recruitment channel. As a result of this development, temporary staffing has become more widely accepted and appreciated. Employees value temporary work as an alternative to short-term unemployment or as a stepping stone along their career paths.

Economic trends play a critical role in the training sector, particularly in the corporate customer business. A company's investment in training for employees depends heavily on its general financial position and performance. For business with private individuals and publicly funded training, developments on the labor market are important. Private individuals feel less pressure to enhance their skills when the situation on the labor market is good and they are in a secure job. On the other hand, such people are more willing to personally invest in costly training.

Changes in the political and economic environment could have effects on the business model and development of COMCAVE and GFN. The competitive environment is continuously monitored, changes and developments on the markets and in the operating environment are analyzed and decisions derived for the strategic positioning and development of the product and target group design.

In the niche market of publicly funded occupational training, having the requisite license plays a key role. COMCAVE, GFN and Endriss are certified providers in this market and licensed in accordance with the AZAV ["Akkreditierungs- und Zulassungsverordnung Arbeitsförderung": German

Accreditation and Licensing Ordinance for the Promotion of Employment]. They are therefore eligible to redeem education vouchers. The courses have been reviewed and are certified in accordance with the AZAV. The Group is currently not aware of any significant changes with regard to the AZAV and thus does not believe there to be any risks to the market for publicly funded occupational training.

#### **Pandemic-related risks**

It is not possible to reliably predict the further course of the coronavirus pandemic. Forecasts for the anticipated overall development of the Amadeus FiRe Group are based on the expectation that business dynamics will improve in the second half of 2021. There is the risk here, for example, of an inadequate vaccination strategy or a new wave of infections as a result of opening up public life too early and the associated renewed hit to the economy.

At present, there is no reason to doubt that business dynamics will improve in the second half of 2021.

#### **Legal risks**

Constantly changing legal risks arise for the Amadeus FiRe Group because it operates in an environment highly regulated by laws. Aside from the legal requirements arising for the Group from its stock exchange listing, further legal factors, particularly from the area of employee leasing, play an important role. These include, in particular, adherence to the sometimes complex underlying legal framework arising from the German Personnel Leasing Act, German tax law and from collective wage agreements.

The Amadeus FiRe Group has set up an internal audit function charged with regularly monitoring compliance with the various legal provisions, the relevant industry collective wage and collective surcharge agreements for employee leasing as well as compliance with the Group's internal policies. Although staff regularly receive additional advisory services from external experts and attend training sessions covering the relevant subjects (such as collective bargaining and labor law, the AGG ["Allgemeines Gleichbehandlungsgesetz": German Anti-Discrimination Act], social security law (pseudo self-employment)) etc., infringements of collectively bargained contractual provisions and/or labor law provisions cannot be ruled out entirely in day-to-day business. The framework conditions have been changed and revised so often that the correct interpretation of the changes is not always clear, even among industry experts and specialist lawyers whom Amadeus FiRe engages.

In order to identify infringements of legal requirements or internal compliance rules at an early stage outside of internal

audit activities, Amadeus FiRe has set up a whistleblowing system to enable open or anonymous communications with the compliance officer. This requires everyone to be alert and willing to blow the whistle in the event of specific indications of possible serious non-compliance.

Management believes the measures taken minimize the legal risks.

Amadeus FiRe is not currently involved in any legal actions that could have an adverse effect on further business development in the event of an unfavorable outcome.

### IT risks

IT security and IT risk management have been of prime importance and a top priority for Amadeus FiRe for many years. Hence the systems used and the IT landscape are regularly checked on the basis of international security standards and any vulnerabilities identified are addressed. The Group is currently seeking certification in connection with the transition to security standard ISO 27001.

Amadeus FiRe pays particular care and attention to the personal data of business partners and employees. IT security efforts center on preserving the confidentiality and integrity of information. The global rise in malware and cyber attacks gives rise to growing concern in this connection. As such, monitoring focuses on the current risk development. Known risks are mitigated by procuring new security systems and implementing additional safeguards. Restrictive access rights and appropriate network segmentation help to establish an appropriate security posture.

The IT department at the headquarters provides IT services for the Company's locations across Germany. The Company's data are also stored centrally. The locations are connected to the headquarters by high-grade, secured lines for the provision of IT services from the head office; redundancies together with a mix of providers increase fail safety. The use of modern encryption technologies ensures extensive protection for the data link.

In the data center itself, the focus is on high performance paired with stable and secure operation. This is achieved by using state-of-the-art IT components and incorporating extensive redundancies. A multi-layered backup architecture combined with the high availability server landscape mitigates the risk of data loss. For emergencies, a disaster recovery plan provides for the use of alternative systems at another data center location.

COMCAVE and GFN both pursue a standardized IT strategy at all locations. The highly integrated IT system in use at COMCAVE is a proprietary development that is refined and

maintained by qualified internal specialists. Appropriate and extensive system tests and pilot assignments are carried out prior to rolling out new versions to ensure that the application operates properly on a consistent basis. Permanent backups protect against potential loss of data and a contingency plan has been defined to ensure seamless availability. A comprehensive user access and rights plan and extensive virus protection measures are in place to protect the IT systems from unauthorized access. In the past year, COMCAVE particularly drove forward the upgrading of IT systems and thus the improvement of system stability and performance. The aim is to also deploy COMCAVE's IT systems at GFN in order to standardize the system landscape.

There are no significant foreseeable IT risks at present.

### Financing risks

The Amadeus FiRe Group held cash and cash equivalents amounting to EUR 30.0m as of 31 December 2020. In addition, the Company has a revolving credit facility of EUR 35.0m, EUR 15.0m of which is currently being utilized. These combined funds form the basis for the solid financing of the Company's operations, the settlement of loan repayment obligations, the option to make further acquisitions and potential share buy-backs.

There are liabilities to banks from the financing of the acquisition of COMCAVE Holding GmbH in the form of an amortizing loan for EUR 100m with a term of three years and options to extend to five years. The operating business of the Amadeus FiRe Group with its high operating profit and extremely strong liquidity forms the basis for gradually repaying the loan or raising new loans, should the need arise, for example due to additional acquisition options.

In addition, Amadeus FiRe AG can obtain refinancing on the capital market based on its authorized capital as adopted by the shareholder meeting. There is no material currency risk due to the fact that the Company's operations are in Germany.

No financing or default risks are discernible at present.

### Personnel risks

Due to its business purpose, the Amadeus FiRe Group has a continuously high need for qualified professionals and executives, both to work inhouse and as temporary employees. Having the required number of qualified employees at all times where possible is essential both for ongoing business and for future growth.

As part of its business policy, Amadeus FiRe pursues a restrictive hiring policy in terms of the qualifications of its pro-

spective employees. The persistent shortage of professionals and executives and a low rate of unemployment make it difficult to recruit suitable staff. The excess demand on the labor market is expected largely to continue in 2021 despite the pandemic and recruiting challenges will remain high as a result. Any further tightening of the labor market and a correspondingly difficult recruitment situation would pose a potential risk for planned business activities.

The successful recruiting of new employees or further development of own employees also plays a key role in the expansion of business at new locations of group branches. In a bid to attract employees and retain existing staff in the long term, the Amadeus FiRe Group offers working conditions and salaries in line with the market standard, tailored personnel development and conducts various recruitment

activities. These efforts are designed to reduce the turnover risk and the risk of a lack of qualified staff. The Amadeus FiRe Group's risk management has given high priority to human resources as a risk area.

### Overall risk assessment

Assessing the overall risk situation involves a consolidated examination of all individual risks and areas of risk. The specific risks and risk areas of both COMCAVE and GFN have been integrated. At present, there are no identifiable risks that could jeopardize the ability of the Amadeus FiRe Group or any of its segments to continue as a going concern, even when the expanded operations and financing activities in the past fiscal year are taken into account.

## Opportunities

The significant opportunities for the Amadeus FiRe Group are as follows:

### General economic opportunities

Looking to the domestic economy, there is the opportunity for more positive economic growth than is currently expected. If the general assessment of the vaccine rollout proves more positive than expected, economic restrictions could be lifted more quickly, leading to a more rapid economic recovery than is assumed.

The overall performance of the German economy could turn out to be more favorable than predicted in the opportunities and outlook section. One basic prerequisite for stable growth in Germany is global economic growth of at least 3%.

If this should be the case, it would have a positive impact on demand for the services of the Personnel Services segment. For the training segment, a positive impact on business customer business (B2B) is likely in this scenario..

### Industry and market opportunities

Opportunities in the Personnel Services segment arise from a better economic development than is generally expected. In terms of customers, this would primarily result in stronger demand for the temporary staffing and permanent placement

services. For the temporary staffing service, regulatory simplifications could boost demand. However, this is seen as very unlikely given the upcoming federal elections. The greatest opportunities arise from the organizational structure itself. Full sales strength following the pandemic offers the opportunity to improve the market presence of the Amadeus FiRe Group, win market shares and further develop all services.

For the training segment, increased unemployment gives rise to opportunities in the market for publicly funded training (B2G) to exceed the planned development. There would then be more potential course participants who could benefit from COMCAVE's or GFN's offerings. A higher than assumed number of insolvencies could have an effect on the number of unemployed.

For open or inhouse seminars (B2B), changes in the regulatory environment could give rise to an especially high level of new topics. However, in light of the federal elections, the probability of this is deemed to be low. An unexpectedly good economic development could lead to increased demand in this market, which is highly sensitive to economic cycles. We have highly qualified advisors to respond to these possible effects by offering all interested parties the right solution for their situation.

### Opportunities from innovation and optimization

It will be a challenge for the entire Amadeus FiRe Group to adapt to the far-reaching changes in the working world, changes that will presumably be permanent. The new ways of working that have arisen during the pandemic, such as the intensive use of video conferences and working from home, call for a general overhaul of all processes. Systematically driving forward technical innovations and integrating them into everyday working life offers opportunities to make the organization as a whole more efficient.

The Personnel Services segment has completely upgraded its system landscape over the last few years. Above all, further developing the systems creates opportunities to sustainably improve customer and candidate acquisition.

One of the tasks in the training segment is to fully integrate the new subsidiaries COMCAVE and GFN and to develop a harmonized organization with the entities of Steuer-Fachschule Dr. Endriss. In particular, sharing knowledge and experience between the sister companies creates the opportunity for ongoing optimization.

### The coronavirus pandemic as an opportunity

In the training segment, in-person teaching was almost entirely canceled as a result of the pandemic. It has been replaced by a range of online and video formats. At the same time, acceptance of these formats has massively increased. COMCAVE has been successfully using instructor-led live teaching in video conference formats for many years. This experience can be shared with the other entities in the segment and expanded on. By using these live formats, Steuer-Fachschule Dr. Endriss, Akademie für Internationale Rechnungslegung and GFN can tap into new potential for course participants.

Opportunities also arise for the Personnel Services segment,

as the habits of customers and candidates are changing as a result of the pandemic. The use of video interviews is in some cases replacing the necessary in-person interviews in preparation for temporary employment and permanent placement contracts. If customers choose to retain this change, this could permanently simplify and shorten the preparation phase for contracts.

In the course of the pandemic, there has been a market shakeout for companies focused on employee leasing. A less heavily fragmented market could have a positive effect on the general perception of temporary staffing.

### Acquisitions

We continuously monitor our current and potential future markets for opportunities for targeted acquisitions that would complement and expand our organic growth in the training segment.

### Overall assessment of opportunities

The main opportunity for Amadeus FiRe continues to be creating value by capitalizing on the market opportunities of our employees in consulting and in sales. Their commitment is key to enabling the Amadeus FiRe Group to make the most of the opportunities available. In the process, the employees of the Amadeus FiRe Group are supported by innovations and optimizations of technology and processes.

## Key elements of the accounting-related internal control and risk management system

Due to the fact that the parent company, Amadeus FiRe AG, is a capital market-oriented company as defined by Sec. 264d HGB, the key elements of the internal control and risk management system in relation to the (group) financial reporting process, which also includes the financial reporting processes of the companies included in the consolidated financial statements, must be described in accordance with Secs. 289 (4) and 315 (4) HGB.

The greater goal of the accounting-related internal control and risk management system implemented in the Amadeus FiRe Group is to ensure the compliance of the financial reporting so that the separate financial statements, consolidated financial statements and group management report conform to all relevant regulations.

In this context, the internal control system comprises all policies and procedures introduced by management that are designed to aid the organizational implementation of management's decisions in order to ensure the effectiveness and efficiency of operations, the compliance and reliability of internal and external financial reporting and compliance with the legal provisions relevant to the organization.

The risk management system comprises all organizational policies and procedures aimed at identifying risks and addressing risks that arise in the course of business. The aim of the internal control system over financial reporting is to implement controls to provide reasonable assurance that a compliant set of separate and consolidated financial statements can be prepared in spite of any identified risks.

The Amadeus FiRe Group has the following structures and processes in place for group financial reporting:

In order to ensure the propriety of the internal control system over (group) financial reporting, Amadeus FiRe uses a consistent group-wide process. A standardized financial and regulatory reporting system ensures consistency of financial reporting across the Group. Here, manual process controls are regularly carried out (e.g., dual controls) by group accounting, financial control and by external tax advisors. In addition, if necessary, external consultants and appraisers are brought in for their expertise. Ultimately, a structured and efficiently designed financial reporting process ensures that the financial statements are prepared consistently across the Group.

The management board of Amadeus FiRe AG is responsible for establishing and effectively maintaining adequate controls over financial reporting.

All entities included in the consolidated financial statements are integrated into this system using a defined management and reporting organization. The principles, structures and procedures and the processes of the accounting-related internal control and risk management system are outlined in the Company's organizational instructions, which are amended in line with internal and external developments on a regular basis.

With respect to the group financial reporting process, we consider those elements of the internal control and risk management system to be significant that could have a considerable impact on the information contained in and the overall picture conveyed by the consolidated financial statements and group management report. These include:

- Identification of the main risks and control areas relevant for the group financial reporting process
- Monitoring controls for overseeing the financial reporting process at the level of the management board and the consolidated entities
- Preventive controls in finance and accounting and in the Group's physical operating processes, which generate vital information for the preparation of the consolidated financial statements and group management report
- Measures to ensure that financial reporting transactions and data are processed using appropriate IT systems
- Measures to oversee the accounting-related internal control and risk management system, in particular by the internal audit function

As the parent company of the Amadeus FiRe Group, Amadeus FiRe AG is included in the group-wide accounting-related internal control and risk management system described above. The above information is therefore also generally applicable for the separate HGB financial statements of Amadeus FiRe AG.

## Amadeus FiRe AG (HGB)

### Amadeus FiRe AG as parent company

In addition to the reporting on the Group, the development of Amadeus FiRe AG is discussed below. As the parent company of the Amadeus FiRe Group, Amadeus FiRe AG prepares its annual financial statements in accordance with the provisions of the HGB [“Handelsgesetzbuch”: German Commercial Code] and the AktG [“Aktiengesetz”: German Stock Corporation Act]. The financial statements prepared in accordance with German commercial law are relevant for measuring the dividend.

The entity’s purpose is the leasing of staff to companies within the framework of the German Personnel Leasing Act, permanent placement services for commercial professions as well as personnel and management consulting. The entity is allocated to the Personnel Services segment. There are no separate management-related performance indicators for the parent company as a legal entity. As such, the comments made regarding the Amadeus FiRe Group also apply to Amadeus FiRe AG.

### Financial performance

As for the Group and the Personnel Services segment, the development of business in 2020 was heavily impacted by the coronavirus pandemic. Revenue of Amadeus FiRe AG decreased by EUR 20,559k or 11.2% to EUR 162,677k (prior year: EUR 183,236k). This decline was mainly due to lower revenue from temporary staffing, which declined from EUR 153,314k to EUR 136,943k, and the EUR 4,818k decline in revenue in from permanent placement to EUR 24,327k (prior year: EUR 29,144k). By contrast, cost allocations for services and income from subleases increased.

Cost of sales amounted to EUR 88,412k (prior year: EUR 100,071k), thus falling by EUR 11,659k. While absolute gross profit recorded a volume-related decline of EUR 8,900k compared with the prior year, the gross profit margin remained stable at around 46%. This was mainly due to the use of short-time work in temporary staffing.

At EUR 55,018k, selling and administrative expenses were up EUR 2,097k compared with the prior-year level of EUR 52,921k. The increase is mainly attributable to higher legal and consulting fees in connection with the new acquisitions and financing, to costs in connection with the capital increase, and to higher IT expenses. Lower personnel expenses in particular had an offsetting effect. Although the number of employees actually increased slightly year on year, the instrument of short-time work was used, especially in the period from April to October, as a result of which personnel expenses remained below the prior-year level.

Income from equity investments amounting to EUR 1,701k was generated in fiscal year 2020 (prior year: EUR 6,971k).

This came from the profit distribution by Steuer-Fachschule Dr. Endriss GmbH & Co. KG (EUR 1,701k; prior year: EUR 2,171k). The prior year also included a profit distribution by Amadeus FiRe Personalvermittlung & Interim Management GmbH amounting to EUR 4,800k. Further income from a profit and loss transfer agreement with Amadeus FiRe Services GmbH amounted to EUR 132k (prior year: EUR 254k).

The increase in interest income from EUR 53k to EUR 1,150k is mainly attributable to the loan to COMCAVE Holding GmbH, which the entity received from Amadeus FiRe AG in December 2019 in connection with the acquisition of the COMCAVE Group. Interest expenses also increased from EUR 912k to EUR 2,391k. They mainly related to the interest expenses from the bridge loan for the acquisition of the COMCAVE Group.

Income tax expense amounted to EUR 6,361k in fiscal year 2020, down from EUR 10,038k in the prior year, and resulted from the lower operating profit.

Net retained profit for fiscal year 2020 amounted to EUR 49,907k (prior year: EUR 36,216k) and resulted from the net income for the year of EUR 13,691k (prior year: EUR 26,752k) and the net retained profit from fiscal year 2019 of EUR 36,216k, which was carried forward in full as no dividend was paid out in 2020 for fiscal year 2019.

## Income statement of Amadeus FiRe AG (HGB) 1 January to 31 December

Table 018

Amounts stated in EUR k	2020	2019	Change (abs.)	Change (%)
Revenue	162,677	183,236	-20,559	-11.2%
Cost of sales	-88,412	-100,071	11,659	-11.7%
<b>Gross profit</b>	<b>74,265</b>	<b>83,165</b>	<b>-8,900</b>	<b>-10.7%</b>
Selling expenses	-55,018	-52,921	-2,097	4.0%
General and administrative expenses	213	180	33	18.3%
<b>Other operating income</b>	<b>19,460</b>	<b>30,424</b>	<b>-10,964</b>	<b>-36.0%</b>
Other operating expenses	1,701	6,971	-5,270	-75.6%
Income from equity investments	132	254	-122	-48.0%
Income from profit and loss transfer agreements	1,150	53	1,097	>100%
Other interest and similar income	-2,391	-912	-1,479	>100%
<b>Interest and similar expenses</b>	<b>592</b>	<b>6,366</b>	<b>-5,774</b>	<b>-90.7%</b>
Income taxes	-6,361	-10,038	3,677	-36.6%
<b>Earnings after taxes/profit for the year</b>	<b>13,691</b>	<b>26,752</b>	<b>-13,061</b>	<b>-48.8%</b>
Profit carryforward	36,216	9,464	26,752	>100%
<b>Net retained profit</b>	<b>49,907</b>	<b>36,216</b>	<b>13,691</b>	<b>37.8%</b>

## Assets, liabilities and financial position

Total assets as of 31 December 2020 increased by EUR 5,064k or 2.0% year on year to EUR 254,225k (prior year: EUR 249,161k).

Fixed assets of EUR 149,114k (prior year: EUR 143,722k) accounted for 58.7% (prior year: 57.7%) of total assets. The increase in fixed assets is mainly attributable to the EUR 4,748k increase in financial assets, which is chiefly due to the carrying amount of the equity investment in Amadeus FiRe Weiterbildung Verwaltungs GmbH of EUR 4,097k, which was newly added in 2020. It was used to acquire the GFN Group and serves as an intermediate holding company. By contrast, current assets decreased by EUR 1,237k to EUR 103,001k (prior year: EUR 104,238k). On the one hand, trade receivables decreased by EUR 2,409k and receivables from affiliates by EUR 2,104k due to end-of-period effects. The decline in receivables from affiliates is mainly due to the repayment of loan liabilities by COMCAVE Holding GmbH. New loans issued to Amadeus FiRe Weiterbildung Verwaltungs GmbH and to GFN GmbH in connection with the group financing arrangement had an offsetting effect. On the other hand, other assets increased by EUR 1,807k. This increase is mainly attributable to receivables from the German Federal Employment Agency (EUR 1,708k) in relation to the reimbursement of the short-time work allowance. In addition to other assets, the increase in cash and cash equivalents due to end-of-period effects also had an effect.

The increase in prepaid expenses from EUR 951k to EUR 1,952k mainly relates to a discount of EUR 722k ari-

sing under the syndicate agreement concluded in December, which will be released pro rata over the term of the agreement until 17 December 2023.

Equity rose from EUR 53,553k in the prior year to EUR 119,226k. Net retained profit increased by the profit for the year of EUR 13,691k generated in 2020 to EUR 49,907k. In 2020, no dividend was paid out, as resolved at the annual shareholder meeting. The increase in subscribed capital and the capital reserves is due to the capital increase carried out in August 2020; see the chapter "Financial position" (page 44). The equity ratio amounted to 46.9% as of the balance sheet date, up from 21.5% in the prior year.

At EUR 115,425k, liabilities to banks were down EUR 55,480k compared with the prior-year level (EUR 170,905k). The cash injection received as a result of the capital increase, less commissions, was used in full to reduce the bridge loan. In addition, another EUR 4,057k from cash generated was used for repayment. The remaining bridge financing of EUR 115,000k was then transferred to a long-term syndicate loan in December 2020.

Trade payables were down by EUR 4,965k to EUR 860k (prior year: EUR 5,825k). In the prior year, liabilities from consulting fees increased due to end-of-period effects. There were no significant changes to liabilities to affiliates and other liabilities.

## Balance sheet of Amadeus FiRe AG (HGB) as of 31 December

Table 019

Amounts stated in EUR k	31.12.2020		31.12.2019		Change	
<b>ASSETS</b>						
<b>Fixed assets</b>						
Intangible assets	6,065	2.4%	5,960	2.4%	105	1.8%
Property, plant and equipment	3,428	1.3%	2,889	1.2%	539	18.7%
Financial assets	139,621	54.9%	134,873	54.1%	4,748	3.5%
	<b>149,114</b>	<b>58.7%</b>	<b>143,722</b>	<b>57.7%</b>	<b>5,392</b>	<b>3.8%</b>
<b>Current assets</b>						
Receivables and other assets	94,893	37.3%	97,598	39.2%	-2,705	-2.8%
Cash on hand and bank balances	8,108	3.2%	6,640	2.7%	1,468	22.1%
	<b>103,001</b>	<b>40.5%</b>	<b>104,238</b>	<b>41.8%</b>	<b>-1,237</b>	<b>-1.2%</b>
Deferred income	1,952	0.8%	951	0.4%	1,001	> 100%
Deferred tax assets	158	0.1%	250	0.1%	-92	-36.8%
<b>Total ASSETS</b>	<b>254,225</b>	<b>100.0%</b>	<b>249,161</b>	<b>100.0%</b>	<b>5,064</b>	<b>2.0%</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Subscribed capital	5,718	2.2%	5,198	2.1%	520	10.0%
Capital reserve	63,601	25.0%	12,139	4.9%	51,462	> 100%
Balance sheet profit	49,907	19.6%	36,216	14.5%	13,691	37.8%
	<b>119,226</b>	<b>46.9%</b>	<b>53,553</b>	<b>21.5%</b>	<b>65,673</b>	<b>&gt; 100%</b>
<b>Provisions</b>	<b>11,746</b>	<b>4.6%</b>	<b>11,973</b>	<b>4.8%</b>	<b>-227</b>	<b>-1.9%</b>
<b>Liabilities</b>						
Liabilities to banks	115,425	45.4%	170,905	68.6%	-55,480	-32.5%
Trade payables	860	0.3%	5,825	2.3%	-4,965	-85.2%
Liabilities to affiliates	3,205	1.3%	3,143	1.3%	62	2.0%
Other liabilities	3,763	1.5%	3,762	1.5%	1	0.0%
	<b>123,253</b>	<b>48.5%</b>	<b>183,635</b>	<b>73.7%</b>	<b>-60,382</b>	<b>-32.9%</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>254,225</b>	<b>100.0%</b>	<b>249,161</b>	<b>100.0%</b>	<b>5,064</b>	<b>2.0%</b>

## Opportunities and risks

Since Amadeus FiRe AG is extensively tied to the business of the Amadeus FiRe Group, for example, through financing and guarantee commitments and indirect and direct investments in investees, the opportunities and risks of Amadeus

FiRe AG are similar to the opportunities and risks of the Group. The Personnel Services segment essentially reflects the core business of Amadeus FiRe AG.

## Forecast

Amadeus FiRe AG is fully incorporated in the Group's Personnel Services segment. The "Forecast" section (page 50) also includes the expectations for Amadeus FiRe AG. The company also participates in the development of the other

entities of the Personnel Services segment and the training segment through profit and loss transfer agreements and investment income.

## Compensation

The section on compensation includes a summary of the principles applied to setting the total compensation paid to members of the management board of Amadeus FiRe AG. It also describes the structure and amount of the compensation paid to the management board members. This section also sets out the principles applied to compensation for the members of the supervisory board, and the amounts involved. The section on compensation meets the requirements of the applicable provisions contained in Secs. 289a (2), 314 (1) Nos. 6a and b, 315a (2) HGB.

### Management board compensation system

The aim of the management board compensation system is to ensure compensation that adequately reflects the complex responsibilities of the management board members and is competitive for the Company's industry and size. Management board compensation is designed to offer sufficient incentives to achieve a positive long-term performance centered on the Company's well-being and to discourage short-term and risky decisions. Its structure is founded on the creation of long-term business value.

### Basic structure of the compensation system for the management board

Compensation components for the management board of Amadeus FiRe AG

Fixum

Tantieme

Total compensation of the management board comprises a fixed component and a performance-based bonus, taking into account the respective responsibilities of the management board members. The structure of the management board's compensation system is discussed by the supervisory board as proposed by the personnel committee and reviewed on a regular basis. The compensation system for the management board does not provide for any subsequent amendments to the defined targets or contractual inputs and provisions.

Operating EBITA is the Amadeus FiRe Group's most significant performance indicator. For this reason, the variable compensation components of Amadeus FiRe AG's management board members are linked to this indicator. Target compensation is therefore directly linked to the budgets and forecasts of the Amadeus FiRe Group since the variable component of target compensation for a fiscal year is calculated on the basis of forecast operating EBITA for the respective fiscal year.

### Fixed component

Composition of the fixed component

Fixed salary

Fringe benefits

The fixed component comprises a fixed salary and fringe benefits. The fixed salary is a non-performance based component of compensation and is paid out monthly. In addition, management board members receive fringe benefits in the form of compensation in kind, comprising the amounts recognized under tax law for the use of company cars. The fringe benefits of Amadeus FiRe AG's management board members comprise non-monetary benefits in the form of company cars and accident insurance. There are no additional compensation components such as pension or benefit commitments or third-party benefit plans.

### Bonus

Composition of the bonus component

STI

LTI

The bonus is the performance-based component of management board compensation and consists of a short-term (short-term incentive, STI) and long-term (long-term incentive, LTI) compensation model.

The STI and LTI compensation models do not contain any discretionary component, nor is any such component planned.

### Short Term Incentive (STI)

Composition of the STI

Earnings bonus

Growth bonus

The short-term performance-based bonus for the members of Amadeus FiRe AG's management board consists of an earnings bonus and a growth bonus.

The earnings bonus is calculated as a fixed percentage of the operating EBITA achieved in the fiscal year based on operating EBITA before deduction of the management board bonuses. An earnings bonus is paid out once an operating EBITA margin of at least 6% is achieved. If this threshold is not reached, there is no earnings bonus for the fiscal year.

The growth bonus is calculated based on the increase in operating EBITA achieved in the fiscal year relative to an EBITA “high water mark” (HWM) achieved in the past, i.e., the highest figure attained to date. Once the HWM is surpassed, a fixed percentage of the share of operating EBITA above this mark is paid as a growth bonus.

The earnings and growth bonuses are granted based on the consolidated operating EBITA of the Amadeus FiRe Group. In addition, an earnings and growth bonus can be granted in relation to the operating earnings of one of the business segments for which a management board member is responsible. This earnings and growth bonus structure ensures that a short-term performance-based bonus is only distributed to the management board members if the Group performs well and its operating EBITA develops positively and that negative business performance is not rewarded. If business performance is particularly positive, the maximum possible total annual short-term bonus (STI) can be capped at five times the amount of the annual fixed component. Negative business performance in a fiscal year reduces the short-term performance-based bonus and can result in claims to the short-term performance-based bonus for the respective fiscal year being forfeited entirely.

### Long-Term Incentive (LTI)

In addition to the STI, the management board members of Amadeus FiRe AG are potentially entitled to a long-term performance-based bonus under a long-term incentive plan (LTI plan).

The supervisory board modified the design of the long-term variable compensation (LTI plan) of management board members under the management board member compensation system with effect from 20 March 2019. The previous LTI plans from management board contracts prior to the change and the current LTI plans from management board contracts based on the new rules adopted since 20 March 2019 are set out below.

The current 3-year management board contract of Mr. Dennis Gerlitzki and the 5-year management board contract of Mr. Robert von Wülfig which expired on 31 December 2020 both follow the old rules.

The new rules for the LTI plan apply to the current management board contracts of Mr. Thomas Surwald and Mr. Robert von Wülfig.

The LTI plan is aimed at achieving a long-term and sustainable increase in operating EBITA over the term of the management board members’ employment contracts. Management

board members receive a long-term performance-based bonus under the LTI plan if the average EBITA achieved in the fiscal years covering the entire term of a management board member’s contract is significantly higher than the average EBITA of a reference period. If this eligibility threshold is not met, there is no entitlement to a long-term performance-based bonus under the LTI plan. Once the first eligibility threshold is met, there is a performance factor which increases as further higher thresholds are met. The performance factor is multiplied by the total long-term performance-based bonuses granted under the LTI plan.

If a management board member leaves the Company before their contract expires for reasons other than long-term illness or death, their entitlement to a long-term performance-based bonus under the LTI plan is forfeited.

The amount of the long-term performance-based bonus entitlement under the LTI plan is calculated as a percentage of the annual operating EBITA figures achieved during the term. In addition, in each fiscal year of the term, a high operating EBITA margin must be achieved as a prerequisite for the inclusion of a percentage of the operating EBITA of the respective fiscal year in the total entitlement under the LTI plan (grant amount).

The new LTI rules allow for this grant amount to be converted into performance share units (PSUs), using a predetermined performance share unit price (PSU price). The PSU price is calculated as the non-volume weighted average closing price of the Amadeus FiRe AG share for the last fiscal year in question.

Dividend payments result in an additional grant amount through the PSUs already granted. The dividend per share is multiplied by the total PSUs already granted and, using the PSU price, converted into a number of new PSUs which are added to the PSUs already granted.

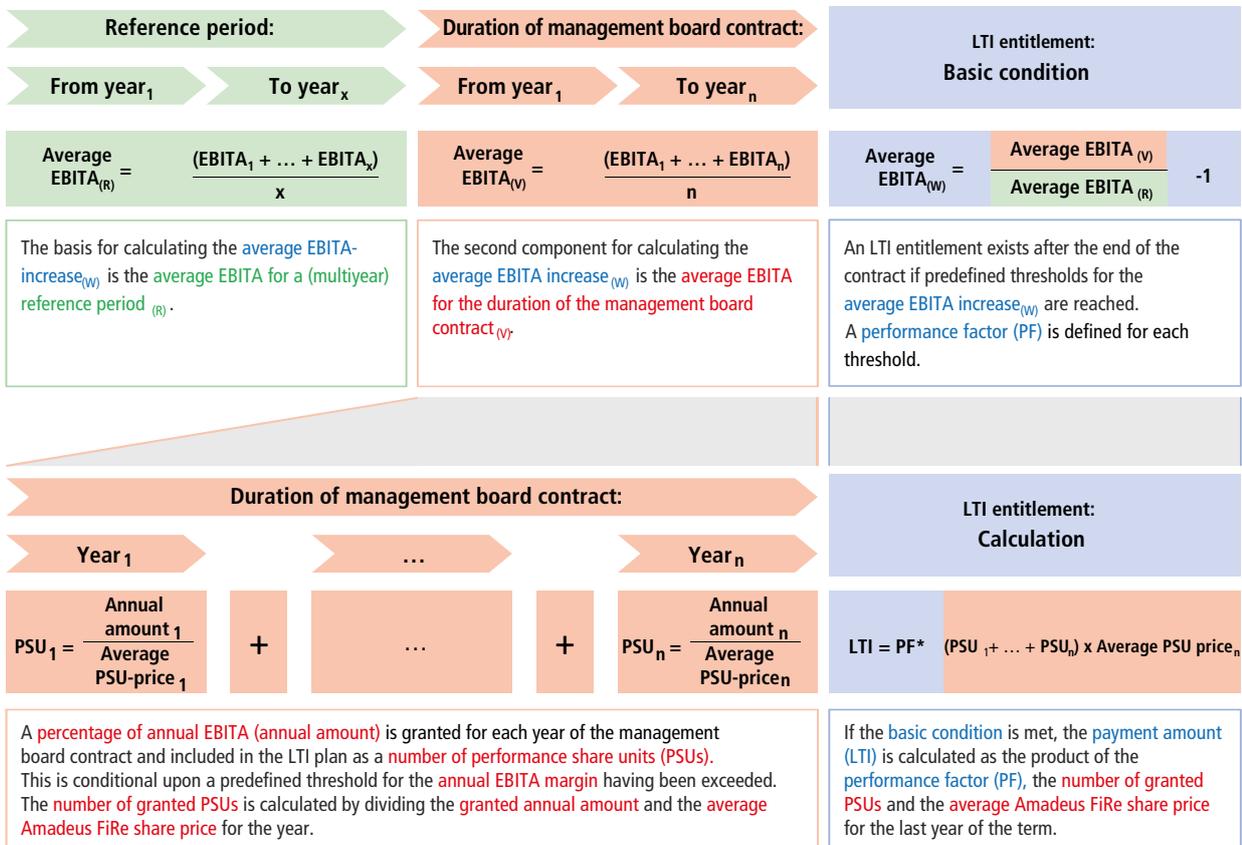
If the requirements are met, the respective management board member is entitled to a payout at the end of the LTI term. The payment is due after approval of the Company’s consolidated financial statements for the last fiscal year of the term.

Under the new LTI rules, the payment amount is calculated as the product of the performance factor, the total number of PSUs granted at the end of the term and the PSU price for the last fiscal year of the term. The LTI payment is also capped at 150% of the total short-term variable remuneration (STI) earned during the term of the LTI plan.

The figure below illustrates the LTI plan. To simplify, PSUs from dividend payments are not included here.

Example of terms and conditions of a management board LTI plan

Table 020



Weighting of the fixed, STI and LTI components

As explained above, the target compensation of management board members for a given fiscal year is directly linked to the budgets and forecasts of the Amadeus FiRe Group. The original budgets and forecasts approved by the supervisory board resulted in the following weighting of the compensation components:

Weighting of target compensation for 2020 Table 021

Fixed component	STI	LTI*
27%	55%	18%

\*LTI percentage assuming that the first threshold is reached as of the expiry date of the LTI plan based on the medium-term forecast. If the threshold is not reached, the component is forfeited in full.

The inorganic growth resulting from the acquisition of the COMCAVE Group substantially affected the share of the STI in total compensation, especially due to the effect from the growth bonus. The significant pressure on earnings as a result of the coronavirus crisis in turn slowed down this momentum from acquisitions.

The weighting will change from time to time and the LTI share of target compensation will increase based on the annual budgets and forecasts and the higher weighting of the target amount for the long-term performance-based bonus for newly concluded management board contracts due to the rules amended by the supervisory board effective 20 March 2019.

Under the current compensation system for management board members, the LTI share resulting from the achievement of long-term targets should be higher than the STI share resulting from short-term targets. This has already been implemented in newly concluded management board contracts.

### Minimum compensation and maximum achievable compensation

The minimum compensation of management board members is their fixed compensation, i.e., the fixed salary and fringe benefits. Performance-based compensation including both the STI and LTI is contingent and may be forfeited altogether.

The maximum achievable management board compensation is the fixed compensation plus the performance-based compensation (STI and LTI). Performance-based compensation is linked to the operating EBITA of the Amadeus FiRe Group, which has a natural market and performance-related ceiling. The amount of the short-term performance-based compensation (STI) is capped at five times the fixed compensation. For newly concluded management board contracts, the long-term performance-based compensation (LTI) is capped at a ceiling of 150% of the total short-term variable compensation (STI) earned during the term of the contract.

With this measure, the supervisory board ensures that the compensation system for management board members provides for minimum compensation in the amount of the fixed component and a clearly defined amount of maximum achievable compensation through specified caps for the STI and LTI.

### Other provisions in the management board contracts

If a management board contract is terminated early, outstanding variable compensation components relating to the period before termination of the contract are paid out in accordance with the defined targets and provisions of the management board contract.

Early removal of a management board member and cancellation of a management board contract may result in severance payment entitlements. All management board contracts cap severance payments at a maximum of two annual salaries (fixed compensation plus earnings bonus) or compensation for the remaining term of the employment contract, if lower. None of the current management board contracts contains special provisions governing a potential change of control. The newly concluded management board contracts include a clawback provision as a further basic component of the compensation system. Variable compensation could then be retained or reclaimed in justified cases. This will allow the supervisory board to give appropriate consideration to extraordinary developments.

If a management board contract is terminated early, all management board members of Amadeus FiRe AG have

to comply with subsequent non-compete agreements for 24 months from the date on which the contract ends. This applies to all possible reasons for terminating the contract except for permanent inability to work. Severance payments are not deducted from compensation for non-competition.

Management board members do not receive any additional compensation for mandates they accept at affiliates.

### Individual compensation for management board members

The first table below shows the individual compensation inputs for the variable components for the three active management board members Robert von Wülfing, Dennis Gerlitzki and Thomas Surwald. Mr. von Wülfing's current management board contract, which began on 1 January 2021, is valid for five years and expires on 31 December 2025. Mr. Gerlitzki's current management board contract is valid for three years and expires on 31 December 2021 and the newly concluded management board contract with Mr. Thomas Surwald is valid for three years and expires on 31 December 2023.

## Overview of the individual bonus inputs\*

Table 022

	Robert von Wülfing Valid until 31 Dec 2020	Robert von Wülfing Valid from 1 Jan 2021	Dennis Gerlitzki Valid from 1 Jan 2019	Thomas Surwald Valid from 1 Jan 2021
<b>STI</b>				
<b>Earnings bonus</b>	0.7% of consolidated EBITA 1.0% of Training EBITA	0.7% of consolidated EBITA	0.7% of consolidated EBITA	0.4% of consolidated EBITA 0.8% of Training EBITA
Basic condition for earnings bonus**	Consolidated EBITA margin ≥ 6%	Consolidated EBITA margin ≥ 6%	Consolidated EBITA margin ≥ 6%	Consolidated EBITA margin ≥ 6%
<b>Growth bonus</b>	5.0% of consolidated EBITA above consolidated HWM 5.0% of Training EBITA above Training HWM	5% of consolidated EBITA above consolidated HWM	5% of consolidated EBITA above consolidated HWM	2.5% of consolidated EBITA above consolidated HWM 2.5% of Training EBITA above Training HWM
Basic condition for growth bonus**	>HWM	>HWM	>HWM	>HWM
<b>LTI</b>				
Term under contract	5 years	5 years	3 years	3 years
Annual amount	0.3% of consolidated EBITA	0.7% of consolidated EBITA	0.3% of consolidated EBITA	0.4% of consolidated EBITA
Basic condition for annual amount**	Consolidated EBITA margin ≥ 15%	Consolidated EBITA margin ≥ 12%	Consolidated EBITA margin ≥ 15%	Consolidated EBITA margin ≥ 12%
Performance factor (PF) depending on average EBITA increase (threshold)***	Threshold ≥ average 20% → PF 100% Threshold ≥ average 30% → PF 150%	Threshold ≥ average 10% → PF 65% Threshold ≥ average 15% → PF 80% Threshold ≥ average 20% → PF 100% Threshold ≥ average 25% → PF 120% Threshold ≥ average 30% → PF 145% Threshold ≥ average 35% → PF 165% Threshold ≥ average 40% → PF 185% Threshold ≥ average 45% → PF 210% Threshold ≥ average 50% → PF 230%	Threshold ≥ average 12% → PF 100% Threshold ≥ average 18% → PF 150%	Threshold ≥ average 6% → PF 65% Threshold ≥ average 9% → PF 80% Threshold ≥ average 12% → PF 100% Threshold ≥ average 15% → PF 120% Threshold ≥ average 18% → PF 145% Threshold ≥ average 21% → PF 165% Threshold ≥ average 24% → PF 185% Threshold ≥ average 27% → PF 210% Threshold ≥ average 30% → PF 230%
Basic condition for granting LTI**	Threshold ≥ average 20%	Threshold ≥ average 10%	Threshold ≥ average 12%	Threshold ≥ average 6%

\* All EBITA figures relate to the "operating EBITA" generated in a fiscal year

\*\* If the defined basic conditions are not achieved, the compensation component is forfeited in full

\*\*\* Average EBITA increase over term of LTI compared with average EBITA for a reference period

## Overview of individual management board compensation

The following tables provide an overview of the remuneration earned by members of the management board as well as any potential entitlements under the LTI plan in the reporting year and the prior year.

### Robert von Wülfig

Table 023

Amounts stated in EUR k	Remuneration earned				Received	
	2020	2020 (Min)	2020 (Max)	2019	2020	2019
Fixed compensation	324	324	324	324	324	324
Other compensation	19	19	19	19	19	19
STI	1,080	0	1,620	435	435	673
LTI*	194	0	n.a.	183	0	0
Total	1,617	343	Dependent on EBITA development	961	778	1,016

### Dennis Gerlitzki

Table 024

Amounts stated in EUR k	Remuneration earned				Received	
	2020	2020 (Min)	2020 (Max)	2019	2020	2019
Fixed compensation	252	252	252	252	252	252
Other compensation	15	15	15	15	15	15
STI	478	0	1.260	367	367	0
LTI*	194	0	n.a.	177	0	0
Total	939	267	Dependent on EBITA development	811	634	267

**Thomas Surwald (appointed as of 3 November 2020)**

Thomas Surwald was appointed to the management board as of 3 November 2020. The management board contract stipulates that an entitlement to variable compensation comprising STI and LTI only applies from the start of fiscal year 2021. For fiscal year 2020, Mr. Surwald receives an EBITA bonus for the EBITA achieved at COMCAVE Holding GmbH, which is stated pro rata for the duration of the management board contract in the reporting year.

Table 025

Amounts stated in EUR k	Remuneration earned			Received		
	2020	2020 (Min)	2020 (Max)	2019	2020	2019
Fixed compensation	63	63	63	-	63	-
Other compensation	1	1	1	-	1	-
STI	-	-	-	-	-	-
LTI*	-	-	-	-	-	-
EBITA bonus CC	26	0	n.a.	-	0	-
Total	90	64	Dependent on EBITA development	-	64	-

**Peter Haas (left the board as of 31 December 2018)**

Peter Haas left the Company on 31 December 2018. A final installment of the STI for fiscal year 2018 was paid out in fiscal year 2019.

Table 026

Amounts stated in EUR k	Remuneration earned			Received		
	2020	2020 (Min)	2020 (Max)	2019	2020	2019
Fixed compensation	-	-	-	-	-	0
Other compensation	-	-	-	-	-	0
STI	-	-	-	-	-	367
LTI*	-	-	-	-	-	0
Total	-	-	-	-	-	367

\*The amounts accrued during the year for a later due date are not discounted here. The entire LTI is only granted at the end of the term of the respective management board contract. The provision for the LTI is determined using a performance factor based on the budgets and forecasts.

**Peer Group comparison**

A comparison with a suitable peer group should be used to assess whether the actual total compensation of the management board members is customary for the industry. However, the supervisory board does not consider there to be any appropriate peer group in the industry. As Germany’s only listed Personnel Services provider operating exclusively as a niche provider in Germany, it is difficult to define an industry peer group. Alternatively, companies of a similar size can be used. Consequently, the supervisory board used the index on which the Amadeus FiRe share is listed and analyzed the compensation paid to management board members of SDAX companies. The supervisory board is well aware that this comparison only gives a rough indication for assessing the amount of compensation.

Compared with the average compensation paid by companies listed on the SDAX, the compensation components and total compensation of Amadeus FiRe’s management board members are lower.

**Vertical compensation comparison**

In a vertical comparison, the salaries of the management board members are compared with those of senior management and of the workforce as a whole. Management board compensation should not be inordinately higher than the salaries of the rest of the workforce and the Company’s senior management. The supervisory board does not believe this to be the case at Amadeus FiRe. On the contrary, the amount of compensation paid across the various ranks is linked to and commensurate with performance.

Table 027

Fiscal year 2020	Average compensation
Management board	EUR 1,035 k
Senior management	EUR 178 k
Employees (internal)	EUR 60 k

**Supervisory board compensation**

The compensation of the supervisory board is determined by the shareholder meeting and is governed by Art. 13 of the articles of incorporation and bylaws. The compensation paid to the supervisory board was most recently amended at the 2014 annual shareholder meeting, and the articles of incorporation and bylaws were amended accordingly. This compensation is based on the functions and responsibilities of the members of the supervisory board. Each member of the supervisory board receives annual compensation of EUR 20,000, the chairman of the supervisory board receives double this amount and the deputy chairman one and a half times. Supervisory board members who were only on the supervisory board for part of the fiscal year receive prorated compensation. Starting from the sixth supervisory board meeting in a given fiscal year, each member of the supervisory board receives a per-meeting fee of EUR 500. A per-meeting fee was paid out for two additional meetings in the fiscal year.

Additional compensation is paid for chairing and sitting on supervisory board committees. The chairman of a committee receives EUR 8,000, the chairman of the accounting and audit committee and the chairman of the standing committee (which is currently not established) each receive EUR 10,000 and members of committees receive EUR 5,000 for each full year of membership or chairmanship. If a supervisory board member does not attend meetings of the supervisory board or committees of which he or she is a member, one third of his or her total compensation is reduced in proportion to the ratio between the total number of meetings of the supervisory board or committees of which he or she is a member and the meetings that the supervisory board member did not attend. Out-of-pocket expenses incurred by supervisory board members in the course of their duties are reimbursed. No variable compensation is paid to supervisory board members.

The members of the supervisory board received the following specific compensation during the reporting year:

Table 028

EUR k	Supervisory board compensation	Committee compensation	Per-meeting fee
Mr. Christoph Gross	40.0	8.0	1.0
Mr. Michael C. Wisser	30.0	10.0	1.0
Mr. Knuth Henneke	20.0	5.0	1.0
Ms. Annett Martin	20.0	0.0	1.0
Dr. Ulrike Schweibert	19.0	0.0	0.5
Mr. Hartmut van der Straeten	20.0	10.0	1.0
Ms. Ulrike Bert	20.0	5.0	1.0
Ms. Angelika Kappe	20.0	0.0	1.0
Mr. Elmar Roth	20.0	0.0	1.0
Mr. Andreas Setzwein	20.0	5.0	1.0
Ms. Ulrike Sommer	20.0	5.0	1.0
Mr. Mathias Venema	19.0	0.0	0.5
	<b>268.0</b>	<b>48.0</b>	<b>11.0</b>

The members of the supervisory board received the following specific compensation in 2019:

Table 029

EUR k	Supervisory board compensation	Committee compensation	Per-meeting fee
Mr. Christoph Gross	40.0	8.0	1.0
Mr. Michael C. Wisser	29.2	9.7	1.0
Mr. Knuth Henneke	20.0	5.0	1.0
Ms. Annett Martin	19.0	0.0	0.5
Dr. Ulrike Schweibert	20.0	0.0	1.0
Mr. Hartmut van der Straeten	20.0	10.0	1.0
Ms. Ulrike Bert	20.0	5.0	1.0
Ms. Angelika Kappe	20.0	0.0	1.0
Mr. Elmar Roth	20.0	0.0	1.0
Mr. Andreas Setzwein	20.0	5.0	1.0
Ms. Ulrike Sommer	20.0	5.0	1.0
Mr. Mathias Venema	20.0	0.0	1.0
	<b>268.2</b>	<b>47.7</b>	<b>11.5</b>

In addition to the supervisory board compensation listed above, additional payments were made to the supervisory board's employee representatives as part of their employment in fiscal year 2020 and recognized as an expense. The amount of the payments depends on the applicable salary grades in the Company. Supervisory board members did not receive any further compensation or benefits for individual services rendered in the reporting period, in particular advisory and referral services.

## Takeover-related disclosures

The following information required under takeover law is presented in accordance with Secs. 289a and 315a HGB.

### Composition of subscribed capital

Subscribed capital corresponds to the parent's capital stock of EUR 5,718,060.00 and is divided into 5,718,060 no-par value bearer shares. The shares are issued as global certificates. The articles of incorporation and bylaws preclude any entitlement of shareholders to certification of their shares. Pursuant to Art. 18 of the articles of incorporation and bylaws of Amadeus FiRe AG, each share grants one vote.

### Equity investments exceeding 10% of voting rights

There are currently no equity investments that exceed 10% of voting rights.

### Appointment and removal of members of the management board, amendments to the articles of incorporation and bylaws

Members of Amadeus FiRe AG's management board are appointed and removed in accordance with Secs. 84 and

85 AktG in conjunction with Art. 6 of the articles of incorporation and bylaws. Amendments to the articles of incorporation and bylaws, with the exception of the Company's purpose, may be adopted by the shareholder meeting by a simple majority of the capital stock represented on adoption of the resolution. According to Art. 14 (4) of the articles of incorporation and bylaws, the supervisory board is authorized to resolve amendments to the wording of the articles of incorporation and bylaws.

### Authority of the management board to buy back shares

By resolution of the shareholder meeting on 17 June 2020, the management board is authorized to acquire treasury shares. For further details, please refer to the section "Capital stock" in the notes to the financial statements.

### Compensation agreements in the event of a takeover bid

No change of control agreement has been entered into with members of the management board. Other disclosures under Sec. 289a and Sec. 315a HGB, in particular under Nos. 2, 4, 5 and 8, are not applicable to Amadeus FiRe AG.

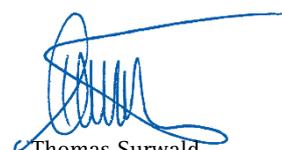
Frankfurt am Main, 22 March 2021



Robert von Wülfing  
CEO



Dennis Gerlitzki  
Member of the Management Board



Thomas Surwald  
Member of the Management Board



tements



# Consolidated financial statements

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## Consolidated income statement for fiscal year 2020

Table 030

Amounts stated in EUR k, earnings per share in EUR	Notes	01.01.-31.12.2020	01.01.-31.12.2019
Revenue	14. 31	280,154	233,124
Cost of sales		-143,442	-122,516
<b>Gross profit</b>		<b>136,712</b>	<b>110,608</b>
Selling expenses	15	-84,980	-59,290
thereof impairment of financial assets		-254	-531
General and administrative expenses		-20,997	-12,851
Other operating income		319	259
Other operating expenses		-95	-5
<b>Profit from operations</b>		<b>30,959</b>	<b>38,721</b>
Finance income	16	584	6
Finance costs	16	-3,708	-442
<b>Profit before taxes</b>		<b>27,835</b>	<b>38,285</b>
Income taxes	18	-8,477	-12,537
<b>Profit after taxes</b>		<b>19,358</b>	<b>25,748</b>
Profit attributable to non-controlling interests recognized under liabilities	19	-1,117	-1,432
<b>Profit for the period</b>		<b>18,241</b>	<b>24,316</b>
Attributable to,			
Non-controlling interests		455	304
Equity holders of Amadeus FRe AG		17,786	24,012
<b>Basic/diluted earnings per share</b>	20	<b>3.29</b>	<b>4.62</b>

## Consolidated statement of comprehensive income for fiscal year 2020

Table 031

Amounts stated in EUR k	Notes	01.01.-31.12.2020	01.01.-31.12.2019
Profit for the period		18,241	24,316
Other comprehensive income		0	0
<b>Total comprehensive income</b>		<b>18,241</b>	<b>24,316</b>
Attributable to:			
Non-controlling interests		455	304
Equity holders of Amadeus FiRe AG		17,786	24,012

## Consolidated balance sheet as of 31 December 2020

Table 032

Amounts stated in EUR k	Notes	31.12.2020	31.12.2019*
<b>ASSETS</b>			
Goodwill	21	171,942	171,706
Other intangible assets	22	35,231	41,420
Property, plant and equipment	23	7,882	5,328
Right-of-use assets	32	59,764	47,669
Deferred tax assets	29	952	0
<b>Total non-current assets</b>		<b>275,771</b>	<b>266,123</b>
Trade receivables	24, 34	34,943	30,676
Other assets	25	7,255	4,671
Income tax assets		124	0
Cash and cash equivalents	26	29,990	20,465
<b>Total current assets</b>		<b>72,312</b>	<b>55,812</b>
<b>Total ASSETS</b>		<b>348,083</b>	<b>321,935</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital		5,718	5,198
Capital reserves		61,944	11,247
Retained earnings		44,873	33,551
<b>Total equity attributable to equity holders of Amadeus FiRe AG</b>		<b>112,535</b>	<b>49,996</b>
Non-controlling interests		1,419	963
<b>Total equity</b>	27	<b>113,954</b>	<b>50,959</b>
Lease liabilities	28, 32	46,277	37,015
Other financial liabilities	28	76,746	0
Liabilities to shareholders/partners	28	13,707	5,990
Other non-financial liabilities	28	1,669	2,198
Deferred tax liabilities	29	4,697	5,152
<b>Total non-current liabilities</b>		<b>143,096</b>	<b>50,355</b>
Lease liabilities	28, 32	15,245	12,337
Other financial liabilities	28	38,134	170,096
Liabilities to shareholders/partners	28	1,968	1,719
Trade payables	28	8,153	12,316
Contract liabilities	28	4,196	3,954
Income tax liabilities	28	1,523	1,391
Other non-financial liabilities	28	21,814	18,808
<b>Total current liabilities</b>		<b>91,033</b>	<b>220,621</b>
<b>Total EQUITY AND LIABILITIES</b>		<b>348,083</b>	<b>321,935</b>

\* Prior-year items were restated, see note 5. Change in the classification of the balance sheet

## Consolidated cash flow statement for fiscal year 2020

Table 033

Amounts stated in EUR k	Notes	01.01.-31.12.2020	01.01.-31.12.2019*
Profit after taxes		19,358	25,748
Income taxes		8,477	12,537
Finance income		-584	-6
Finance costs		3,708	442
Amortization of intangible assets and depreciation of property, plant and equipment and right-of-use assets		28,341	7,084
<b>Earnings before interest, taxes, depreciation and amortization</b>		<b>59,300</b>	<b>45,805</b>
Non-cash transactions		-133	97
Changes in operating working capital			
- Trade receivables and other assets		1,862	-2,149
- Other assets		-1,258	-585
- Trade payables		-5,681	5,735
- Contract liabilities		230	-124
- Other liabilities		117	244
Interest and commissions paid		-3,565	-247
Income taxes paid		-10,189	-12,084
<b>Net cash from operating activities</b>	30	<b>40,683</b>	<b>36,692</b>
Interest received		11	6
Cash received from disposals of intangible assets and property, plant and equipment		35	278
Cash paid for the acquisition of subsidiaries less net cash acquired		-6,654	-195,372
Cash paid for the acquisition of intangible assets and property, plant and equipment		-6,818	-4,944
<b>Net cash used in investing activities</b>	30	<b>-13,426</b>	<b>-200,032</b>
Cash received from capital increase (net of costs of the capital increase)		50,859	0
Cash received from the raising of loans		115,000	170,000
Cash repayments of loans		-170,034	0
Cash repayments of lease liabilities		-13,990	-5,016
Interest payments on lease liabilities		-497	-249
Cash received from equity transactions at subsidiaries		1,364	0
Cash paid to non-controlling interests		-434	-1,265
Dividends paid to equity holders of Amadeus FiRe AG		0	-24,224
<b>Net cash used in/from financing activities</b>	30	<b>-17,732</b>	<b>139,246</b>
Change in cash and cash equivalents		9,525	-24,094
Cash and cash equivalents at the beginning of the reporting period		20,465	44,559
<b>Cash and cash equivalents at the end of the reporting period (consolidated balance sheet)</b>	26	<b>29,990</b>	<b>20,465</b>

\* Prior-year items were restated, see note 5. Change in the classification of the balance sheet

## Consolidated statement of changes in equity

Table 034

Amounts stated in EUR k	Notes	Subscribed capital	Capital reserves	Retained earnings	Total equity attributable to equity holders of Amadeus FiRe AG	Non-controlling interests	Total equity
<b>As of 1 Jan 2019</b>		<b>5,198</b>	<b>11,247</b>	<b>33,762</b>	<b>50,207</b>	<b>760</b>	<b>50,968</b>
Total comprehensive income		0	0	24,013	24,013	304	24,317
Dividends		0	0	-24,224	-24,224	0	-24,224
Distributions to non-controlling interests		0	0	0	0	-101	-101
<b>As of 31 Dec 2019</b>		<b>5,198</b>	<b>11,247</b>	<b>33,551</b>	<b>49,996</b>	<b>963</b>	<b>50,959</b>
<b>As of 1 Jan 2020</b>		<b>5,198</b>	<b>11,247</b>	<b>33,551</b>	<b>49,996</b>	<b>963</b>	<b>50,959</b>
Total comprehensive income		0	0	17,786	17,786	455	18,241
Capital increase (net of costs and deferred taxes)	27	520	50,697	0	51,217	0	51,217
Contribution of minorities	12	0	0	0	0	1,364	1,364
Purchase price liabilities	12, 28, 33	0	0	-6,464	-6,464	-1,364	-7,828
<b>As of 31 Dec 2020</b>		<b>5,718</b>	<b>61,944</b>	<b>44,873</b>	<b>112,535</b>	<b>1,419</b>	<b>113,954</b>

# Notes to the consolidated financial statements for fiscal year 2020

## General

### 1. Description of business activities

Amadeus FiRe AG is a stock corporation under German law and has its registered office at Hanauer Landstrasse 160, Frankfurt am Main, Germany. The Company is entered in the commercial register of Frankfurt Local Court, under HRB no. 45804. Amadeus FiRe AG has been listed on the Regulated Market of the Frankfurt Stock Exchange since 4 March 1999. Amadeus FiRe AG was admitted to the Prime Standard on 31 January 2003. Amadeus FiRe AG's shares have been listed in the SDAX of Deutsche Börse since 18 March 2019. They were previously included in the SDAX from March 2010 to September 2017.

The activities of the group entities comprise the provision of temporary personnel within the framework of the AÜG ["Arbeitnehmerüberlassungsgesetz": German Personnel Leasing Act], permanent placement, interim and project management as well as the provision of training in the areas of tax, finance and accounting, financial control and IT, and commercial areas.

On 22 March 2021, the management board approved the IFRS consolidated financial statements and subsequently passed them on to the supervisory board for approval.

## Accounting policies

### 2. Basis of accounting

The consolidated financial statements of Amadeus FiRe AG (Amadeus FiRe) for the fiscal year ended 31 December 2020 were prepared in accordance with the International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), as adopted in the EU in the version applicable as of 31 December 2020 and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code]. All standards that were effective for fiscal year 2020 were taken into account. The consolidated financial statements were prepared on a historical cost basis. This does not include the liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG and the purchase price liabilities relating to Amadeus FiRe Weiterbildung Verwaltungs GmbH, which are recognized at fair value through profit or loss.

The consolidated financial statements include Amadeus FiRe AG and the subsidiaries under the control of Amadeus FiRe AG (the "Amadeus FiRe Group").

The consolidated financial statements of Amadeus FiRe AG are presented in euros. All amounts are rounded to the nearest thousand euros (EUR k) except where otherwise indicated.

Due to rounding differences, information presented in these consolidated financial statements may differ slightly from the actual figures (units of currency, percentages, etc.).

### 3. New and revised standards and interpretations adopted for the first time in fiscal year 2020

The following table presents the new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial

Reporting Standards Interpretations Committee (IFRS IC) that had to be applied for the first time in fiscal year 2020 together with their effects:

#### New standards to be adopted in the fiscal year

Table 035

Standard/interpretation	EU effective date	Endorsed by the EU Commission	Impact on Amadeus FiRe
Amendments to References to the Conceptual Framework in IFRS Standards	01.01.2020	Yes	No impact
Amendments to IAS 1 and IAS 8: Definition of Material	01.01.2020	Yes	No impact
Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform – Phase 1	01.01.2020	Yes	No impact
Amendments to IFRS 3: Definition of a Business	01.01.2020	Yes	No impact

### 4. Standards and interpretations that will become effective at a later date

The following new standards and amendments were adopted recently. Since they are not yet effective or have yet to be

endorsed by the EU, they were not applied in the consolidated financial statements as of 31 December 2020.

#### Standards and Interpretations that will become effective in future fiscal years

Table 036

Standard/interpretation	EU effective date	Endorsed by the EU Commission	Impact on Amadeus FiRe
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	01.01.2021	Yes	No significant impact
Amendments to IFRS 3: Reference to the Conceptual Framework	01.01.2022	No	No impact
IFRS 17 Insurance Contracts	01.01.2023	No	No significant impact
Amendments to IFRS 16: COVID-19-Related Rent Concessions	01.06.2020	Yes	No impact
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	01.01.2023	Yes	No significant impact
Amendments to IAS 16: Proceeds before Intended Use	01.01.2022	No	No impact
Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	01.01.2022	No	No significant impact
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	01.01.2023	No	Effects are currently being analyzed
Amendments to IAS 8: Definition of Accounting Estimates	01.01.2023	No	Effects are currently being analyzed
Annual Improvements to IFRSs 2018-2020 Cycle: Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	01.01.2022	No	No significant impact

## 5. Change in the classification of the balance sheet

The acquisition of the COMCAVE Group at the end of fiscal year 2019 and the GFN Group in September 2020 and the related financing, which was restructured in fiscal year 2020, had significant effects on the balance sheet items of the Amadeus FiRe Group. In this connection, the structure of the balance sheet was modified to improve the comprehensibility and rea-

dability of the financial statements. The consolidated balance sheet is now more detailed, enhancing the transparency of the financial statements. These adjustments also have an effect on the presentation of the cash flow statement and notes to the consolidated financial statements. There were no changes to the income statement.

## 6. Consolidation principles

The consolidated financial statements include Amadeus FiRe AG and the subsidiaries under its control. Control exists when Amadeus FiRe AG

- Has power over an investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee that significantly affect its returns)
- Exposure, or rights, to variable returns from its involvement with the investee
- Amadeus FiRe AG has the ability to use its power over the investee to affect the investee's variable returns

The financial statements of the German subsidiaries included in the consolidated financial statements are prepared in accordance with uniform group accounting policies. Intercompany receivables and liabilities are eliminated in full, as are intercompany income and expenses.

## 7. Business acquisitions

Acquisitions are accounted for in accordance with the acquisition method pursuant to IFRS 3. The consideration transferred is measured at the fair value of the assets transferred and liabilities incurred or assumed as of the acquisition date. Identifiable assets, liabilities and contingent liabilities acquired in a business combination are initially measured at their acquisition-date fair value. Any excess of the cost of the acquisition over the fair value of the assets and liabilities acquired, net of deferred taxes, is recognized as goodwill. Incidental acquisition costs of business acquisitions are recognized as an expense in the period in which they are incurred. Non-controlling interests in the acquiree are measured at the acquiree's interest in the identifiable net assets and presented under the item "Non-controlling interests" in Amadeus FiRe's consolidated balance sheet. In subsequent periods, the carrying amount of non-controlling interests is adjusted to reflect any current profits and losses, distributions and currency translation differences. Non-controlling interests are shown in the consolidated balance sheet as a separate item in equity.

As a result of the partners' statutory right of termination in respect of their interests in a partnership, the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG are recognized in liabilities in accordance with IAS 32.11.

Transactions with non-controlling interests that do not lead to a loss of control are treated as equity transactions with no effect on profit or loss. Forward contracts to acquire further shares in existing subsidiaries are accounted for in accordance with the anticipated acquisition method, i.e., no non-controlling interests are recognized in these cases. The resulting purchase price liability is shown under the item "Liabilities to shareholders/partners." No profits or losses are attributed to the shareholder. Any dividends distributed to the shareholder are recognized under finance costs.

## 8. Currency translation

The consolidated financial statements of Amadeus FiRe AG are presented in euros, which is the functional currency of Amadeus FiRe AG and all subsidiaries included in consolidation.

Foreign currency transactions are translated into the functional currency at the exchange rate valid on the date of

the transaction. Gains and losses arising on the settlement of such transactions or on translating monetary items in foreign currency at the closing rate are recognized in the consolidated income statement.

## 9. General accounting policies

**Revenue recognition** – Amadeus FiRe recognizes revenue from contracts with customers when the control of distinct goods or a promised service is transferred to the customer, i.e., the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the transferred goods or services. Such recognition is contingent on the existence of a contract with enforceable rights and obligations and the probability that the consideration will be received, giving due consideration to the creditworthiness of the customer.

Revenue is equivalent to the transaction price to which Amadeus FiRe expects to be entitled. If a contract contains several distinct goods or services the transaction price is allocated to the performance obligations based on the relative stand-alone selling prices. Revenue is recognized for each performance obligation either at a point in time or over time.

**Revenue from temporary staffing and interim and project management** – Revenue is recognized over time as the service is rendered. The services rendered are determined on the basis of the hourly or daily rate agreed with the customer and the time worked (e.g., number of hours worked) as recorded in the respective activity report. As a rule, these are invoiced to the customer on a weekly basis. Under the payment terms, payment is normally due within 8 to 30 days of invoicing.

**Revenue from permanent placement services** – Revenue from permanent placement services is recognized on the basis of service agreements entered into with the customer and the general terms and conditions provided to the customer. The general terms and conditions stipulate that Amadeus FiRe is entitled to a fee as soon as the customer concludes an employment contract for the proposed applicant. The agreed fee is then recognized as revenue at this point in time (i.e., when the employment contract has been signed by both parties). Under the payment terms, payment is normally due within 8 to 30 days of invoicing.

**Revenue from Training** – In the Training segment, revenue is mostly recognized over time as the training service is rendered. The progress toward satisfaction of the performance obligation is measured using an output-based method, typi-

cally based on the number of training minutes or learning modules provided in relation to the total number of training minutes or learning modules agreed for each course. Some payments are made before service delivery and some in installments over the term of service delivery.

**Functional costs** – Operating expenses are recognized in profit or loss when a service is used or when the costs are incurred. They are allocated to each function by nature on the basis of the respective cost centers. Functional costs include amortization, depreciation and impairment of intangible assets, property, plant and equipment and right-of-use assets in line with the utilization of these assets.

**Defined contribution plans** – Under the defined contribution plans for basic pensions up to the income threshold for the assessment of contributions, Amadeus FiRe pays contributions to pension insurance schemes in accordance with statutory provisions. Amadeus FiRe does not have any other performance obligations beyond the payment of contributions.

**Goodwill** – Goodwill is not amortized, but tested annually for impairment instead. A test is also carried out if events or circumstances arise that indicate that the carrying amount may no longer be recoverable. Goodwill is carried at cost less accumulated impairment losses. The goodwill impairment test is carried out at the level of a cash-generating unit or group of cash-generating units below the segment level. The cash-generating unit or group of cash-generating units represents the lowest level at which goodwill is monitored for internal management purposes.

For the impairment test, goodwill acquired in a business combination is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. If the carrying amount of the cash-generating unit or group of cash-generating units to which goodwill has been allocated is higher than the recoverable amount, an impairment loss is recognized on the goodwill and allocated to this cash-generating unit or group of cash-generating units. The recoverable amount is the higher of fair value less costs to sell and the value in use of the cash-generating unit or group of cash-generating units. Impairments of goodwill are not reversed.

**Other intangible assets** – Other intangible assets are carried at cost. The cost of an intangible asset acquired in a business combination is the fair value at the acquisition date. In subsequent periods, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Amadeus FiRe amortizes intangible assets with a finite useful life on a straight-line basis over their expected useful lives. The expected useful lives are as follows:

Amounts stated in years	Useful lives
Internally generated intangible assets	3 - 4
Purchased customer lists and brands	1 - 10
Purchased technology	7
Software/licenses	3 - 10
Miscellaneous intangible assets	2 - 4

**Property, plant and equipment** – Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Amadeus FiRe uses the straight-line depreciation method. The expected useful life for plant and equipment is normally 1 to 13 years.

**Impairment of other intangible assets and property, plant and equipment** – Amadeus FiRe tests other intangible assets and property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If this is the case, the recoverable amount of the asset in question is calculated to determine the potential extent of an impairment. If a recoverable amount cannot be determined for an individual asset, the recoverable amount is calculated for the smallest identifiable group of assets (cash-generating unit) to which the asset in question can be allocated. Amadeus FiRe also tests intangible assets and property, plant and equipment not yet available for use annually for impairment.

**Income taxes** – Income taxes comprise current income taxes and deferred taxes.

**Current income taxes** – Current income tax assets and liabilities must be recognized when they are probable. They are measured at the amount expected to be recovered from or paid to the taxation authorities. If uncertain tax positions are recognized because they are probable they are measured at the most likely amount.

Tax positions are determined based on the respective local tax laws, the relevant legal rulings and the applicable interpretations by authorities and are potentially subject to different interpretation due to their complexity. All income tax assets and liabilities are current and are due within one year.

**Deferred taxes** – Deferred taxes are recognized on temporary valuation differences arising between the tax bases of assets and liabilities and their carrying amounts in the conso-

lidated financial statements. Deferred tax assets also include tax reduction claims arising from the expected future use of existing tax loss carryforwards whose realization is probable. Deferred tax assets are recognized to the extent that sufficient taxable profit will be available in the future. Amadeus FiRe uses the earnings projections of the individual entities derived from the group budgets and forecasts for this assessment. The deferred taxes are calculated based on the tax rates that have been enacted for the individual entities at the balance sheet date or substantively enacted for the time at which tax assets and liabilities will be realized.

Deferred assets and liabilities are offset if they relate to income taxes levied by the same taxation authority and there is a right to set off the tax assets against the tax liabilities.

**Financial instruments** – A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include in particular cash and cash equivalents and trade receivables. Financial liabilities comprise a contractual obligation to deliver cash or another financial asset to another entity. They mainly relate to trade payables, other financial liabilities, liabilities to shareholders/partners and lease liabilities.

**Financial assets** – Amadeus FiRe measures a financial asset on initial recognition at fair value plus the transaction costs directly attributable to the acquisition of the asset unless it is subsequently measured at fair value through profit or loss. Financial assets allocated to the business model “hold to generate contractual cash flows” and whose contractual cash flows are solely payments of interest and principal are measured at amortized cost using the effective interest (EIR) method less loss allowances for expected credit losses.

Under the three-stage model applied to determine the amount of the risk provision, 12-month expected credit losses must be recognized from stage 1 and lifetime expected credit losses where there is a significant increase in credit risk. As an exception to the general impairment model, the simplified approach can be used for trade receivables. Under the simplified approach, a risk provision in the amount of the lifetime expected loss must be recognized for all instruments regardless of the credit risk. Since the trade receivables do not contain significant financing components, a provision matrix is drawn up to estimate the expected credit losses for these financial instruments. This provision matrix is based on the Amadeus FiRe Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. If there is objective evidence of impairment of a financial asset it is tested for impairment individually. Such evidence of impairment can include deterioration in a debtor’s creditworthiness and related payment disruptions or pending insolvency. Trade receivables are derecognized if they are no longer reasonably expected to be realized. At Amadeus FiRe this is the case when the debtor does not commit to a repayment plan or at the latest when

the debtor files for insolvency. On grounds of immateriality, no impairment losses are charged on cash and cash equivalents or other financial assets.

**Trade receivables and contract liabilities** – When either party to a contract with a customer has performed, a trade receivable or a contract liability is presented in the consolidated balance sheet depending on the relationship between the performance of Amadeus FiRe and the customer's payment.

**Cash and cash equivalents** – These include cash on hand, bank balances and term deposits with remaining terms of no more than three months as of the date of their acquisition. They are recognized at nominal value.

**Financial liabilities** – Except for the liability from the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG and the purchase price liability to Surwald Holding UG (haftungsbeschränkt), Amadeus FiRe measures financial liabilities at amortized cost using the effective interest method. All financial liabilities (except for lease liabilities) are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. On subsequent measurement, financial liabilities are recorded at fair value through profit or loss. Changes in the fair value are recognized in the consolidated income statement in the period in which they arise. Gains and losses are recognized in profit or loss when the liability is derecognized as well as through the EIR amortization process. For measurement at amortized cost, a discount or premium on acquisition is taken into account as well as fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement. This category generally applies to interest-bearing loans and borrowings. A financial liability is derecognized from the consolidated balance sheet when the obligation underlying that liability is discharged or canceled or expires.

**Liabilities to shareholders/partners** – These liabilities to shareholders/partners break down as follows:

**Purchase price liabilities** – The purchase price liability from the equivalent put/call option for shares of Amadeus FiRe Weiterbildung Verwaltungs GmbH is determined using a formula. This considers the performance of the GFN Group and an adjusted market multiple of Amadeus FiRe AG. Under the contractual terms, the option may be exercised in 2027 at the earliest. It may also be exercised at an earlier date if Thomas Surwald leaves the management board. The liability was measured based on the assumption that the option will be exercised in 2027. The changes in the value of the liabilities measured at fair value are taken to profit or loss and recorded under finance costs.

**Liability from put option** – The rights of termination of the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG are shown here. They are recognized at fair value. The settlement arrangement relating to Steuer-Fachschule Dr. Endriss GmbH & Co. KG is measured pursuant to an agreement between the partners using the Stuttgart method. In this agreement, the partners stipulate that termination is possible as of the end of the next fiscal year at the earliest. The changes in the value of the liabilities measured at fair value are taken to profit or loss and recorded under finance costs.

**Liabilities to non-controlling interests** – As a result of the partners' statutory right of termination in respect of their interests in a partnership, the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG are recognized in liabilities in accordance with IAS 32.11. In subsequent periods, these interests adjusted to reflect any current profits and losses, distributions and currency translation differences.

**Leases** – Amadeus FiRe AG exclusively acts as a lessee in the course of its business transactions. Pursuant to IFRS 16, Amadeus FiRe recognizes right-of-use assets and lease liabilities for leases with a term of more than 12 months. These essentially relate to leases for buildings and parking spaces as well as vehicles and, to a minor extent, leases of equipment. Payments under leases for a low-value asset (mainly IT equipment and equipment with a replacement value of up to EUR 5,000) or under a short-term lease are recognized as an expense over the lease term. Extension options are included in the lease term if they are reasonably certain to be exercised. Right-of-use assets are measured at cost less any accumulated depreciation and impairment included in the functional costs. Cost comprises the amount of the corresponding lease liability, any initial direct costs and lease payments made before or at the inception of the contract, less any lease incentives received. Effects from revaluation are taken into account. Right-of-use assets are depreciated straight line over the shorter of the lease term and the useful lives of the assets. Lease liabilities are measured at the present value of lease payments due over the lease term, discounted using the interest rate implicit in the lease. If that cannot be determined readily, the incremental borrowing rate is used. Lease liabilities are subsequently measured at amortized cost using the effective interest method. They are adjusted to reflect changes in or a revaluation of the lease.

## 10. Judgments and key sources of estimation uncertainty

The preparation of IFRS consolidated financial statements requires management to make assumptions to a certain extent and estimates that can affect the carrying amounts and measurement of assets and liabilities, income and expenses, and the disclosure of contingent liabilities.

In the fiscal year, the business and economic environment of Amadeus FiRe was negatively impacted by the coronavirus pandemic (COVID-19). The various measures put in place by the Company and the government in response to the crisis, including financial support, had a certain mitigating effect. Financial performance suffered due to COVID-19 in the fiscal year, with the impacts varying across the segments. Owing to the increasing spread of the virus, it is difficult to predict the duration and extent of the resulting effects on the assets, liabilities, income, expenses and cash flows of Amadeus FiRe. The estimates and assumptions made in connection with the preparation of the consolidated financial statements as of 31 December 2020 were based on the knowledge at the time and the best information available. Amadeus FiRe assumes that the current COVID-19 situation will not continue in the long term. COVID-19-induced effects on the consolidated financial statements can also manifest themselves in an increase in credit risk, in defaults or late payments, delays in receiving orders and in order execution and contractual performance, contract terminations, adjusted or modified revenue and cost structures, limited use of assets or the difficulty to make predictions and forecasts due to uncertainty as to the amount and timing of cash flows. These factors can have an effect on the fair values and carrying amounts of assets and liabilities, the amount and timing of the recognition of income and cash flows. Assumptions and carrying amounts may need to be adjusted in the next fiscal year. The Company assumes that the assumptions made reflect its position at the time of preparing the consolidated financial statements.

Assumptions, estimates and judgments are largely applied to the impairment test of goodwill (see note 21. Goodwill), the measurement of liabilities to shareholders (see note 28. Liabilities), the determination and realization of deferred taxes and income tax liabilities (see note 29. Deferred taxes) and purchase price allocations (see note 12. Purchase of companies and operations).

Judgments may also play a role in determining the term of lease agreements (see note 32. Leases).

**Impairment test of goodwill** – This is based on assumptions concerning the future relating to the forecast and discounting of the future cash flows. The discounted cash flow valuations used to determine the recoverable amount are based on five-year forecasts derived from financial projections. The projections consider past experience and are based on the

management's best estimates of future developments. As the coronavirus pandemic is constantly evolving, the projections are subject to considerable uncertainty as to the duration and extent of the effects on cash flows. Management made the underlying estimates and assumptions on the basis of the best information available and a scenario which assumes that the economic impacts of the current pandemic will not continue long term. This scenario assumes that the economy will begin to recover in 2021. Although management believes that its assumptions for the calculation of the recoverable amount are reasonable, any unforeseeable changes in these assumptions, for example a decline in the EBITA margin, a rise in the cost of capital or a decrease in the long-term growth rate, could lead to an impairment loss that may have an effect on the Group's assets, liabilities, financial position and financial performance. As the coronavirus pandemic is constantly evolving, the projections in fiscal year 2020 are subject to considerable uncertainty as to the duration and extent of the effects on cash flows.

**Measurement of liabilities to shareholders** – The Stuttgart method is applied to determine the potential settlement payment in the event of termination of the non-controlling interests of Steuer-Fachschule Dr. Endriss GmbH & Co. KG pursuant to the agreement between the partners. The significant model inputs are the earnings forecast, the discount rate applied and the exercise date. Management believes the relevant assumptions to be reasonable. However, unforeseeable changes in these assumptions can have a significant effect on measurement.

The measurement of the purchase price liability for the shares in Amadeus FiRe Weiterbildung Verwaltungs GmbH depends on the future performance of the GFN Group at the exercise date. Management believes the relevant assumptions to be reasonable. However, unforeseeable changes in these assumptions can have a significant effect on measurement. The future market multiple of Amadeus FiRe AG also plays a significant role in the valuation. If this changes as a result of the valuation of Amadeus FiRe AG on the capital market, this may also have significant effects on the financial position and financial performance.

**Deferred taxes and income tax liabilities** – Management can use judgment when calculating current and deferred taxes. Although management assumes that it has made a reasonable estimate of tax contingencies, no assurance can be given that the outcome of such contingencies will correspond to the initial estimate. The deferred tax assets recognized can decrease if there is a change in the assessment of forecast taxable income or if changes in current tax legislation restrict the ability to realize future tax benefits. Income tax liabilities are determined on the basis of calculations containing

estimates and assumptions. The final amount will only be known after tax assessment notices have been issued or tax audits have been completed.

**Purchase price allocations** – Business combinations regularly give rise to the recognition of goodwill in the Group's balance sheet. All identifiable assets, liabilities and contingent liabilities must be recognized at fair value at the acquisition date. One of the key estimates in this regard relates to the determination of the fair values of these assets and liabilities at the time of acquisition. In the case of intangible assets, depending on the type of asset and the complexity involved in determining its fair value, the report of an independent external expert that determines the fair value using an appropriate valuation method can be used. Such a method will normally be based on the expected future cash flows. In addition to assumptions about the development of future cash flows, the discount rates used are a significant factor in these valuations.

**Leases** – Significant measurement judgment in the recognition of leases pursuant to IFRS 16 relates to individual property leases that contain extension options after the end of the non-cancelable period (including subsequent automatic rental period extensions) which were not considered in the measurement of the lease liability as it was not reasonably certain that the options would be exercised. This could result in potential undiscounted cash outflows. See note 32. Leases for further information on these off-balance sheet financial obligations.

## Basis of consolidation

### 11. Consolidated entities

The basis of consolidation comprises Amadeus FiRe AG as the parent company and 18 (31 December 2019: 13) consolidated entities. Amadeus FiRe AG controls and fully consolidates all entities.

All entities have their registered office in Germany. The changes in the entities included in the basis of consolidation in addition to Amadeus FiRe AG are presented below:

	2020	2019
1 January	13	8
First-time consolidation	5	5
<b>31 December</b>	<b>18</b>	<b>13</b>

The list of shareholdings of the Amadeus FiRe Group is as follows:

#### List of shareholdings of the Amadeus FiRe Group in accordance with Sec. 313 (2) HGB

Table 039

	Share of capital in %	
	31.12.2020	31.12.2019
<b>Parent company</b>		
Amadeus FiRe AG, Frankfurt am Main		
<b>Subsidiaries</b>		
<b>Direct equity investments</b>		
Amadeus FiRe Personalvermittlung & Interim Management GmbH, Frankfurt am Main <sup>1)</sup>	100	100
Amadeus FiRe Services GmbH, Frankfurt am Main <sup>1)</sup>	100	100
Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne <sup>2)</sup>	60	60
Dr. Endriss Verwaltungs-GmbH, Cologne	60	60
COMCAVE HOLDING GmbH, Dortmund <sup>1)</sup>	100	100
Amadeus FiRe Weiterbildung Verwaltungs GmbH, Frankfurt am Main	75	n/a
<b>Indirect equity investments</b>		
Akademie für Internationale Rechnungslegung (AkiR) GmbH, Cologne	100	100
TaxMaster GmbH, Cologne	80	80
Steuer-Fachschule Dr. Endriss Service GmbH, Cologne <sup>1)</sup>	100	100
COMCAVE College GmbH, Dortmund <sup>1)</sup>	100	100
COMCAVE RECRUITMENT SERVICES GmbH, Dortmund <sup>1)</sup>	100	100
Cpi consulting + training GmbH, Dortmund <sup>1)</sup>	100	100
Academy 2.0 GmbH, Dortmund <sup>1)</sup>	100	100
GFN GmbH, Heidelberg	100	n/a
GFN Consulting GmbH, Heidelberg	100	n/a
Candialo GmbH, Heidelberg	100	n/a
UAB Beteiligungs GmbH, Heidelberg	100	n/a

1) Exemption pursuant to Sec. 264 (3) HGB

2) Exemption pursuant to Sec. 264b HGB

## 12. Purchase of companies and operations

**GFN** - Effective as of 29 September 2020, Amadeus FiRe acquired 100% of the shares in GFN AG (now GFN GmbH) and has therefore taken over this company and its subsidiaries (the "GFN Group"). The companies operate in the area of publicly funded advanced vocational training with a specialization in IT training and offer a wide range of training and personnel development services. The acquisition has enabled Amadeus FiRe to further expand its training offerings.

The provisional total purchase price was EUR 6,200k and was paid in cash in September 2020. Following the preparation of the balance sheet relevant for determining the purchase price as of 30 September 2020, the purchase price was revised to EUR 5,368k. It has yet to be finalized.

The acquired assets and liabilities break down as follows:

<b>GFN Group</b>	Table 040
<b>30 Sep 2020</b> Amounts stated in EUR k	<b>Fair value</b>
Other intangible assets	3,013
thereof brand	1,950
thereof order book/customer list	934
Property, plant and equipment	638
Right-of-use assets	5,870
<b>Non-current assets</b>	<b>9,521</b>
Trade receivables	6,130
Other assets	494
Income taxes	4
Cash and cash equivalents	150
<b>Current assets</b>	<b>6,778</b>
<b>ASSETS</b>	<b>16,299</b>
Lease liabilities	3,713
Other liabilities	16
Deferred tax liabilities	847
<b>Non-current liabilities</b>	<b>4,576</b>
Other financial liabilities	638
Lease liabilities	2,158
Trade payables	1,465
Contract liabilities	12
Other liabilities	2,318
<b>Current liabilities</b>	<b>6,591</b>
<b>EQUITY AND LIABILITIES</b>	<b>11,167</b>
<b>Net assets</b>	<b>5,132</b>
Consideration transferred	5,368
<b>Goodwill</b>	<b>236</b>

The provisional purchase price allocation gave rise to goodwill of EUR 236k. It relates in particular to the expected synergies from the integration in the Amadeus FiRe Group and from the acquired workforce, which cannot be recognized individually. The brand has a useful life of 10 years. The order book/customer list will be amortized over one to nine years.

Since the date of consolidation, the companies have contributed EUR 5,989k to consolidated revenue and -EUR 254k to the Group's (operating) EBITA. If the companies had been fully consolidated as of 1 January 2020, they would have contributed a further EUR 25,649k to consolidated revenue and EUR 392k to profit for the period. The transaction costs amounted to EUR 265k and are included in administrative expenses.

On 20 November 2020, a capital increase was carried out at Amadeus FiRe Weiterbildung Verwaltungs GmbH in return for 8,333 newly created and issued shares with a nominal value of EUR 1.00 each, which increased the number of shares from 25,000 to 33,333. The new shares were acquired by Surwald Holding UG (haftungsbeschränkt), whose shareholders are Mr. Thomas Surwald and his wife Anne Surwald. An additional amount of EUR 1,356k was also contributed to the company's capital reserves, which is equivalent to 25% of the purchase price initially estimated for the GFN Group. Under the agreement, repayments and supplementary contributions are due so as to ensure that exactly 25% of the final purchase price is paid by Surwald Holding UG (haftungsbeschränkt). At the same time, an equivalent put/call option for the 25% share in Amadeus FiRe Weiterbildung Verwaltungs GmbH was entered into, under which the relevant shares can be bought back by Amadeus FiRe AG or offered by Surwald Holding UG (haftungsbeschränkt) to Amadeus FiRe AG from 2027. The option price is determined using a formula and is based on the performance of the GFN Group and an adjusted market multiple of Amadeus FiRe AG. Pursuant to the anticipated acquisition method applied, the purchase price liability of EUR 7,828k arising in this connection was recognized in other comprehensive income. First, the minority interests arising through the capital increase (EUR 1,364k) were derecognized and the excess amount was netted with retained earnings (EUR 6,464k).

**COMCAVE** - In the prior year, Amadeus FiRe acquired the COMCAVE Group (acquisition of 100% of the shares in COMCAVE Holding GmbH). The consideration transferred came to EUR 124,595k. After deducting the fair value of the identifiable net assets of -EUR 40,176k, goodwill amounted to EUR 164,771k.

The finalization of the purchase price allocation involved neither adjustments to the purchase price nor corrections to the identification and measurement of the acquired assets and liabilities. In fiscal year 2020, the goodwill from the transaction was allocated to the cash-generating units that benefit from the synergies created by the acquisition. See note 21. Goodwill for further information. The purchase price allocation is now final.

The acquired net assets break down as follows:

<b>COMCAVE Group</b>		Table 041
<b>31 Dec 2019</b>	Amounts stated in EUR k	<b>Fair value</b>
Other intangible assets		34,830
thereof "COMCAVE" brand		19,030
thereof order book		7,647
thereof Global Educational Collaboration System (GECS) technology ("live")		5,253
thereof Global Educational Collaboration System (GECS) technology ("in development")		218
thereof certifications		1,480
thereof instructor pool		822
thereof miscellaneous intangible assets		380
Property, plant and equipment		1,638
Right-of-use assets		26,231
Deferred tax assets		99
Receivables and other assets		9,255
Cash and cash equivalents		2,946
<b>ASSETS</b>		<b>74,999</b>
Other financial liabilities		73,775
Liabilities		1,535
Other liabilities		34,193
Deferred tax liabilities		5,672
<b>EQUITY AND LIABILITIES</b>		<b>115,175</b>
<b>Net assets</b>		<b>-40,176</b>

### 13. Subsidiaries with material non-controlling interests

The non-controlling interests recognized as of 31 December 2020 relate to Steuer-Fachschule Dr. Endriss GmbH & Co. KG. The following table contains summarized financial

information disclosed in accordance with IFRSs and before consolidation:

#### Non-controlling interests

Table 042

Amounts stated in EUR k	<b>Endriss Group*</b>	
	<b>2020</b>	<b>2019</b>
Non-current assets	12,942	7,951
Current assets	12,238	10,533
<b>Assets</b>	<b>25,180</b>	<b>18,484</b>
Non-current liabilities	4,974	4,511
Current liabilities	10,017	9,909
<b>Net assets</b>	<b>10,189</b>	<b>4,064</b>
Revenue	22,881	25,324
Profit before taxes	3,985	4,562
Income tax expense	-255	-362
<b>Total comprehensive income</b>	<b>3,730</b>	<b>4,200</b>
Share in total comprehensive income attributable to minorities	455	304
Dividends paid to minorities	434	1,165
Cash and cash equivalents at the end of the year	11,477	9,659
Minority interest	40%	40%

\* The Endriss Group comprises Steuer-Fachschule Dr. Endriss GmbH & Co. KG and its subsidiaries

## Notes to the consolidated income statement

### 14. Revenue

Amadeus FiRe provides temporary staffing, permanent placement, interim and project management and training services. Revenue breaks down by segment as follows:

Amounts stated in EUR k	2020	2019
<b>Personnel Services segment</b>	<b>190,591</b>	<b>207,129</b>
Temporary staffing	136,627	153,036
Permanent placement	34,978	40,494
Interim/project management	18,729	13,599
Other	257	0
Intersegment consolidation	0	0
<b>Training segment</b>	<b>89,671</b>	<b>26,012</b>
Endriss	22,881	26,012
COMCAVE	60,802	n/a
GFN	5,989	n/a
Intersegment consolidation	-1	0
Cross-segment consolidation	-108	-17
<b>Total revenue</b>	<b>280,154</b>	<b>233,124</b>

The change in revenue was due to the following factors:

Amounts stated in EUR k	2020	2019
<b>Organic growth</b>	<b>-19,761</b>	<b>27,288</b>
Portfolio changes <sup>1)</sup>	66,791	0
<b>Total</b>	<b>47,030</b>	<b>27,288</b>

1) COMCAVE has been consolidated since 1 January 2020, GFN since 1 October 2020

### 15. Functional costs

**Cost of sales** – This includes personnel expenses for temporary staff, the cost of services purchased from external consultants, lecturer fees, amortization and impairment, and expenses for training rooms. Assignment-related travel expenses are also recorded here. Since fiscal year 2020, amortization of intangible assets (e.g., customer list) has likewise been included in this item.

Of the customer payments of EUR 3,954k (prior year: EUR 3,867k) deferred under contract liabilities as of 31 December 2019 (prior year: 31 December 2018), EUR 3,954k (prior year: EUR 3,867k) was recognized as revenue in fiscal year 2020.

The outstanding performance obligations under contracts with customers and the expected timing of revenue recognition from these obligations are as follows:

Amounts stated in EUR k	2020
<b>Recognition</b>	
Within one year	102,949
Within one to two years	8,428
After two years or more	0
<b>Total</b>	<b>111,377</b>

In the prior year, the option not to disclose such information was exercised as the relevant contracts had an original expected duration of one year or less.

See note 31. Segment reporting for further information on the breakdown of revenue.

**Selling expenses** – Selling expenses include management expenses, personnel expenses for sales staff, the premises and vehicle expenses attributable to such staff, marketing costs and amortization of the intangible assets and depreciation of the property, plant and equipment and right-of-use assets used. In addition, expenses for communication as well as training costs for the sales department are included on a proportionate basis. Since fiscal year 2020, amortization of intangible assets (e.g., brands, technology) has also been recorded here.

*General and administrative expenses* – Administrative expenses include management expenses, personnel expenses for head office employees, premises and vehicle expenses attributable to such staff as well as amortization of intangible assets and depreciation of property, plant and equipment

and right-of-use assets. Ongoing IT costs, accounting costs as well as costs of shareholder meetings and the financial statements are also recognized in this item. Legal and consulting fees are likewise included.

## 16. Financial result

The financial result breaks down as follows:

<b>Financial result</b>	Table 046	
Amounts stated in EUR k	<b>2020</b>	<b>2019</b>
<b>Finance income</b>		
Income from the change in the fair value of financial liabilities	573	0
Interest income	7	6
Other finance income	4	0
<b>Total</b>	<b>584</b>	<b>6</b>
<b>Finance costs</b>		
Interest expenses	-2,203	-53
Commissions	-938	0
Interest expenses from leases	-497	-249
Other finance costs	-42	0
Expenses from the change in the fair value of financial liabilities	-28	-140
<b>Total</b>	<b>-3,708</b>	<b>-442</b>

Income from the change in the fair value of financial liabilities is attributable to the measurement of the right of termination of the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG.

## 17. Additional disclosures required due to the use of the function of expense method

*Personnel expenses* – Personnel expenses break down as follows:

<b>Personnel expenses</b>	Table 047	
Amounts stated in EUR k	<b>2020</b>	<b>2019</b>
Wages and salaries	-130,383	-120,502
Social security and other benefit costs	-15,504	-12,573
Pension costs	-10,007	-10,745
<b>Total</b>	<b>-155,894</b>	<b>-143,820</b>

These are allocated to the individual functions as follows:

<b>Personnel expenses by function</b>	Table 048	
Amounts stated in EUR k	<b>2020</b>	<b>2019</b>
Cost of sales	-91,836	-97,231
Selling	-53,031	-41,326
Administration	-11,027	-5,263
<b>Total</b>	<b>-155,894</b>	<b>-143,820</b>

The employees worked in the following functions (average headcount):

Annual average number of employees	Table 049	
	2020	2019
Employees on customer assignments	2,240	2,508
Selling	933	551
Administration	117	49
<b>Total</b>	<b>3,290</b>	<b>3,108</b>

Short-time work was introduced in connection with the COVID-19 crisis. In the period from April 2020 to December 2020, applications for short-time work were filed for an average of 541 employees. As of 31 December 2020, 147 employees were still on short-time work.

The short-time work allowances transferred were treated as transitory items and netted with the payments made to the

employees in the relevant functions. Amadeus FiRe received reimbursements of EUR 3,075k in this connection. Amadeus FiRe also received social security refunds of EUR 2,459k, which represent a government grant in accordance with IAS 20. The Group elected to present the net amount and recognized the refunds under the respective functions.

As of 31 December 2020, refunds of short-time work allowances and social security of EUR 1,759k were still payable by the German Federal Employment Agency.

Short-time work allowance top-ups of EUR 573k were paid for the employees on short-time work.

**Amortization and depreciation** - Amortization of intangible assets and depreciation of property, plant and equipment and right-of-use assets amounted to EUR 28,341k in the fiscal year (prior year: EUR 7,084k).

## 18. Income taxes

Income tax expense (income) breaks down as follows:

Income taxes	Table 050	
	2020	2019
Amounts stated in EUR k		
Current taxes	10,374	12,452
Deferred taxes	-1,897	85
<b>Income tax expense</b>	<b>8,477</b>	<b>12,537</b>

Current taxes included tax income of EUR 36k (prior year: EUR 0k) for prior fiscal years.

An overall tax rate of 31.8% (prior year: 31.8%) was used to determine the expected tax expense. This comprises the corporate income tax rate including the solidarity surcharge of 15.8% (prior year: 15.8%) and the effective average trade tax rate of the group parent of 16.0% (prior year: 16.0%).

The following table sets out a reconciliation between the expected tax expense in the fiscal year and the tax expense reported:

Reconciliation	Table 051	
	Fiscal year	
	2020	2019
Amounts stated in EUR k		
<b>Profit before taxes</b>	<b>27,835</b>	<b>38,285</b>
<b>Expected income tax expense</b>	<b>8,864</b>	<b>12,185</b>
Costs of the equity transaction	-358	0
Incidental acquisition costs	94	855
Non-deductible expenses	73	185
Out-of-period tax expense	-36	0
Unrecognized deferred taxes on current-year losses	225	0
Effect of different national tax rates	28	14
Utilization of loss carryforwards	0	-12
Trade tax add-backs/reductions	242	83
Trade tax exemption	-499	-571
Non-taxable minority interests	-177	-228
Adjustments due to tax audit	21	0
Other	0	26
<b>Income taxes</b>	<b>8,477</b>	<b>12,537</b>
<i>Effective tax expense</i>	<i>30.5%</i>	<i>32.7%</i>

## 19. Profit attributable to non-controlling interests recognized under liabilities

The profit share attributable to the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG was recognized in profit or loss for the period as these non-control-

ling interests are classified as liabilities in accordance with IAS 32.

## 20. Earnings per share

The following table shows the calculation of the profit for the period attributable to the equity holders of Amadeus FiRe AG:

<b>Basic earnings per share</b>		Table 052	
		2020	2019
Profit for the period attributable to the equity holders of Amadeus FiRe AG	In EUR k	17,786	24,012
Weighted average number of shares issued	Units	5,408,439	5,198,237
<b>Basic earnings per share</b>	EUR	<b>3.29</b>	<b>4.62</b>

Pursuant to IAS 33, earnings per share are determined based on the profit for the period (attributable to the equity holders of Amadeus FiRe AG) and the annual average number of shares outstanding. The issue of shares during the year due to the capital increase was included in the weighting on a daily basis. There were no effects that would have diluted the shares in fiscal year 2019 or 2020. The diluted earnings per share are therefore equivalent to the basic earnings per share.

## Notes to the consolidated balance sheet

## 21. Goodwill

**Development** – Goodwill developed as follows:

Table 053

<b>Development of goodwill</b>		
Amounts stated in EUR k	2020	2019
<b>Cost</b>		
Balance at the beginning of the fiscal year	179,025	14,254
Acquisitions and adjustments to initial consolidation	236	164,771
<b>Balance at the end of the fiscal year</b>	<b>179,261</b>	<b>179,025</b>
<b>Accumulated impairment</b>		
Balance at the beginning of the fiscal year	-7,319	-7,319
Impairment loss for the fiscal year	0	0
<b>Balance at the end of the fiscal year</b>	<b>-7,319</b>	<b>-7,319</b>
<b>Carrying amount</b>		
Balance at the beginning of the fiscal year	171,706	6,935
<b>Balance at the end of the fiscal year</b>	<b>171,942</b>	<b>171,706</b>

Goodwill increased by EUR 236k on the acquisition of the GFN Group as of 29 September 2020. For more information, see note 12. Purchase of companies and operations.

**Allocation** – The goodwill acquired in business combinations is allocated to the cash-generating units (CGUs) as follows:

Table 054

<b>Allocation of goodwill to CGUs</b>		
Amounts stated in EUR k	31 Dec 2020	31 Dec 2019
COMCAVE	136,209	164,771
Amadeus FiRe AG	28,976	414
Steuer-Fachschule Dr. Endriss	3,853	3,853
Amadeus FiRe Personalvermittlung	1,388	1,388
Akademie für Internationale Rechnungslegung	1,280	1,280
GFN	236	-
<b>Total goodwill</b>	<b>171,942</b>	<b>171,706</b>

As part of the finalization of the purchase price allocation of the COMCAVE Group, Amadeus FiRe allocated the goodwill to the CGUs. The merger of Amadeus FiRe with COMCAVE has created a one-stop provider of Personnel Services covering occupational retraining, advanced vocational training and additional qualifications as well as permanent placement, temporary staffing and interim management services. The

goodwill was allocated based on the relative fair values of the CGUs that would benefit from the synergies to which the total goodwill was to be allocated. Goodwill of the Amadeus FiRe AG CGU increased by EUR 28,562k as a result. Goodwill of EUR 136,209k was allocated to the COMCAVE CGU.

**Planning and valuation assumptions** – Amadeus FiRe performed the mandatory annual impairment test as of 31 December 2020. To determine the value in use of the cash-generating units or groups of cash-generating units, cash flows for the next five years were projected based on past experience, current operating earnings, management's best estimates of future developments and market assumptions. The individual business risks were taken into account when

preparing the forecast and deducted from the free cash flow derived. The value in use is mainly determined by the perpetual annuity, which is shaped in particular by the long-term growth rate and discount rate.

The impairment test is based on the following key planning and valuation assumptions:

#### Planning and valuation assumptions for the impairment test

Table 055

CGU	Carrying amount of the goodwill allocated to the CGU in EUR k	Revenue growth in the planning period	Long-term growth rate	WACC*
COMCAVE	136,209	9% - 19%	1.0%	7.4%
Amadeus FiRe AG	28,976	3% - 19%	1.0%	7.8%
Steuer-Fachschule Dr. Endriss	3,853	2% - 10%	1.0%	7.4%
Amadeus FiRe Personalvermittlung	1,388	5% - 20%	1.0%	7.8%
Akademie für Internationale Rechnungslegung	1,280	-10% - 47%	1.0%	7.4%
GFN	236	3% - 21%	1.0%	7.4%

\* Post-tax WACC

As the coronavirus pandemic is constantly evolving, the current projections are subject to considerable uncertainty as to the duration and extent of the effects on cash flows. Management made the underlying estimates and assumptions on the basis of the best information available and a scenario which assumes that the economic impacts of the current pandemic will not continue long term. The high revenue growth rates over parts of the planning period reflect in particular effects from the recovery of business following the COVID-19 pandemic at the beginning of the five-year forecast period.

percentage points was assumed. There are no indications of impairment for any of these groups of cash-generating units, neither on this basis nor for any combination of reasonably expectable changes in the parameters.

**Sensitivity analysis** – In connection with the sensitivity analysis for the CGUs to which significant goodwill is allocated, a decrease in future cash flows by 10% or an increase in the weighted average cost of capital (WACC) by 0.5 percentage points or a reduction in the long-term growth rate by 0.5

## 22. Other intangible assets

## Development of other intangible assets

Table 056

Amounts stated in EUR k	Internally generated intangible assets	Purchased customer lists and brands	Purchased technology	Software/licenses	Miscellaneous intangible assets	Intangible assets under development	Total
<b>Cost</b>							
1 Jan 2019	0	0	0	6,735	0	2,893	9,628
Additions from acquisitions	566	26,677	4,739	158	2,363	326	34,829
Additions	0	0	0	451	0	2,568	3,019
Disposals	0	0	0	-345	0	0	-345
Reclassifications	0	0	0	5,046	0	-4,982	64
<b>31 Dec 2019/1 Jan 2020</b>	<b>566</b>	<b>26,677</b>	<b>4,739</b>	<b>12,045</b>	<b>2,363</b>	<b>805</b>	<b>47,195</b>
Additions from acquisitions	21	2,884	0	108	0	0	3,013
Additions	111	0	0	1,228	377	1,288	3,004
Disposals	0	0	0	0	-4	0	-4
Reclassifications	0	0	0	527	0	-527	0
<b>31 Dec 2020</b>	<b>698</b>	<b>29,561</b>	<b>4,739</b>	<b>13,908</b>	<b>2,736</b>	<b>1,566</b>	<b>53,208</b>
<b>Amortization/impairment</b>							
1 Jan 2019	0	0	0	5,027	0	0	5,027
Amortization	0	0	0	825	0	0	825
Impairment	0	0	0	0	0	0	0
Reversals of impairment	0	0	0	0	0	0	0
Disposals	0	0	0	-77	0	0	-77
Reclassifications	0	0	0	0	0	0	0
<b>31 Dec 2019/1 Jan 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,775</b>	<b>0</b>	<b>0</b>	<b>5,775</b>
Amortization	495	8,494	676	1,490	1,051	0	12,206
Impairment	0	0	0	0	0	0	0
Reversals of impairment	0	0	0	0	0	0	0
Disposals	0	0	0	0	-4	0	-4
Reclassifications	0	0	0	0	0	0	0
<b>31 Dec 2020</b>	<b>495</b>	<b>8,494</b>	<b>676</b>	<b>7,265</b>	<b>1,047</b>	<b>0</b>	<b>17,977</b>
<b>Carrying amount as of 31 Dec 2020</b>	<b>203</b>	<b>21,067</b>	<b>4,063</b>	<b>6,643</b>	<b>1,689</b>	<b>1,566</b>	<b>35,231</b>
<b>Carrying amount as of 31 Dec 2019</b>	<b>566</b>	<b>26,677</b>	<b>4,739</b>	<b>6,270</b>	<b>2,363</b>	<b>805</b>	<b>41,420</b>

## 23. Property, plant and equipment

### Development of property, plant and equipment

Table 057

Amounts stated in EUR k	Other plant and equipment	Property, plant and equipment under development	Total
<b>Cost</b>			
<b>1 Jan 2019</b>	<b>8,277</b>	<b>64</b>	<b>8,341</b>
Additions from acquisitions	1,635	0	1,635
Additions	1,925	0	1,925
Disposals	-204	0	-204
Reclassifications	0	-64	-64
<b>31 Dec 2019/1 Jan 2020</b>	<b>11,633</b>	<b>0</b>	<b>11,633</b>
Additions from acquisitions	638	0	638
Additions	4,111	0	4,111
Disposals	-303	0	-303
Reclassifications	0	0	0
<b>31 Dec 2020</b>	<b>16,079</b>	<b>0</b>	<b>16,079</b>
<b>Depreciation/impairment</b>			
<b>1 Jan 2019</b>	<b>5,429</b>	<b>0</b>	<b>5,429</b>
Depreciation	1,076	0	1,076
Impairment	0	0	0
Reversals of impairment	0	0	0
Disposals	-200	0	-200
Reclassifications	0	0	0
<b>31 Dec 2019/1 Jan 2020</b>	<b>6,305</b>	<b>0</b>	<b>6,305</b>
Depreciation	2,120	0	2,120
Impairment	0	0	0
Reversals of impairment	0	0	0
Disposals	-228	0	-228
Reclassifications	0	0	0
<b>31 Dec 2020</b>	<b>8,197</b>	<b>0</b>	<b>8,197</b>
<b>Carrying amount as of 31 Dec 2020</b>	<b>7,882</b>	<b>0</b>	<b>7,882</b>
<b>Carrying amount as of 31 Dec 2019</b>	<b>5,328</b>	<b>0</b>	<b>5,328</b>

## 24. Trade receivables

Trade receivables with defined payment terms are measured at amortized cost. All trade receivables are current and break down as follows:

See note 34. Capital management and financial risk management for information on allowances, default risks and the age structure.

### Trade receivables

Table 058

Amounts stated in EUR k	31.12.2020	31.12.2019
Gross carrying amount	35,238	30,990
Bad debt allowances	-295	-314
<b>Total</b>	<b>34,943</b>	<b>30,676</b>

## 25. Other current assets

Other current assets break down as follows:

<b>Other current assets</b>		Table 059
Amounts stated in EUR k	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Cash deposit for rent guarantees	2,212	2,304
Short-time work allowance refund claims	1,759	0
Prepaid expenses	1,584	1,285
Purchase price refund claim	832	0
Creditors with debit balances	386	254
Security deposits	273	7
Other	209	821
<b>Total</b>	<b>7,255</b>	<b>4,671</b>

## 26. Cash and cash equivalents

Cash and cash equivalents solely comprise cash on hand and bank balances as well as short-term time deposits that have terms of up to 90 days and are measured at amortized cost.

<b>Cash and cash equivalents</b>		Table 060
Amounts stated in EUR k	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Bank balances	29,948	20,444
Cash on hand	42	21
<b>Total</b>	<b>29,990</b>	<b>20,465</b>

## 27. Equity

**Subscribed capital** - The subscribed capital of Amadeus FiRe AG is the capital stock of EUR 5,718,060.00 and is divided into 5,718,060 no-par value bearer shares. The shares are fully paid in. Each share entitles the holder to one vote at the shareholder meeting and determines the holder's share of the Company's profit after taxes. All shares entail the same rights and obligations.

**Capital increase** - On 17 June 2020, the shareholder meeting resolved to create new authorized capital. The management board is thereby authorized to increase the Company's capital stock on or prior to 16 June 2025, with the approval of the supervisory board, by up to EUR 1,559,471.00 by issuing up to 1,559,471 no-par value bearer shares and/or accepting contributions in kind (Authorized Capital 2020). In a resolution dated 5 August 2020, the management board and supervisory board of Amadeus FiRe AG resolved to increase the Company's capital stock by 10% of the existing capital stock or EUR 519,823.00 by making partial use of the authorized capital. With the approval of the supervisory board, the new shares were issued excluding subscription rights by way of a cash capital increase. The issue price of the new

shares was EUR 100.00 per share. Capital reserves increased by EUR 51,462k as a result. The costs of EUR 1,123k incurred in connection with the capital increase were deducted from the capital reserves net of deferred taxes.

**Purchase of treasury shares** - Based on the shareholder resolution dated 17 June 2020, the management board was authorized, on or prior to 16 June 2025, to purchase treasury shares amounting to up to 10% of the capital stock as of the effective date of this authorization or, if lower, as of the date on which this authorization is exercised. The purchased shares, together with any treasury shares purchased for other reasons, may at no time exceed 10% of the Company's capital stock. The Company may exercise the authorization in whole or in part, once or several times. In addition, the management board was authorized to re-sell these treasury shares or treasury shares purchased at an earlier date on the stock exchange or by means of a tender addressed to all shareholders. Furthermore, the supervisory board can transfer the purchased treasury shares to the members of the Company's management board in fulfillment of their respective remuneration agreement.

## 28. Liabilities

The maturity profile of the liabilities of the Amadeus FiRe Group is presented below:

### Maturity profile of liabilities 2020

Table 061

Amounts stated in EUR k

	Up to 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	More than 5 years	Total
Lease liabilities	15,245	12,715	9,971	6,666	4,210	12,715	61,522
Other financial liabilities	38,134	16,924	59,822	0	0	0	114,880
Liabilities to shareholders/partners	1,968	5,851	0	0	0	7,856	15,675
Trade payables	8,153	0	0	0	0	0	8,153
Contract liabilities	4,196	0	0	0	0	0	4,196
Income tax liabilities	1,523	0	0	0	0	0	1,523
Other liabilities	21,814	693	506	16	382	72	23,483
<b>Total</b>	<b>91,033</b>	<b>36,183</b>	<b>70,299</b>	<b>6,682</b>	<b>4,592</b>	<b>20,643</b>	<b>229,432</b>

### Maturity profile of liabilities 2019

Table 062

Amounts stated in EUR k

	Up to 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	More than 5 years	Total
Lease liabilities	12,337	10,734	8,817	6,790	4,086	6,588	49,352
Other financial liabilities	170,096	0	0	0	0	0	170,096
Liabilities to shareholders/partners	1,719	5,990	0	0	0	0	7,709
Trade payables	12,316	0	0	0	0	0	12,316
Contract liabilities	3,954	0	0	0	0	0	3,954
Income tax liabilities	1,391	0	0	0	0	0	1,391
Other liabilities	18,808	1,116	483	422	177	0	21,006
<b>Total</b>	<b>220,621</b>	<b>17,840</b>	<b>9,300</b>	<b>7,212</b>	<b>4,263</b>	<b>6,588</b>	<b>265,824</b>

**Lease liabilities** – See the information on leases in note 32. Leases.

**Other financial liabilities** – As of the fiscal year-end, there were credit facilities of EUR 135,800k (prior year: EUR 170,000k); EUR 20,800k thereof (prior year: EUR 0k) had not been utilized. See note 34. Capital management and financial risk management for further details on credit facilities.

Under the loan agreements entered into in December 2020, the banks charged commissions and fees of EUR 705k. These

were deducted from the amount recognized for the loan and are added back to the loan over its term using the effective interest method. The resulting expenses are shown in finance costs.

To ensure that the Amadeus FiRe Group remains solvent at all times, a liquidity reserve in the form of short-term credit facilities and cash is available (“free liquidity”). This came to EUR 50,790k at year-end (prior year: EUR 20,465k).

**Liabilities to shareholders** – The liabilities to shareholders break down as follows:

<b>Liabilities to shareholders/partners</b>		Table 063
Amounts stated in EUR k	<b>2020</b>	<b>2019</b>
Purchase price liability Amadeus FiRe Weiterbildung Verwaltungs GmbH	7,856	-
Settlement Steuer-Fachschule Dr. Endriss	5,108	5,681
Minority interest Endriss	743	309
<b>Non-current</b>	<b>13,707</b>	<b>5,990</b>
Minority interest Endriss	1,968	1,719
<b>Current</b>	<b>1,968</b>	<b>1,719</b>

The purchase price liability for the 25% share in Amadeus FiRe Weiterbildung Verwaltungs GmbH came to EUR 7,856k as of the balance sheet date. The amount recognized in other comprehensive income was EUR 7,828k. The liability was adjusted through profit or loss under finance costs. The option is expected to be exercised in 2027 at the earliest (first possible date of a good leaver event). The undiscounted value as of the balance sheet date was EUR 12,990k.

The put option for the 40% interest in Steuer-Fachschule Dr. Endriss GmbH & Co. KG decreased from EUR 5,681k to EUR 5,108k. The change in value was recorded in finance income. The undiscounted value of the right to a settlement was EUR 5,492k (prior year: EUR 6,022k).

The minority interest Endriss is the profit share attributable to the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG. This was recognized through profit or loss and qualifies as a liability in accordance with IAS 32.

**Other non-financial liabilities** – The other non-financial liabilities break down as follows:

<b>Other non-financial liabilities</b>		Table 064
Amounts stated in EUR k	<b>2020</b>	<b>2019</b>
Bonuses	7,286	7,190
Overpayments received	4,270	3,434
Wage tax and VAT	3,956	3,925
Vacation and flexitime	3,915	3,755
Other personnel obligations	1,946	1,795
Miscellaneous	2,110	907
<b>Other non-financial liabilities</b>	<b>23,483</b>	<b>21,006</b>
thereof current	21,814	18,808
thereof non-current	1,669	2,198

## 29. Deferred taxes

Deferred taxes relate to the following:

### Change in liabilities from financing activities

Table 065

Amounts stated in EUR k	Consolidated balance sheet		Consolidated income statement			
	2020	2019	Change in balance sheet item	2020		2019
				thereof outside of profit or loss	thereof through profit or loss	through profit or loss
Capital reserves	358	0	358	358	0	0
Lease liabilities	13,428	5,697	7,731	0	7,731	5,697
Liabilities to shareholders/partners	906	1,007	-101	0	-101	25
Other liabilities	255	337	-82	0	-82	118
Tax loss carryforwards	376	0	376	415	-39	0
Other	12	19	-7	0	-7	0
<b>Deferred tax assets before offsetting</b>	<b>15,335</b>	<b>7,060</b>				
<b>Offsetting</b>	<b>-14,383</b>	<b>-7,060</b>				
<b>Deferred tax assets</b>	<b>952</b>	<b>0</b>				
thereof through profit or loss in future periods	594	0				
thereof outside of profit or loss in future periods	358	0				
Purchase price allocation	4,519	5,581	1,062	-625	1,687	0
Goodwill usable for tax purposes	616	616	0	0	0	0
Internally generated intangible assets	39	90	51	-3	54	0
Right-of-use assets	13,304	5,665	-7,639	0	-7,639	-5,665
Trade receivables	597	0	-597	-630	33	0
Other financial liabilities	0	260	260	0	260	-260
Other	5	1	-4	-4	0	0
<b>Deferred tax liabilities before offsetting</b>	<b>19,080</b>	<b>12,213</b>				
<b>Offsetting</b>	<b>-14,383</b>	<b>-7,060</b>				
<b>Deferred tax liabilities</b>	<b>4,697</b>	<b>5,153</b>				
thereof through profit or loss in future periods	4,697	5,153				
thereof outside of profit or loss in future periods	0	0				
<b>Deferred taxes according to the income statement</b>			<b>1,408</b>	<b>-489</b>	<b>1,897</b>	<b>-85</b>

Of the net deferred tax assets of EUR 952k (prior year: EUR 0k), EUR 376k (prior year: EUR 0k) relates to corporate income tax loss carryforwards of the newly acquired GFN GmbH amounting to EUR 2,373k (prior year: EUR 0k). The deferred tax assets were recognized based on positive tax forecasts for this group company. As of 31 December 2020, the Group had corporate income tax loss carryforwards totaling EUR 2,428k (prior year: EUR 0k). As a result, no deferred tax assets were recognized for corporate income tax loss carryforwards of EUR 55k (prior year: EUR 0k). The Group has trade tax loss carryforwards of EUR 6,330k (prior year: EUR 243k). No deferred tax assets were recognized for these losses. EUR 5,368k thereof (prior year: EUR 0k) relates to

GFN GmbH, which was newly acquired in fiscal year. No deferred tax assets are recognized for tax loss carryforwards if the forecast does not indicate that the tax loss carryforwards will be able to be offset against taxable profits in the foreseeable future or if there are no operations. In accordance with the prevailing legal provisions, the unused tax losses can be carried forward for an indefinite time and in an unlimited amount as long as they are not utilized. The effect from the change in balance sheet items, which does not affect profit or loss, is mainly due to the first-time consolidation of the GFN Group as of 30 September 2020 since only the amounts in its balance sheet were included in the consolidated financial statements.

## Notes to the consolidated cash flow statement

## 30. Cash flow statement

The table below shows the reconciliation of changes in liabilities from financing activities and their effects on the cash flows:

## Change in liabilities from financing activities

Table 066

Amounts stated in EUR k	Other financial liabilities	Lease liabilities	Liabilities to shareholders/ partners	Total
<b>Carrying amount as of 1 Jan 2020</b>	<b>170,096</b>	<b>49,352</b>	<b>7,709</b>	<b>227,157</b>
Cash changes				
Cash received from the raising of loans	115,000			115,000
Cash repayments of loans	-170,034			-170,034
Cash repayments of lease liabilities		-13,990		-13,990
Interest payments and similar expenses		-497		-497
Distributions to non-controlling interests			-434	-434
<b>Change in cash flows from financing activities</b>	<b>-55,034</b>	<b>-14,487</b>	<b>-434</b>	<b>-69,955</b>
Non-cash changes				
Acquisitions	34	5,870		5,904
Planned distributions to non-controlling interests			1,117	1,117
Addition of lease liabilities		20,807		20,807
Disposal of lease liabilities due to contract modifications		-517		-517
Addition of liabilities due to accrual of interest and similar expenses	-382	497		115
Addition of purchase price liabilities			7,828	7,828
Measurement effects from the purchase price liability and put option through profit or loss			-545	-545
Other changes	166			166
<b>Change in non-cash changes</b>	<b>-182</b>	<b>26,657</b>	<b>8,400</b>	<b>34,875</b>
<b>Carrying amount as of 31 Dec 2020</b>	<b>114,880</b>	<b>61,522</b>	<b>15,675</b>	<b>192,077</b>

## Change in liabilities from financing activities

Table 067

Amounts stated in EUR k	Other financial liabilities	Lease liabilities	Liabilities to shareholders/ partners	Total
<b>Carrying amount as of 1 Jan 2019</b>	<b>0</b>	<b>0</b>	<b>7,301</b>	<b>7,301</b>
Cash changes				
Cash received from the raising of loans	170,000			170,000
Cash repayments of loans				0
Cash repayments of lease liabilities		-5,016		-5,016
Interest payments and similar expenses		-249		-249
Distributions to non-controlling interests			-1,164	-1,164
<b>Change in cash flows from financing activities</b>	<b>170,000</b>	<b>-5,265</b>	<b>-1,164</b>	<b>163,571</b>
Non-cash changes				
Acquisitions		27,352		27,352
Planned distributions to non-controlling interests			1,432	1,432
Addition of lease liabilities		22,572		22,572
Disposal of lease liabilities due to contract modifications		4,569		4,569
Addition of liabilities due to accrual of interest and similar expenses		-125		-125
Addition of purchase price liabilities	96	249		345
Measurement effects from the purchase price liability and put option through profit or loss			140	140
Other changes				0
<b>Change in non-cash changes</b>	<b>96</b>	<b>54,617</b>	<b>1,572</b>	<b>56,285</b>
<b>Carrying amount as of 31 Dec 2019</b>	<b>170,096</b>	<b>49,352</b>	<b>7,709</b>	<b>227,157</b>

**Net cash from operating activities** – Of the increase in net cash from operating activities from EUR 36,692k to EUR 40,683k, EUR 13,494k stemmed from the increase in current EBITDA (in particular as an effect from the COMCAVE transaction in 2020) and EUR 1,895k was due to lower income tax payments. This contrasted with the increase in working capital (-EUR 7,556k) and higher interest payments (-EUR 3,318k).

**Net cash used in investing activities** – Net cash used in investing activities fell to -EUR 13,426k (prior year: -EUR 200,032k), largely due to the EUR 188,718k decrease in cash paid for business combinations less net cash acquired.

**Net cash from financing activities** – Net cash used in financing activities came to -EUR 17,732k in fiscal year 2020, whereas net cash of EUR 139,246k was provided in the prior year. The proceeds from the capital increase in the fiscal year and funds generated from current cash flows were used to repay the bridge loan and the remaining amount was transferred to new replacement funding. The higher outflows for

principal and interest payments for loans essentially resulted from the new acquisition of COMCAVE and the GFN Group. No dividends were paid to the equity holders of Amadeus FiRe AG in fiscal year 2020.

**Cash and cash equivalents** – Cash and cash equivalents comprise cash on hand, bank balances, short-term time deposits and outstanding bank overdrafts.

## Notes to the segment reporting

## 31. Segment reporting

**Description of the segments** – The Group's business is organized by products and services for corporate management purposes and has two segments which are subject to reporting.

**Personnel Services** – With its Personnel Services segment, the Amadeus FiRe Group operates as a specialized Personnel Services provider for professionals and executives in the fields of commerce and IT at more than 20 locations. The services offered comprise specialist temporary staffing, permanent placement and interim and project management.

**Training** – With its Training segment, the Amadeus FiRe Group offers advanced vocational training and retraining options with a focus on commercial and IT skills at more than 60 locations throughout Germany. The brands Steuer-Fachschule Dr. Endriss, Akademie für Internationale Rechnungslegung, TaxMaster, COMCAVE.COLLEGE, cpi consul-

ting + training, Academy2.0 and GFN offer, depending on their focus, publicly funded training (B2G), training for corporate customers (B2B), in particular open or inhouse seminars, and training for private individuals (B2C), in particular courses and degrees.

**Segment indicators** – The management board assesses the profitability of the business segments using the same indicators as presented in the management report, determined in accordance with the same accounting principles applied to the consolidated financial statements. These comprise revenue, gross operating profit, gross operating profit margin, operating EBITA and operating EBITA margin. The performance of the segments is assessed on the basis of their profit from operations before goodwill impairment and PPA effects (operating EBITA). The leverage ratio is not monitored at segment level. Transactions within the segments and between the segments are presented at arm's length prices.

## Segment reporting

Table 068

Amounts stated in EUR k	Personnel Services		Training		Reconciliation		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
External revenue	190,504	207,129	89,650	25,995	0	0	280,154	233,124
Internal revenue	87	0	21	17	-108	-17	0	0
<b>Total revenue</b>	<b>190,591</b>	<b>207,129</b>	<b>89,671</b>	<b>26,012</b>	<b>-108</b>	<b>-17</b>	<b>280,154</b>	<b>233,124</b>
Gross profit	87,920	96,941	48,867	13,673	-75	-6	136,712	110,608
<b>Gross operating profit</b>	<b>87,920</b>	<b>96,941</b>	<b>55,409</b>	<b>13,673</b>	<b>-75</b>	<b>-6</b>	<b>143,254</b>	<b>110,608</b>
<b>Gross operating profit margin</b>	<b>46.1%</b>	<b>46.8%</b>	<b>61.8%</b>	<b>52.6%</b>	-	-	<b>51.1%</b>	<b>47.4%</b>
EBITDA	33,812	39,467	25,492	6,345	-4	-6	59,300	45,806
Amortization and depreciation	-6,697	-5,628	-21,644	-1,457	0	0	-28,341	-7,085
Impairment	0	0	0	0	0	0	0	0
EBITA	27,115	33,839	3,848	4,888	-4	-6	30,959	38,721
PPA effects	0	0	-10,107	0	0	0	-10,107	0
<b>Operating EBITA</b>	<b>27,115</b>	<b>33,839</b>	<b>13,955</b>	<b>4,888</b>	<b>-4</b>	<b>-6</b>	<b>41,066</b>	<b>38,721</b>
<b>Operating EBITA margin</b>	<b>14.2%</b>	<b>16.3%</b>	<b>15.6%</b>	<b>18.8%</b>	-	-	<b>14.7%</b>	<b>16.6%</b>
Segment assets*	48,248	61,758	242,422	262,008	289	-1,831	290,959	321,935
thereof goodwill	30,364	1,802	141,578	169,904	0	0	171,942	171,706
Investments	2,550	7,902	4,565	1,611	0	0	7,115	9,513

\*Excluding carrying amounts of equity investments and receivables from affiliates

**Reconciliation** – The consolidation of transactions between the segments is contained in the reconciliation to revenue and EBITA.

The reconciliation to assets contains deferred tax items that are not allocable to the segments.

<b>Reconciliation of segment result</b>		Table 069
Amounts stated in EUR k	<b>2020</b>	<b>2019</b>
Operating EBITA (segment result)	<b>41,066</b>	38,721
PPA effects	<b>-10,107</b>	0
<b>EBITA = profit from operations</b>	<b>30,959</b>	<b>38,721</b>

#### Other information

**Geographical information** – Revenue in Germany amounts to EUR 279,921k (prior year: EUR 232,875k) and for the eurozone to EUR 233k (prior year: EUR 249k). The revenue is stated according to the location of the customer's registered office.

**Revenue by customer** – Revenue with one (prior year: no) customer exceeds the threshold pursuant to IFRS 8.34. This customer is the German Federal Employment Agency. The revenue comes to EUR 64,605k and was generated in the Training segment.

**Revenue by category** – The following table provides a breakdown of revenue from contracts by type and by customer for the Amadeus FiRe Group:

<b>Breakdown of revenues from customers</b>								Table 070
Amounts stated in EUR k	<b>Personnel Services</b>		<b>Training</b>		<b>Reconciliation</b>		<b>Group</b>	
	<b>2020</b>	2019	<b>2020</b>	2019	<b>2020</b>	2019	<b>2020</b>	2019
<b>Total revenue</b>	<b>190,591</b>	207,129	<b>89,671</b>	26,012	<b>-108</b>	-17	<b>280,154</b>	233,124
Satisfaction of performance obligation and recognition of revenue								
Recognition at a point in time	<b>34,978</b>	40,494	<b>301</b>	459	<b>-56</b>	0	<b>35,223</b>	40,953
Recognition over time	<b>155,613</b>	166,635	<b>89,370</b>	25,553	<b>-52</b>	-17	<b>244,931</b>	192,171
Revenue by customer								
Public sector	<b>10,911</b>	10,032	<b>67,794</b>	2,152	<b>0</b>	0	<b>78,705</b>	12,184
Corporate customers	<b>179,680</b>	197,097	<b>10,699</b>	13,281	<b>-108</b>	-17	<b>190,271</b>	210,361
Private customers	<b>0</b>	0	<b>11,178</b>	10,579	<b>0</b>	0	<b>11,178</b>	10,579

## Other notes

## 32. Leases

The Group leases offices and parking spaces included under buildings on third-party land. The leased fleet is shown under vehicles and a printing line and an enveloping machine are shown under furniture, fixtures and office equipment.

The separate right-of-use assets that are recognized in the balance sheet in connection with leases are presented in the table below:

## Development of right-of-use assets

Table 071

Amounts stated in EUR k	Buildings on third-party land	Vehicles	Furniture, fixtures and office equipment	Total
<b>Cost</b>				
<b>1 Jan 2019</b>	<b>20,483</b>	<b>1,530</b>	<b>55</b>	<b>22,068</b>
Additions from acquisitions	26,189	42	0	26,231
Additions	2,960	1,599	11	4,570
Disposals	-216	-184	0	-400
<b>31 Dec 2019/1 Jan 2020</b>	<b>49,416</b>	<b>2,987</b>	<b>66</b>	<b>52,469</b>
Additions from acquisitions	5,791	79	0	5,870
Additions	19,009	1,563	47	20,619
Disposals	-1,185	-664	0	-1,849
<b>31 Dec 2020</b>	<b>73,031</b>	<b>3,965</b>	<b>113</b>	<b>77,109</b>
<b>Depreciation/impairment</b>				
<b>1 Jan 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	3,959	1,184	40	5,183
Disposal	-210	-173	0	-383
<b>31 Dec 2019/1 Jan 2020</b>	<b>3,749</b>	<b>1,011</b>	<b>40</b>	<b>4,800</b>
Depreciation	12,590	1,382	43	14,015
Disposal	-853	-617	0	-1,470
<b>31 Dec 2020</b>	<b>15,486</b>	<b>1,776</b>	<b>83</b>	<b>17,345</b>
<b>Carrying amount as of 31 Dec 2020</b>	<b>57,545</b>	<b>2,189</b>	<b>30</b>	<b>59,764</b>
<b>Carrying amount as of 31 Dec 2019</b>	<b>45,667</b>	<b>1,976</b>	<b>26</b>	<b>47,669</b>

The development of lease liabilities per category is shown below:

### Development of lease liabilities

Table 072

Amounts stated in EUR k	Buildings on third-party land	Vehicles	Furniture, fixtures and office equipment	Right-of-use assets
<b>As of 1 Jan 2019</b>	<b>20,987</b>	1,530	55	<b>22,572</b>
Additions	2,960	1,599	10	<b>4,569</b>
Additions from acquisitions	27,352	0	0	<b>27,352</b>
Disposals	-115	-10	0	<b>-125</b>
Interest expense	245	4	0	<b>249</b>
Cash outflows for principal payments	-4,039	-1,186	-40	<b>-5,265</b>
<b>As of 31 Dec 2019/1 Jan 2020</b>	<b>47,390</b>	1,937	25	<b>49,352</b>
Additions	19,154	1,605	48	<b>20,807</b>
Additions from acquisitions	5,791	79	0	<b>5,870</b>
Disposals	-469	-48	0	<b>-517</b>
Interest expense	488	9	0	<b>497</b>
Cash outflows for principal payments	-13,059	-1,386	-42	<b>-14,487</b>
<b>Carrying amount as of 31 Dec 2020</b>	<b>59,295</b>	2,196	31	<b>61,522</b>

Expenses in the fiscal year for short-term leases and leases for low-value assets not accounted for using the right-of-use model came to EUR 1,662k (prior year: EUR 1,670k) and EUR 185k (prior year: EUR 42k), respectively.

In fiscal year 2020, lease liabilities of EUR 13,990k were repaid (prior year: EUR 5,016k) and interest on leases of EUR 497k was paid (prior year: EUR 249k). Including lease liabilities from short-term and low-value leases, total cash outflows amounted to EUR 16,334k (prior year: EUR 6,977k).

See note 34. Capital management and financial risk management for information on future cash outflows known as of the balance sheet date.

Some lease agreements include extension options after the end of the non-cancelable period which were not considered in the measurement of the lease liabilities. It was not considered reasonably certain that the options would be exercised. The resulting undiscounted cash outflows could amount to up to EUR 52,652k (prior year: EUR 51,532k).

### 33. Financial instruments

The carrying amounts and fair values of financial assets and liabilities are shown below:

#### Financial instruments by classification and their fair values

Table 073

Amounts stated in EUR k	2020				2019			
	At fair value through profit or loss	At amortized cost	Not in scope of IFRS 7	Total carrying amount	At fair value through profit or loss	At amortized cost	Not in scope of IFRS 7	Total carrying amount
<b>ASSETS</b>								
Trade receivables	0	34,943	0	<b>34,943</b>	0	30,676	0	<b>30,676</b>
Other assets	0	3,430	3,825	<b>7,255</b>	0	2,558	2,113	<b>4,671</b>
Cash and cash equivalents	0	29,990	0	<b>29,990</b>	0	20,465	0	<b>20,465</b>
<b>EQUITY AND LIABILITIES</b>								
Lease liabilities	0	61,522	0	<b>61,522</b>	0	49,352	0	<b>49,352</b>
Other financial liabilities	0	114,880	0	<b>114,880</b>	0	170,096	0	<b>170,096</b>
Liabilities to shareholders/partners	12,964	2,711	0	<b>15,675</b>	5,681	2,028	0	<b>7,709</b>
Trade payables	0	8,153	0	<b>8,153</b>	12,316	0	0	<b>12,316</b>

The carrying amounts of all financial assets and liabilities measured at amortized cost approximate the fair values, except for other financial liabilities, which have a fair value of EUR 116,031k.

The liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG of EUR 5,108k (prior year: EUR 5,681k) and the purchase price liability to Surwald Holding UG of EUR 7,856k are measured at fair value through profit or loss. Both liabilities are measured according to Level 3 pursuant to IFRS 13.

The settlement liability to the non-controlling interests in Steuer-Fachschule Dr. Endriss GmbH & Co. KG was determined using the Stuttgart method. The significant model inputs

are the earnings forecast, the discount rate applied and the exercise date.

The purchase price liability to Amadeus FiRe Weiterbildung Verwaltungs GmbH was determined using a formula and is based on the performance of the GFN Group and an adjusted market multiple of Amadeus FiRe AG. The significant model inputs are the earnings forecast of the GFN group, the market multiple of Amadeus FiRe AG, the discount rate applied and the exercise date.

### 34. Capital management and financial risk management

**Information on capital management pursuant to IAS 1** – The equity ratio and leverage ratio are the key capital management indicators for Amadeus FiRe. The goal of capital management is to gradually increase the equity ratio and reduce the current leverage ratio to a factor of 2.0 in the short term and further in the medium term in order to ensure broad capital market access across various types of debt financing and the ability to service financial liabilities. A capital increase of EUR 51.2 million was carried out in the fiscal year to boost the equity ratio and reduce net financial debt. As a result, the equity ratio increased by 16.9 percentage points to 32.7% (prior year: 15.8%). It is calculated as follows:

<b>Equity ratio</b>		Table 074
Amounts stated in EUR k	2020	2019
Equity	113,954	50,959
Total assets	348,083	321,935
<b>Equity ratio</b>	<b>32.7%</b>	<b>15.8%</b>

In December 2020, Amadeus FiRe raised a syndicated loan to repay the bridge financing for the acquisition of COMCAVE Holding GmbH, thereby replacing the interim funding with a long-term loan. The facility, which is divided into two tranches, has a term of three years with options to extend it to five years in total. An amount of EUR 100m is structured as an amortizing loan with fixed quarterly repayments of EUR 5m. A further EUR 35m is available in the form of a revolving credit facility. The syndicated loan is provided by a banking syndicate comprising the four institutions Deutsche Bank, UniCredit Bank AG, Helaba Landesbank Hessen-Thüringen and NRW.BANK. The agreement stipulates adherence to financial covenants which will be assessed from 31 March 2021 on a quarterly basis and will reference the leverage ratio.

**The leverage ratio** was reduced from 4.3 to 2.5 due to the reduction of financial liabilities as a result of the capital increase as well as through repayments from the operating cash flow.

It breaks down as follows:

<b>Leverage ratio</b>		Table 075
Amounts stated in EUR k	2020	2019
Financial liabilities	114,881	170,096
Lease liabilities	61,522	49,352
Cash and cash equivalents	-29,990	-20,465
<b>Net financial debt</b>	<b>146,412</b>	<b>198,983</b>
EBITDA	59,300	45,805
<b>Leverage ratio</b>	<b>2.5</b>	<b>4.3</b>

**Financial risk management** – The Group is exposed to financial and market risks on account of its operating activities. Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- Interest rate risk
- Foreign currency risk
- Other price risks

In addition to the economic risks and risks from price pressure and other market participants, Amadeus FiRe is subject to various financial risks in connection with its ordinary activities, including liquidity, credit and market risks (currency and interest rate risks).

The relevant risks and their impacts on Amadeus FiRe are presented below.

**Liquidity risk** – The primary objective of liquidity management is to safeguard the solvency of Amadeus FiRe AG and all group companies. Liquidity is therefore continuously monitored and the Group's financing is managed centrally by Amadeus FiRe AG. The key performance indicators are the liquidity reserves which comprise the cash and cash equivalents and committed credit facilities.

On 31 December 2020, the Group had central liquidity reserves of EUR 50,790k, comprising cash and cash equivalents of EUR 29,990k and an undrawn credit facility of EUR 20,800k.

The following table shows the contractually undiscounted interest and principal payments for the financial liabilities of the Amadeus FiRe Group:

#### Cash flows of the financial liabilities 2020

Table 076

Amounts stated in EUR k	Cash flows up to 6 months	Cash flows 6 to 12 months	Cash flows 2022	Cash flows 2023	Cash flows 2024	Cash flows 2025	Cash flows 2026 and thereafter	Total contractual cash flows	Carrying amount 31 Dec 2020
Lease liabilities	8,094	7,602	13,058	10,260	6,891	4,366	13,015	63,286	61,522
Other financial liabilities	11,938	11,266	22,154	76,622	0	0	0	121,980	114,880
Liabilities to shareholders/partners	1,968	0	6,234	0	0	0	12,990	21,192	15,675
Trade payables	8,007	63	83	0	0	0	0	8,153	8,153
<b>Total</b>	<b>30,007</b>	<b>18,931</b>	<b>41,529</b>	<b>86,882</b>	<b>6,891</b>	<b>4,366</b>	<b>26,005</b>	<b>214,611</b>	<b>200,230</b>

#### Cash flows of the financial liabilities 2019

Table 077

Amounts stated in EUR k	Cash flows up to 6 months	Cash flows 6 to 12 months	Cash flows 2021	Cash flows 2022	Cash flows 2023	Cash flows 2024	Cash flows 2025 and thereafter	Total contractual cash flows	Carrying amount 31 Dec 2019
Lease liabilities	6,596	6,177	11,080	9,082	6,978	4,216	6,800	50,929	49,352
Other financial liabilities	170,905	0	0	0	0	0	0	170,905	170,096
Liabilities to shareholders/partners	1,719	0	6,331	0	0	0	0	8,050	7,709
Trade payables	12,316	0	0	0	0	0	0	12,316	12,316
<b>Total</b>	<b>191,536</b>	<b>6,177</b>	<b>17,411</b>	<b>9,082</b>	<b>6,978</b>	<b>4,216</b>	<b>6,800</b>	<b>242,200</b>	<b>239,473</b>

The calculation of the undiscounted payments includes all financial instruments for which contractual arrangements were in place as of the balance sheet date. If the counterparty can call a payment at various times, the earliest maturity date is used. All agreed covenants were adhered to in

fiscal year 2020. There are currently no indications of any potential non-compliance with the key covenants agreed to.

**Foreign currency risk** – Foreign currency risks arise from future transactions and assets and liabilities accounted for in foreign currencies. Since there Group had not entered into any foreign currency transactions as of the balance sheet date there are no risks.

**Interest rate risk** – Interest rate risk for Amadeus FiRe relates to fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates. The risk of fluctuations in market interest rates for Amadeus FiRe largely stems from its floating-rate loans and the revolving credit facility under the syndicated loan agreement. The risks are limited to the eurozone only as the interest rate is linked to the 3-month EURIBOR. The contractual and drawn financing arrangements as of 31 December 2020 are expected to result in interest expenses of approximately EUR 6,196k until the end of the respective terms.

Potential changes in the interest rate risk are presented in the following table:

	Increase/decrease in basis points	Effect on profit before taxes in EUR k
<b>2020</b>	+50	-45
	-50	0
<b>2019</b>	+50	239
	-50	-240

No interest rate hedges have been entered into.

**Credit risk** – Credit risk is an unexpected loss on a financial instrument due to a business partner not meeting its commitments in full and on time or due to a fall in value of collateral. The maximum default risk is the total carrying amount of financial assets. Financial assets must be tested for expected credit losses and a provision recognized for the potential default based on the expected credit loss model.

The Amadeus FiRe Group's credit risk in connection with its operating business stems mainly from trade receivables. The simplified approach under IFRS 9 is used to calculate the expected credit losses in this context.

The development of the bad debt allowances on trade receivables is presented below:

Amounts stated in EUR k	2020	2019
<b>Gross receivables</b>		
As of 1 Jan	30,990	22,968
Changes	4,248	8,022
<b>As of 31 Dec</b>	<b>35,238</b>	<b>30,990</b>
<b>Bad debt allowances</b>		
As of 1 Jan	314	186
Allocation	260	300
Utilization	-78	-99
Reversal	-201	-73
<b>As of 31 Dec</b>	<b>295</b>	<b>314</b>

The following table shows the gross carrying amounts of past due and not past due trade receivables measured at amortized cost which were either provisioned based on a provision matrix using the simplified approach under IFRS 9 or for which specific bad debt allowances were recognized:

**Provision matrix for trade receivables**

Table 080

<b>2020</b> Amounts stated in EUR k	No use of provision matrix, specific bad debt allowance	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	> 90 days past due	Total receivables at amortized cost
Probabilities of default	N/A	0.19%	0.23%	1.80%	6.04%	12.68%	N/A
Gross carrying amount	233	24,283	8,521	1,492	303	406	35,238
Expected credit loss	-132	-46	-20	-27	-18	-51	-294
Net carrying amount	101	24,237	8,501	1,465	285	355	34,944

<b>2019</b> Amounts stated in EUR k	No use of provision matrix, specific bad debt allowance	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	> 90 days past due	Total receivables at amortized cost
Probabilities of default	N/A	0.22%	0.28%	2.29%	6.07%	13.10%	N/A
Gross carrying amount	305	20,980	7,504	1,310	435	456	30,990
Expected credit loss	-131	-46	-21	-30	-26	-60	-314
Net carrying amount	174	20,934	7,483	1,280	409	396	30,676

### 35. Other financial obligations and contingent assets and liabilities

The following table shows the undiscounted maximum amount of financial obligations:

#### Other financial obligations

Table 081

Amounts stated in EUR k	Total	Up to 1 year	1 to 5 years	More than 5 years
Leases	18,300	5,195	9,856	3,249
Rent-related service agreements	1,322	1,262	60	0
IT service agreements	5,337	3,966	1,371	0
Purchase commitments	740	740	0	0
Other	456	450	6	0
<b>Total</b>	<b>26,155</b>	<b>11,613</b>	<b>11,293</b>	<b>3,249</b>
<b>Prior year</b>	<b>21,430</b>	<b>5,664</b>	<b>11,563</b>	<b>4,203</b>

Other financial obligations from leases mainly comprise service charges in connection with leased office space and the service and maintenance components of vehicle lease agree-

ments. The purchase commitments largely relate to software and hardware.

### 36. Related parties

Members of the management board, supervisory board and their families are considered related parties. The following reportable legal and other transactions were carried out in fiscal year 2020:

On 20 November 2020, a capital increase was carried out at Amadeus FiRe Weiterbildung Verwaltungs GmbH in return for 8,333 newly created and issued shares with a nominal value of EUR 1.00 each, which increased the number of shares from 25,000 to 33,333. The new shares were acquired by Surwald Holding UG (haftungsbeschränkt), whose shareholders are Mr. Thomas Surwald and his wife Anne Surwald. An additional amount of EUR 1,356k was also contributed to the company's capital reserves, which is equivalent to 25% of the purchase price initially estimated for GFN. Under the agreement, repayments and supplementary contributions are due so as to ensure that exactly 25% of the final purchase price is paid by Surwald Holding UG (haftungsbeschränkt). At the same time, a corresponding call option was entered into under which Amadeus FiRe AG can buy back the shares from 2027. Surwald UG (haftungsbeschränkt) has an equivalent put option enabling it to sell the 25% share to Amadeus FiRe AG from 2027. The option price is determined using a formula and is based on the performance of the GFN Group and an adjusted market multiple of Amadeus FiRe AG. See notes 28. Liabilities and 33. Financial instruments for further information. In addition, the agreement contains arrangements in the event that Thomas Surwald leaves the management board of Amadeus FiRe AG at an earlier date, which stipulate that the respective put and call option may be exercised earlier.

The members of the management board received remuneration of EUR 2,975k in the fiscal year (prior year:

EUR 1,772k). Of this amount, EUR 1,915k was performance-based and payable in the short term (prior year: EUR 1,411k). EUR 387k (prior year: EUR 360k) related to long-term incentive components.

The remuneration of members of the supervisory board comprised fixed remuneration and additional remuneration for committee work and totaled EUR 327k inclusive of attendance fees for board meetings (prior year: EUR 327k).

The section on remuneration included in the combined management report presents information on remuneration for the individual management board and supervisory board members.

Some of the members of Amadeus FiRe's supervisory board have high-ranking positions at other companies. Any relationships with these companies were part of the normal course of business and were conducted at arm's length.

Shares were held by the following board members in the fiscal year:

#### Shares held by board members

Table 082

Number of shares	1 Jan 2020	Change	31 Dec 2020
Christoph Groß	5,200	0	5,200
Ulrike Bert	500	0	500
Annett Martin	0	120	120

The reported dealings of management and supervisory board members in the Company's shares (directors' dealings) are published on the Company's website under <https://www.amadeus-fire.de/investor-relations/corporate-governance/>.

### 37. Declaration pursuant to Sec. 161 AktG on compliance with the German Corporate Governance Code

On 2 November 2020, the management board and supervisory board of Amadeus FiRe AG jointly issued the declaration of compliance with the German Corporate Governance Code for fiscal year 2020 as required pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act]. The declaration is available on the Company's website under [www.amadeus-fire.de/investor-relations/corporate-governance/entsprechenserklärung/](http://www.amadeus-fire.de/investor-relations/corporate-governance/entsprechenserklärung/).

### 38. Auditor's fees

The following fees were incurred for services by the group auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft:

#### Auditor's fees

Table 083

Amounts stated in EUR k	2020		2019	
	Total	thereof out-of-period	Total	thereof out-of-period
Audit services	544	189	295	0
Other services	26	0	139	0
<b>Total</b>	<b>570</b>	<b>189</b>	<b>434</b>	<b>0</b>

The category "audit services" includes fees for the audit of the consolidated financial statements and the audit of the annual financial statements of Amadeus FiRe AG and its

German subsidiaries. The category "other services" contains the fees for the review of the half-yearly financial report, translation services and project-related IT consulting.

### 39. Events after the balance sheet date

There were no events with a significant effect on assets, liabilities, financial position and financial performance after the balance sheet date.

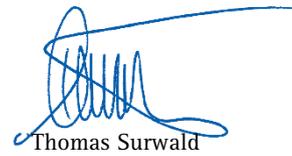
Frankfurt am Main, 22 March 2021



Robert von Wülfig  
CEO



Dennis Gerlitzki  
Member of the management board



Thomas Surwald  
Member of the management board



Governance



# D

## Corporate governance

### **Corporate governance report and statement on corporate governance**

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## Corporate governance report and statement on corporate governance

The corporate governance report contains the declaration of compliance regarding the recommendations of the Commission on the Corporate Governance Code and the statement on corporate governance.

In this report, the management board and supervisory board of Amadeus FiRe AG discuss the principles of corporate governance for the management and oversight bodies as

well as their composition and activities. Responsible management focused on long-term value creation governs the activities of Amadeus FiRe AG's management and oversight bodies. In this statement, the management board reports on corporate governance pursuant to Principle 22 of the German Corporate Governance Code and in accordance with Sec. 289f (1) HGB.

### Declaration of compliance issued by the management board and supervisory board of Amadeus FiRe AG with respect to the recommendations of the Commission on the German Corporate Governance Code in accordance with Sec. 161 (1) AktG

The declaration of compliance in its currently applicable form was jointly resolved and adopted as follows by the supervisory board and the management board on 2 November 2020:

Since the issue of the last declaration of compliance on 5 November 2019, Amadeus FiRe AG has complied with the Code's recommendations (version dated 7 February 2017) with the exceptions specified and justified in the declaration dated 5 November 2019.

Amadeus FiRe AG has complied with all recommendations of the Commission on the Corporate Governance Code (version dated 16 December 2019, published 20 March 2020 in the official section of the German Federal Gazette ("2020 Code")) since the 2020 Code was published and will continue to comply with these in the future, with the following exceptions:

1. The chairman of the audit committee has been a member of the supervisory board since 2001 and is therefore not considered independent. For us, qualifications are the most important criteria when filling the position. We therefore chose the most suitable representative from the entire supervisory board. In this respect, we did not comply with the recommendation in C.10.
2. The recommendation in D.7 of the 2020 Code, according to which the supervisory board should meet on a regular basis without the management board, is not complied with. The supervisory board only meets on a regular basis without the management board when dealing with personnel matters relating to the management board. For other matters, the management board is only absent in specific exceptional cases.
3. The 2020 Code contains new and partly modified recommendations in section G.I. on the remuneration of the

management board. The compensation system published and adopted at the shareholder meeting of Amadeus FiRe AG on 17 June 2020 does not or does not fully comply with the following of these recommendations:

- i. The approved compensation system of the management board does not comply with the recommendation in G.10 that members of the management board should only be able to access long-term variable remuneration components after a period of four years. Claims for remuneration are payable following the end of an agreed long-term incentive plan.
- ii. The recommendation in G.11 relating to the consideration of extraordinary developments and the corresponding retention and clawback of variable remuneration is not complied with in the current management board contracts. However, the recommendation has been implemented in the management board compensation system approved in 2020. Future contracts will therefore comply with this recommendation. Accordingly, the recommendation is included in Mr. von Wülfing's newly concluded management board contract, effective from 1 January 2021.
- iii. The recommendation in G.12 that variable remuneration be disbursed on the due dates stipulated in the contracts after a member leaves the board, as well as the recommendation in G.13 that severance payments be considered in the calculation of compensation for non-compete clauses, are not complied with. There is no such provision in the existing management board compensation system. There are individual contractual arrangements regarding termination with members of the management board.

## Governance structure

The management board, the supervisory board and the shareholder meeting of Amadeus FiRe AG form the governing bodies of the Company, as set out by law and in the articles of incorporation and bylaws. The Group is subject to German stock corporation law and therefore has a two-tier governance system, consisting of the management board and the supervisory board. There is a strict separation between the members of the management board, which manages the Company, and the members of the supervisory board, which is responsible for advising and monitoring the management board.

### Communication with shareholders and the shareholder meeting

Amadeus FiRe AG's shareholders exercise their codetermination and control rights at the Company's ordinary shareholder meeting, which is convened at least once a year. The meeting is held within the first eight months of the fiscal year at the Company's registered office or in a city in Germany that is home to a stock exchange. It may also take place in a German city with a population of at least 250,000. The shareholder meeting resolves all matters assigned to it by law (including appropriation of net retained profit, exoneration of the management board and supervisory board members, election of supervisory board members, appointment of auditors, amendments to the articles of incorporation and bylaws, and capital increases). Each share entitles the bearer to one vote.

Every shareholder who registers within the stipulated timeframe is entitled to attend the shareholder meeting. Shareholders not wishing to attend the shareholder meeting in person can exercise their voting rights by proxy through a representative, e.g., a bank, shareholder association or other third party. In addition, the Company allows its shareholders to exercise proxy voting by authorizing a representative appointed by the Company to exercise their voting rights in accordance with their instructions before the shareholder meeting. Shareholders may also vote in writing by postal vote.

Prior to the shareholder meeting, the shareholders receive the information prescribed by stock corporation law via the annual report, invitation to the shareholder meeting and various reports and sets of information required for adopting the pending resolutions. These reports and this information, required by law for the annual shareholder meeting, are also made available on Amadeus FiRe AG's website. For elections of the shareholder representatives on the supervisory board, a CV is published for each candidate.

The annual shareholder meeting was postponed to 17 June 2020 as a result of the exceptional circumstances caused by the COVID-19 pandemic. It was carried out as a virtual annual shareholder meeting and neither the shareholders nor their authorized representatives were physically present, in accordance with Sec. 1 (2) GesRuaCOVBekG ["Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie": German Act on Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Condominiums to Combat the Effects of the COVID-19 Pandemic] of 27 March 2020 (German Federal Gazette I No. 14 2020, p. 570).

The next annual shareholder meeting is scheduled to take place on 27 May 2021 in Frankfurt am Main. The financial calendar for the current year is published on our website and contains important publication dates for financial reporting and the date of the annual shareholder meeting.

### Corporation between the management board and supervisory board and composition and work of committees

The members of the management board are appointed by the supervisory board in accordance with Sec. 84 AktG. Arts. 6 to 8 of the articles of incorporation and bylaws govern the number of management board members as well as the representation and management of the Company by the management board, applying the rules of procedure as adopted by the supervisory board. At the start of fiscal year 2020, and until 2 November 2020, the management board consisted of two members, Mr. Robert von Wülfiging and Mr. Dennis Gerlitzki. As of 3 November 2020, the management board of Amadeus FiRe AG was expanded from two to three members, to include Mr. Thomas Surwald. On the same day, Mr. von Wülfiging was appointed as CEO of the management board, having previously been its spokesman. The management board regularly and comprehensively informs the supervisory board and its committees of all matters relevant to business planning and strategic development, business performance and the situation of the Group, including risks and risk management, on an ad hoc and timely basis. It consults with the supervisory board on the Company's strategy and regularly reports to the former on the status of implementation.

The supervisory board has addressed the risk management system, and in particular the effectiveness of the internal control and risk management system, in relation to the financial reporting process in detail. For further information, please see the section on risks in the management report.

The supervisory board appoints the members of the management board and advises and oversees their management of the Company. The management board's rules of procedure provide, among other things, that the management board may not carry out certain transactions without approval from the supervisory board. Further, a retirement age of 67 for members of the management board has been specified in the management board's rules of procedure. Together with the management board, the supervisory board takes care of long-term succession planning for the management board. Alongside the requirements of the German Stock Corporation Act, the Code and the rules of procedure, long-term succession planning takes account of the target for the proportion of women on the management board specified by the supervisory board as well as the criteria specified by the supervisory board to ensure diversity in the composition of the management board.

The supervisory board periodically deals with the issue of potential conflicts of interest in its meetings and reviews the independence of its members in accordance with the principles of the German Corporate Governance Code. Supervisory board members are required to disclose conflicts of interest to the supervisory board. No conflicts of interest were disclosed by supervisory board members in fiscal year 2020, this ensuring that the management board receives impartial advice and oversight. There were no consulting or other service agreements between supervisory board members and the Company in the fiscal year.

The supervisory board and its committees assess internally, at regular intervals, how effective the supervisory board as a whole and its committees fulfill their tasks. In fiscal year 2020, the supervisory board examined the results of its effectiveness review in detail during its meeting on 2 November 2020. The results of the review confirm that collaboration within the supervisory board and with the management board is professional and constructive and is characterized by a high level of trust and openness. The results also confirmed that the meetings are organized and carried out efficiently and that adequate information is provided. They did not indicate any fundamental need for change. Individual suggestions are also addressed and implemented during the year.

The Company has taken out D&O insurance for Amadeus FiRe AG's management board and supervisory board members. This includes a deductible for members of the supervisory board and the management board.

Pursuant to the provisions of the MitbestG ["Mitbestimmungsgesetz": German Codetermination Act] and in accordance with Art. 9 (1) of its articles of incorporation and bylaws, Amadeus FiRe AG's supervisory board consists of 12 members, 6 of whom are elected by the shareholder meeting and 6 who are elected by the employees in accordance with the provisions of the MitbestG. For elections of supervisory board members, the

nomination committee convened in advance for this purpose makes sure that the supervisory board's members have the required expertise, skills and professional experience and are sufficiently independent. Potential conflicts of interest and the Group's business activities are also taken into account. In its rules of procedure, the supervisory board set an age limit for members of the supervisory board. At the time of the election to the supervisory board, candidates may not be over the age of 75.

In 2020, there was no election of new members to the supervisory board at the shareholder meeting held on 17 June 2020.

Mr. Christoph Gross, Chairman  
 Mr. Michael C. Wisser, Deputy Chairman  
 Mr. Knuth Henneke  
 Ms. Annett Martin  
 Dr. Ulrike Schweibert  
 Mr. Hartmut van der Straeten  
 Ms. Ulrike Bert, employee representative  
 Ms. Angelika Kappe, employee representative  
 Mr. Elmar Roth, employee representative  
 Mr. Andreas Setzwein, employee representative  
 Ms. Ulrike Sommer, employee representative  
 Mr. Mathias Venema, employee representative

According to the shareholder representatives on the supervisory board, shareholder representatives should be highly independent. They believe that this is true of all shareholder representatives. However, in accordance with the Corporate Governance Code, Mr. Hartmut van der Straeten and Michael Wisser are not regarded as independent members of the supervisory board owing to their 12-year membership of the supervisory board of Amadeus FiRe AG.

No members left the supervisory board in the course of the year, and no former members of the management board are members of the current supervisory board.

The supervisory board has set specific targets for the composition of its members: geographical presence through at least 10 German nationals, avoidance of potential conflicts of interest by excluding members with executive positions at competitors of the Company, its suppliers, customers or shareholders as well as broad and comprehensive experience and expertise in the Group's field of business. These targets have been taken into account in all nominations to date.

The following committees of the supervisory board were formed with supervisory board members. The supervisory board has not granted these committees any decision-making authority. The committees only work in an advisory capacity and carry out preparatory work for the full supervisory board. Members of the committee must disclose conflicts of interest to the committee.

### Accounting and audit committee

#### Members:

Mr. Hartmut van der Straeten, Chairman  
 Mr. Michael C. Wisser  
 Ms. Ulrike Bert  
 Mr. Andreas Setzwein

The accounting and audit committee consists of four members. These comprise two supervisory board members who represent the shareholders and two supervisory board members who represent the employees. The accounting and audit committee is responsible for issues related to accounting, the review of the Company, group entities and the Group, including monitoring the (group) financial reporting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements, in particular the auditors' independence and additional services rendered by the auditors. The committee assesses the auditors' long-form audit reports and reports its assessment of audit report findings to the supervisory board, particularly with regard to the Company's future development. Common committee functions include:

- Preparations for choosing the auditors, decisions on supplementary audit areas, agreement on the audit fee and the issuing of the audit engagement to the auditors
- The appraisal of the auditors' findings and recommendations set out in a management letter
- Preparations for the review of the annual and consolidated financial statements by the supervisory board including the relevant management reports based on the results of the audit and supplementary remarks by the auditor
- Review of the interim financial statements

The chairman of the accounting and audit committee, Mr. van der Straeten, has extensive knowledge and experience in the application of accounting principles and internal controls. Mr. van der Straeten served for many years on management boards and as a general manager of trading and manufacturing companies with responsibility for finance and accounting, financing, tax and commercial management.

The accounting and audit committee meets on a regular basis before the interim financial statements are published and after the annual financial statements and consolidated financial statements have been presented by the management board. The committee also meets as required. The chairman of the committee regularly reports on the committee's work to the full supervisory board meetings.

### Personnel committee

#### Members:

Mr. Christoph Gross, Chairman  
 Mr. Michael C. Wisser  
 Ms. Ulrike Sommer  
 Mr. Knuth Henneke

The committee has four members comprising the chairman of the supervisory board, his deputy, a member of the supervisory board representing the employees and a member of the supervisory board representing the shareholders. The personnel committee deals with personnel matters for the management board members, including long-term succession planning. The personnel committee gives recommendations for the content of employment contracts with management board members and their compensation. Recommendations for current compensation are determined by systematically evaluating the performance of the individual management board members. The personnel committee also performs the functions pursuant to Sec. 27 (3) in conjunction with Sec. 31 (3) Sentence 1 MitbestG (mediation committee). The supervisory board chairman also chairs the personnel committee.

The personnel committee convenes when required, particularly before supervisory board meetings in which management board issues are addressed. The chairman of the committee regularly reports on the personnel committee's work and, where necessary, on the results of negotiations to the full supervisory board meetings.

### Compensation of the management board and supervisory board

A detailed description and discussion of the compensation of the management board and supervisory board can be found in the section on compensation. The Company has decided to summarize the information required by law, the information recommended by the German Corporate Governance Code and additional information on the compensation system in a separate section on compensation. The Company believes that this provides greater transparency and comprehensibility.

### Share transactions by board members

Members of the management board and the supervisory board are by law obliged pursuant to Sec. 15a WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] to disclose the acquisition or disposal of shares in Amadeus FiRe AG or related financial instruments where the value of the transactions performed by the member and related parties reaches or exceeds EUR 20,000 in any one calendar

year (directors' dealings). In fiscal year 2020, no shares were acquired or sold by members of the management board or the supervisory board or by entities closely related to the management board.

As of 31 December 2020, a total of 5,820 shares were held by supervisory board members. The members of the management board did not hold any shares. For a detailed breakdown, please see note 36 of the notes to the consolidated financial statements.

#### **Policies promoting the participation of women in management positions in accordance with sec. 76 (4) and sec. 111 (5) AktG**

The FührungsGleichberG [“Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst”]: German Act on the Equal Participation of Women and Men in Management Positions in the Private Economy and the Public Sector] required Amadeus FiRe AG for the first time to set targets for the proportion of women on the management board and the subordinate two management levels and to determine the date by which the relevant proportion of women is to be achieved. The management board set a target of at least 11% for the first and second management levels below the management board and an implementation date of 30 June 2022. At the end of 2020, the proportion of women at the two management levels below the management board was 21% (as of 31 December 2020).

When appointing men and women to its supervisory board, the Company thus complied with the statutory minimum quota of 30%. As of the reporting date, the Company's supervisory board was composed of five women and seven men.

Given the specific situation in the Company – in particular, the fact that the management board is currently composed of three male members – the supervisory board of Amadeus FiRe AG did not set a target that differs from the current situation.

The management and supervisory boards will review the quotas set as of 30 June 2022.

#### **Risk management**

Responsible management of the Company's risks is integral to good corporate governance. Systematic risk management as part of our value-based group management ensures that risks are recognized and measured at an early stage and that corresponding measures can be taken. The Company's

risk management system is continuously enhanced and adapted to the changing conditions.

The early warning system for the detection of risks is assessed by the statutory auditors. The management board regularly reports to the supervisory board on existing risks and their development.

For further details on Amadeus FiRe AG's risk management system, please see the section on risks, which also contains the report on the internal control and risk management system in relation to the (group) financial reporting process.

#### **Transparency and communication**

Amadeus FiRe informs capital market players and interested parties about the Group's financial situation and new events regularly, and without delay. The annual report, half-year financial report and quarterly statements are published on time. Current events are announced in press releases and – if prescribed by law – in ad hoc reports. The Company keeps its shareholders regularly informed about important dates through a financial calendar which is published in the annual report and on the Company's homepage. All information is available in both German and English and can be accessed on Amadeus FiRe AG's website at [www.amadeus-fire.de/en/investor-relations](http://www.amadeus-fire.de/en/investor-relations). This allows all investors to obtain timely information on current developments.

#### **Financial reporting and audit**

Amadeus FiRe AG prepares its consolidated financial statements for the year and consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. Amadeus FiRe AG's (separate) financial statements are prepared in accordance with German commercial law (HGB). The financial statements are prepared by the management board, audited by the statutory auditors and reviewed by the supervisory board. The interim financial statements are reviewed by the audit committee before they are published.

The separate and consolidated financial statements of Amadeus FiRe AG and the combined management report of Amadeus FiRe AG and the Amadeus FiRe Group were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main. The auditor was elected at the 2020 shareholder meeting.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main, has agreed to immediately inform the chairman of the audit committee of any reasons

that would prevent them from performing the engagement or cast doubt on their impartiality during the audit, insofar as these are not remedied with immediate effect. The auditors are also required to report immediately on all material findings and events arising during the audit that affect the duties of the supervisory board. Furthermore, the auditors must inform the supervisory board and state in the long-form audit report if they discover any facts in the course of the audit that are inconsistent with the declaration of compliance issued by the management board and supervisory board pursuant to Sec. 161 AktG. The audits conducted in fiscal year 2020 did not result in any such findings.

E



Information

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## Responsibility statement

We confirm that, to the best of our knowledge and in accordance with the applicable financial reporting framework, the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Group and that the group management report gives a true and fair view of the development of business, including the operating result and the Group's position, and also describes the principal opportunities and risks relating to the expected future development of the Group.

Frankfurt am Main, 22 March 2020

Amadeus FiRe AG

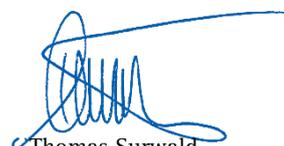
The management board



Robert von Wülfing  
Chief Executive Officer



Dennis Gerlitzki  
COO Personnel Services



Thomas Surwald  
COO Training

## Independent auditor's report

To Amadeus FiRe AG

### Report on the audit of the consolidated financial statements and of the combined management report

#### Opinions

We have audited the consolidated financial statements of Amadeus FiRe AG, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from 1 January to 31 December 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Amadeus FiRe AG for the fiscal year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the group statement on corporate governance which is published on the website stated in the combined management report and is part of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2020, and of its financial performance for the fiscal year from 1 January to 31 December 2020, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of the group statement on corporate governance referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

#### Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

## Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

### 1. Acquisition of the GFN Group

Reasons why the matter was determined to be a key audit matter

With effect as of 29 September 2020, 100% of the shares in GFN AG (since October 2020: GFN GmbH), Heidelberg, were acquired for a provisional price of EUR 5,368k. The Company accounts for the merger in accordance with IFRS 3 Business Combinations. In light of the magnitude and complexity of the transaction and the related significant risk of material misstatement and the assumptions and estimates made by the executive directors in connection with the purchase price allocation, the accounting for the merger was a key audit matter.

Auditor's response

Our procedures in relation to the provisional purchase price allocation comprised the appraisal of the consideration paid by Amadeus FiRe AG, the assessment of the methodology applied by the external expert consulted by the executive directors to identify the acquired assets and the assessment of the design of the valuation models with regard to the requirements of IFRS 3. In this context, we assessed the competence, capabilities and objectivity of the expert, obtained an understanding of the expert's work and assessed the suitability of the expert opinion commissioned by the executive directors for the determination of fair values as audit evidence.

With the aid of our valuation specialists, we obtained an understanding of the valuation methods used with regard to the requirements of IFRS 13 Fair Value Measurement. We also analyzed the assumptions and estimates subject to judgment (such as growth rates, cost of capital or royalty rates) used to determine the fair values of the acquired identifiable assets and liabilities assumed (including contingent liabilities) on the acquisition date to determine whether they are consistent with general and industry-specific market expectations. Furthermore, we checked the clerical accuracy of the models.

We also considered the use of uniform accounting policies and the accounting for the initial consolidation of the GFN Group in the consolidation system. In addition, we assessed the information in the notes to the consolidated financial statements about the acquisition of the GFN Group with regard to the requirements of IFRS 3.

Our procedures did not lead to any reservations relating to the accounting for the acquisition of the GFN Group.

Reference to related disclosures

The Company's information on the purchase price allocation in connection with the acquisition of the GFN Group and the related use of judgment is contained in the notes to the consolidated financial statements in the section "Accounting policies" under the headings "7. Business acquisitions" and "10. Judgments and key sources of estimation uncertainty" and in the section "Basis of consolidation" under the heading "12. Purchase and sale of companies and operations."

### 2. Goodwill impairment test

Reasons why the matter was determined to be a key audit matter

Goodwill is tested for impairment at least once every fiscal year (impairment test). These tests are generally based on the present value of future cash flows of the cash-generating unit to which goodwill is allocated. They are based on projections derived from financial budgets and forecasts approved by the Company's executive directors. For discounting, the weighted average cost of capital (WACC) of the respective cash-generating unit is used. The outcome of these tests is highly

dependent on the executive directors' estimate of future cash inflows and the discount rate used and, therefore, subject to considerable uncertainty. In this light and due to the materiality of goodwill, impairment testing of goodwill was a key audit matter.

#### Auditor's response

During our audit, we assessed the valuation model underlying the impairment test, in particular its methodical and mathematical accuracy, with the help of our valuation specialists.

We obtained an understanding of the future cash inflows and the discount rates underlying the valuations. We discussed the significant planning assumptions with the executive directors and compared these with the results and net cash inflows realized in the past to assess the reliability of the budgets and forecasts. In addition, our assessment was based on a comparison with general and industry-specific market expectations regarding the significant value drivers in the budgets and forecasts. As even relatively small changes in the discount rate used can have significant effects on the calculated amounts, we also assessed the inputs used to determine the discount rate and obtained an understanding of the calculation method. In addition, we performed our own sensitivity analyses for the cash-generating units in order to estimate any potential impairment risk associated with a reasonably possible change in a significant assumption used in the valuation.

Moreover, we assessed the information on the goodwill impairment test included in the notes to the consolidated financial statements.

Our procedures did not lead to any reservations concerning the impairment testing of goodwill.

#### Reference to related disclosures

With regard to the recognition and measurement policies applied for goodwill and the related disclosures on judgments and sources of estimation uncertainty, refer to the information in the section "Accounting policies" in the notes to the consolidated financial statements under the headings "9. General accounting policies" and "10. Judgments and key sources of estimation uncertainty" and in the section "Notes to the consolidated balance sheet" under the heading "21. Goodwill."

#### Other information

The executive directors and the supervisory board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the group statement on corporate governance. In all other respects, the executive directors are responsible for the other information. The other information comprises the group statement on corporate governance referred to above. In addition, the other information comprises the separate group non-financial report, of which we obtained a version prior to issuing this auditor's report. The other information also comprises additional parts to be included in the annual report, of which we obtained a version prior to issuing this auditor's report, in particular, the table "Key figures for the Amadeus FiRe Group" and the chapters "To our shareholders," "Corporate governance" and "Additional information" (including the responsibility statement included here in accordance with Sec. 297 (2) Sentence 4 HGB and Sec. 315 (1) Sentence 5 HGB), but not the consolidated financial statements, not the combined management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

### **Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the engagement. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined

management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other legal and regulatory requirements

### Report on the assurance in accordance with Sec. 317 (3b) HGB on the electronic reproduction of the consolidated financial statements and the combined management report prepared for publication purposes

#### Opinion

We have performed assurance work in accordance with Sec. 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached electronic file AFAG\_KA+KLB\_ESEF\_2020-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the abovementioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the abovementioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the fiscal year from 1 January to 31 December 2020 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above.

### **Basis for the opinion**

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the abovementioned attached electronic file in accordance with Sec. 317 (3b) HGB and Exposure Draft of IDW Assurance Standard: Assurance in Accordance with Sec. 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Our responsibilities under that standard are further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applied the requirements for quality control systems set forth in IDW Standard on Quality Control: "Requirements for Quality Control in Audit Firms" (IDW QS 1).

### **Responsibilities of the executive directors and the supervisory board for the ESEF documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and the audited combined management report as well as other documents to be published to the operator of the Bundesanzeiger [German Federal Gazette].

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

### **Group auditor's responsibilities for the assurance work on the ESEF documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the engagement. We also

- Identify and assess the risks of material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version valid as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

**Further information pursuant to Art. 10 of the EU Audit Regulation**

We were elected as group auditor by the shareholder meeting on 17 June 2020. We were engaged by the supervisory board on 14 August 2020. We have been the group auditor of Amadeus FiRe AG without interruption since fiscal year 2003.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report:

Other services:

- Review of the half-yearly financial report of Amadeus FiRe AG as of 30 June 2020
- Translation services
- Advisory services in connection with the digital archiving of files and documents

**German Public Auditor responsible for the engagement**

The German Public Auditor responsible for the engagement is Christoph von Seidel.”

Eschborn/Frankfurt am Main, 23 March 2021

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

von Seidel  
[German Public Auditor]

Mell  
[German Public Auditor]

## Overview of the past several years

## Overview of the past several years

Table 084

Amounts stated in EUR k	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>	<b>161,057</b>	<b>169,726</b>	<b>173,295</b>	<b>184,525</b>	<b>205,836</b>	<b>233,124</b>	<b>280,154</b>
<b>Change to prior year</b>	<b>13.4%</b>	<b>5.4%</b>	<b>2.1%</b>	<b>6.5%</b>	<b>11.5%</b>	<b>13.3%</b>	<b>20.2%</b>
Temporary staffing	118,738	122,730	121,345	124,218	133,811	153,035	136,596
Permanent placement	15,698	18,332	21,651	28,963	37,472	40,494	34,923
Interim and project management	9,193	9,532	9,580	9,204	10,308	13,599	18,729
Training	17,428	19,132	20,719	22,139	24,245	25,996	89,907
Gross profit	68,732	73,769	77,154	85,529	99,252	110,608	136,712
<b>Operating gross profit</b>	<b>68,732</b>	<b>73,769</b>	<b>77,154</b>	<b>85,529</b>	<b>99,252</b>	<b>110,608</b>	<b>143,254</b>
in %	42.7%	43.5%	44.5%	46.4%	48.2%	47.4%	51.1%
Change to prior year	12.7%	7.3%	4.6%	10.9%	16.0%	11.4%	29.5%
<b>EBITDA</b>	<b>27,598</b>	<b>29,467</b>	<b>30,890</b>	<b>33,352</b>	<b>38,915</b>	<b>45,806</b>	<b>59,300</b>
in %	17.1%	17.4%	17.8%	18.1%	18.9%	19.6%	21.2%
EBITA	26,789	28,681	30,038	32,319	37,524	38,721	30,959
<b>Operating EBITA</b>	<b>26,789</b>	<b>28,681</b>	<b>30,038</b>	<b>32,319</b>	<b>37,524</b>	<b>38,721</b>	<b>41,066</b>
in %	16.6%	16.9%	17.3%	17.5%	18.2%	16.6%	14.7%
Change to prior year	15.1%	7.1%	4.7%	7.6%	16.1%	3.2%	6.1%
<b>"EBITA Conversion (EBITA / gross profit)"</b>	<b>39.0%</b>	<b>38.9%</b>	<b>38.9%</b>	<b>37.8%</b>	<b>37.8%</b>	<b>35.0%</b>	<b>28.7%</b>
<b>EBIT</b>	<b>26,789</b>	<b>28,681</b>	<b>30,038</b>	<b>32,319</b>	<b>37,524</b>	<b>38,721</b>	<b>30,959</b>
in %	16.6%	16.9%	17.3%	17.5%	18.2%	16.6%	11.1%
Change to prior year	15.1%	7.1%	4.7%	7.6%	16.1%	3.2%	-20.0%
<b>EBT</b>	<b>26,680</b>	<b>28,164</b>	<b>29,451</b>	<b>31,677</b>	<b>37,226</b>	<b>38,285</b>	<b>27,835</b>
Tax	-8,146	-8,601	-8,990	-9,612	-11,391	-12,537	-8,476
<b>Profit after tax</b>	<b>18,534</b>	<b>19,563</b>	<b>20,461</b>	<b>22,065</b>	<b>25,835</b>	<b>25,748</b>	<b>19,358</b>
"Profit attributable to non-controlling interests disclosed under liabilities"	-852	-1,222	-1,320	-1,282	-1,365	-1,432	-1,117
<b>Profit for the period</b>	<b>17,682</b>	<b>18,341</b>	<b>19,141</b>	<b>20,783</b>	<b>24,470</b>	<b>24,316</b>	<b>18,241</b>
in %	11.0%	10.8%	11.0%	11.3%	11.9%	10.4%	6.5%
<b>- allocated to shareholders</b>	<b>17,508</b>	<b>18,361</b>	<b>19,002</b>	<b>20,570</b>	<b>24,225</b>	<b>24,012</b>	<b>17,786</b>
Change to prior year	19.1%	4.9%	3.5%	8.3%	17.8%	-0.9%	-25.9%
<b>Earning per share (in EUR)</b>	<b>3.37</b>	<b>3.53</b>	<b>3.66</b>	<b>3.96</b>	<b>4.66</b>	<b>4.62</b>	<b>3.29</b>
<b>Average number of employees</b>	<b>2,676</b>	<b>2,691</b>	<b>2,655</b>	<b>2,723</b>	<b>2,832</b>	<b>3,108</b>	<b>3,355</b>
Employees on customer assignment	2,285	2,288	2,226	2,242	2,294	2,508	2,240
Sales staff (internal staff)	349	361	387	441	496	551	933
Administrative staff	42	42	42	40	43	49	117

Amounts stated in EUR k	2014	2015	2016	2017	2018	2019	2020
<b>Balance sheet total</b>	<b>67,528</b>	<b>71,296</b>	<b>72,130</b>	<b>77,401</b>	<b>82,921</b>	<b>321,935</b>	<b>348,083</b>
<b>Stockholders' equity</b>	<b>43,794</b>	<b>44,617</b>	<b>45,391</b>	<b>47,125</b>	<b>50,967</b>	<b>50,959</b>	<b>113,954</b>
Equity ratio	64.9%	62.6%	62.9%	60.9%	61.5%	15.8%	32.7%
Return on equity	44.3%	44.6%	45.4%	47.7%	53.9%	49.9%	24.0%
<b>Cash and cash equivalents</b>	<b>41,651</b>	<b>42,046</b>	<b>40,448</b>	<b>43,403</b>	<b>44,559</b>	<b>20,465</b>	<b>29,990</b>
Net financial debt**	N/A	N/A	N/A	N/A	N/A	198,983	146,412
<b>Debt-equity ratio**</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>4.34</b>	<b>2.47</b>
<b>Net cash from operating activities</b>	<b>20,921</b>	<b>21,144</b>	<b>19,503</b>	<b>25,493</b>	<b>26,350</b>	<b>36,692</b>	<b>40,978</b>
Net cash from operating activities per share	4.02	4.07	3.75	4.90	5.07	7.06	7.58
<b>Net cash from investing activities</b>	<b>-1,320</b>	<b>-2,139</b>	<b>-1,752</b>	<b>-2,170</b>	<b>-3,283</b>	<b>-200,032*</b>	<b>-13,722*</b>
<b>Net cash from financing activities</b>	<b>-15,514</b>	<b>-18,610</b>	<b>-19,349</b>	<b>-20,368</b>	<b>-21,911</b>	<b>139,246*</b>	<b>-17,732*</b>
<b>Share price 31.12. (in EUR)</b>	<b>62.40</b>	<b>74.99</b>	<b>73.42</b>	<b>77.21</b>	<b>80.40</b>	<b>147.00</b>	<b>157.40</b>
Number of shares (in thousands of units)	5,198	5,198	5,198	5,198	5,198	5,198	5,408
Stock market capitalization 31.12. (in EUR m)	324.4	389.8	381.7	401.4	417.9	764.1	851.3
<b>Dividend per share (in EUR)</b>	<b>3.37</b>	<b>3.53</b>	<b>3.66</b>	<b>3.96</b>	<b>4.66</b>	<b>0.00</b>	<b>1.55***</b>
Change to prior year	19.1%	4.7%	3.7%	8.2%	17.7%	-100.0%	>100%
Total dividend	17,518	18,350	19,026	20,585	24,224	0	8,654
Payout ratio	100%	100%	100%	100%	100%	0%	50%

\* Reporting of the "consolidation-related change in cash and cash equivalents" has been reclassified from financing activities to investing activities

\*\* Key figures only relevant with acquisition of COMCAVE Holding GmbH and determined for the first time for 2019

\*\*\* Dividend proposal

## HGB figures (separate financial statements)

### Balance sheet

Table 085

Amounts stated in EUR k	31 Dec 2020	31 Dec 2019
<b>Fixed assets</b>		
Intangible assets	6,065	5,960
Property, plant and equipment	3,428	2,889
Financial assets	139,621	134,873
	<b>149,114</b>	<b>143,722</b>
<b>Current assets</b>		
<b>Receivables and other assets</b>		
Trade receivables	18,765	21,174
Receivables from affiliates	74,267	76,371
Other assets	1,861	53
	<b>94,893</b>	<b>97,598</b>
<b>Cash on hand and bank balances</b>	<b>8,108</b>	<b>6,640</b>
	<b>103,001</b>	<b>104,238</b>
<b>Prepaid expenses</b>	<b>1,952</b>	<b>951</b>
<b>Deferred tax assets</b>	<b>158</b>	<b>250</b>
<b>Total ASSETS</b>	<b>254,225</b>	<b>249,161</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	5,718	5,198
Capital reserves	63,601	12,139
Net retained profit	49,907	36,216
	<b>119,226</b>	<b>53,553</b>
<b>Provisions</b>		
Tax provisions	0	730
Other provisions	11,746	11,243
	<b>11,746</b>	<b>11,973</b>
<b>Liabilities</b>		
Liabilities to banks	115,425	170,905
Trade payables	860	5,825
Liabilities to affiliates	3,205	3,143
Other liabilities	3,763	3,762
	<b>123,253</b>	<b>183,635</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>254,225</b>	<b>249,161</b>

## Income statement

Table 086

Amounts stated in EUR k	31 Dec 2020	31 Dec 2019
Revenue	162,677	183,236
Cost of sales	-88,412	-100,071
<b>Gross profit</b>	<b>74,265</b>	<b>83,165</b>
Selling expenses	-39,923	-43,039
General and administrative expenses	-15,095	-9,882
Other operating income	219	182
Other operating expenses	-6	-2
Income from equity investments	1,701	6,971
Income from profit and loss transfer agreements	132	254
Other interest and similar income	1,150	53
Interest and similar expenses	-2,391	-912
Income taxes	-6,361	-10,038
<b>Earnings after taxes/profit for the year</b>	<b>13,691</b>	<b>26,752</b>
Profit carryforward	36,216	9,464
<b>Net retained profit</b>	<b>49,907</b>	<b>36,216</b>

## Glossary

### **AÜG [“Arbeitnehmerüberlassungsgesetz”: German Personnel Leasing Act]**

The German Personnel Leasing Act regulates the triangular relationship between lessors, lessees and employees and was adopted in 1972 especially for the temporary employment industry. During the Hartz labor market reforms, the German Personnel Leasing Act was fundamentally revised and in 2004 numerous restrictions, including the ban on leasing staff to a single company for the entire duration of their employment, the ban on reemployment and the maximum lease period of 24 months, were abolished. Other constraints such as equal pay/equal treatment came into force, although an escape clause under collective wage agreements was introduced. The law for the amendment of the German Personnel Leasing Act and other laws entered into force on 1 April 2017. This law provides for a maximum lease duration of 18 months at any one customer company as well as equal pay for temporary workers after working nine months for the company to which they are assigned.

### **Subscription right**

The shareholders' right to acquire new shares in the event of a capital increase at the company. Shareholders can choose not to exercise their subscription rights and may be able to sell their subscription rights on the stock exchange.

### **Market capitalization**

Market capitalization refers to the total value of a stock corporation on the stock exchange. It is calculated by multiplying the current share price by the total number of outstanding shares.

### **Gross domestic product (GDP)**

Measure of the economic output of an economy in a certain time period. Value of all goods and services produced in an economy.

### **Cash flow**

A measure used internationally to evaluate a company's financial position, derived from the difference between cash receipts and payments. In practice, cash flow is often calculated indirectly, based on profit for the period adjusted for non-cash expenses and income as well as cash payments such as for investments and dividends.

### **Corporate Governance Code**

The German Corporate Governance Code incorporates significant statutory requirements for the management and supervision (governance) of German listed corporations and contains internationally accepted standards of good and responsible governance. It aims to promote confidence in the management and supervision of German listed companies by investors, customers, employees and the general public.

### **Discounted cash flow method**

Discounted cash flow (DCF) methods are methods used to determine the value of companies, whole projects or sub-projects. When used as a method to determine a company's value, future cash flows are determined and are discounted to the valuation date using the cost of capital.

### **Directors' dealings**

Directors' dealings refer to securities transactions carried out by members of the management of listed stock corporations involving shares in the company they manage. In accordance with Sec. 15a WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act], members of the management boards and supervisory boards of listed companies and certain family members must publish all sales and purchases of shares in the company of which they are a board member without delay.

### **D&O insurance**

Liability insurance that insures the members of governing bodies (directors and officers) against claims made in connection with their professional responsibilities.

### **EBIT**

Earnings before interest and taxes.

### **EBITA**

Earnings before interest, taxes and amortization.

### **EBITDA**

Earnings before interest, taxes, depreciation and amortization.

### **Equity ratio**

Calculated as equity divided by total assets.

### **Equal pay/equal treatment**

Since the change in the law on 1 April 2017, temporary employment companies must pay their external employees the same salary (equal pay) as the company's regular employees with the same qualifications, at the earliest after nine months of work. This can be measured by reference to the principle of equal treatment.

### **Goodwill**

The amount in excess of the value of the individual assets net of liabilities a buyer is prepared to pay when purchasing a company as a whole, taking into account expected future earnings.

### **Free float**

The percentage of shares in a company that are not in fixed ownership and are available for trading.

**IASB (International Accounting Standards Board)**

International board of accounting experts responsible for issuing the International Financial Reporting Standards. The IASB's objective is to achieve the global harmonization of financial reporting standards.

**IFRSs (International Financial Reporting Standards)**

Financial reporting standards developed to ensure internationally comparable financial reporting and disclosure. They are issued by the International Accounting Standards Board. IFRSs also include the International Accounting Standards (IAS) still in force.

**iGZ [“Interessenverband Deutscher Zeitarbeitsunternehmen“: German Temporary Employment Companies Industry Association]**

Association representing the interests of members of the temporary employment sector, with the status of a trade/employers' association.

**Impairment test**

In accordance with IFRSs, acquired goodwill is not amortized. Instead, it is subject to an annual impairment test to determine whether it is impaired and the amount of the impairment.

**Investor relations**

This term refers to the two-way communication between a company and its shareholders or creditors. Investor relations are directed at this specific target group, with the intention of using communication to achieve an appropriate capital market valuation.

**Profit/loss for the period**

The amount derived from the difference between a company's income and expenses in the income statement, after the deduction of taxes, interest and depreciation and amortization.

**Non-controlling interests**

The portion of the profit or loss from operations and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent.

**Prime Standard**

The Prime Standard is the stock market segment for companies who also want to target international investors. They must comply with high international transparency standards. These exceed the requirements of the General Standard, which sets out the legal minimum requirements of the Official Market or Regulated Market. Admission to the Prime Standard is a prerequisite for inclusion in the DAX®, MDAX®, TecDAX® and SDAX® selection indices.

**Gross profit**

Gross profit is the sum of revenue from services minus the directly attributable costs.

**SDAX (small cap index)**

German stock exchange index for small and medium-sized companies with lower market capitalization and share turnover. During the index restructuring in March 2003, the index was reduced to 50 companies.

**Segment reporting**

Presentation of information on assets and income, broken down according to appropriate criteria such as operating segments and regions.

**SIC (Standing Interpretations Committee)/IFRS IC (International Financial Reporting Standards Interpretations Committee)**

Disputed accounting issues are clarified by the interpretations of the SIC/IFRS IC. The interpretations are approved by the International Accounting Standards Committee (IASC) and are binding for all IFRS users once they have come into force.

**Stuttgart method**

A method for determining the value of shares in unlisted corporations based on an average value method in which a net asset value and a capitalized earnings value are calculated separately. The company's value is composed of these two values.

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