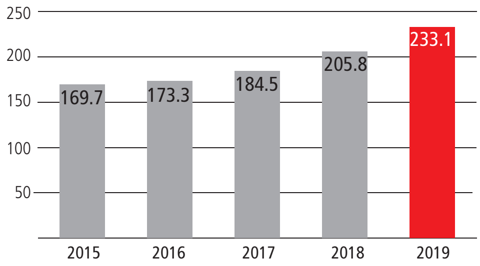
AMADEUS FIRE
RECRUITING SERVICES

Amadeus FiRe AG

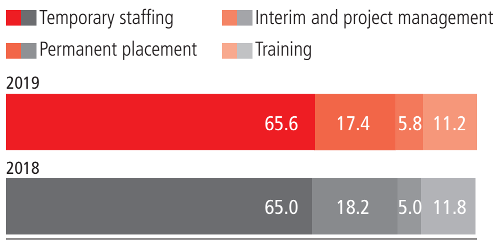
Annual report 2019

www.amadeus-fire.de

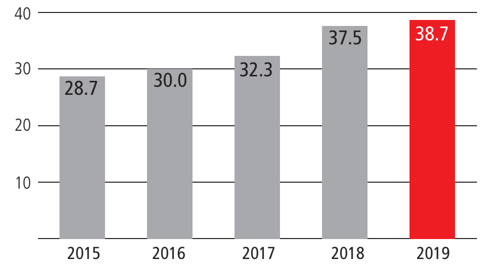
Revenues in EUR m



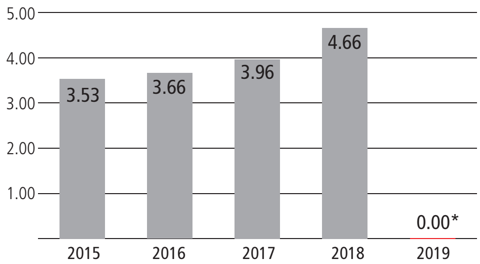
Revenues of the services in percent



EBITA in EUR m

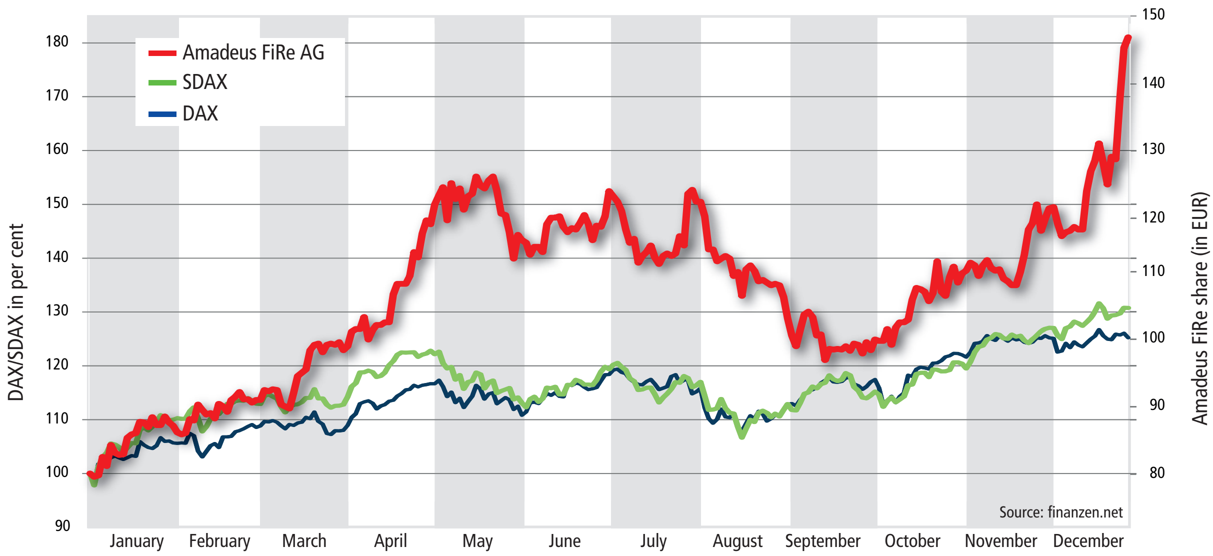


Dividend development Dividend per share in EUR



*) Due to the liquidity requirements for the acquisition of ComCave Holding GmbH and in order to protect the company, all employees and all shareholders from possible effects of the Corona crisis, it is planned not to pay a dividend after the 2020 Annual General Meeting. As soon as the general situation has been clarified, Amadeus FiRe will return to a steady dividend policy.

Indexed share price development 2019



Financial calendar

April 2020
International Roadshow

27.04.2020
Quarterly statement first quarter of fiscal year 2020

20.05.2020
Shareholders' General Meeting

23.07.2020
Semi annual report for fiscal year 2020

22.10.2020
Quarterly statement nine months of fiscal year 2020

October 2020
International Roadshow

17.12.2020
Sustainability Report 2020

March 2021
Press conference and analyst meeting for fiscal year 2020

May 2021
Shareholders' General Meeting

Amounts stated in EUR k	01.01.–31.12.2019	01.01.–31.12.2018	Divergency in percent
Revenues	233,124	205,836	13.3%
Gross profit	110,608	99,252	11.4%
in percent	47.4%	48.2%	
EBITDA	45,805	38,915	17.7%
in percent	19.6%	18.9%	
EBITA	38,721	37,524	3.2%
in percent	16.6%	18.2%	
EBIT	38,721	37,524	3.2%
in percent	16.6%	18.2%	
Profit before income taxes	38,285	37,226	2.8%
in percent	16.4%	18.1%	
Profit after income taxes	25,748	25,835	-0.3%
in percent	11.0%	12.6%	
Profit attributable to minority interest disclosed under liablities	-1,432	-1,365	4.9%
Profit for the period	24,316	24,470	-0.6%
in percent	10.4%	11.9%	
- Attributable to non-controlling interests	304	245	24.1%
- Attributable to equity holders of the parent	24,012	24,225	-0.9%
Net cash from operating activities	36,692	26,350	39.2%
Net cash from operating activities per share	7.06	5.07	39.3%
Earnings per share	4.62	4.66	-0.9%
Average number of shares	5,198,237	5,198,237	

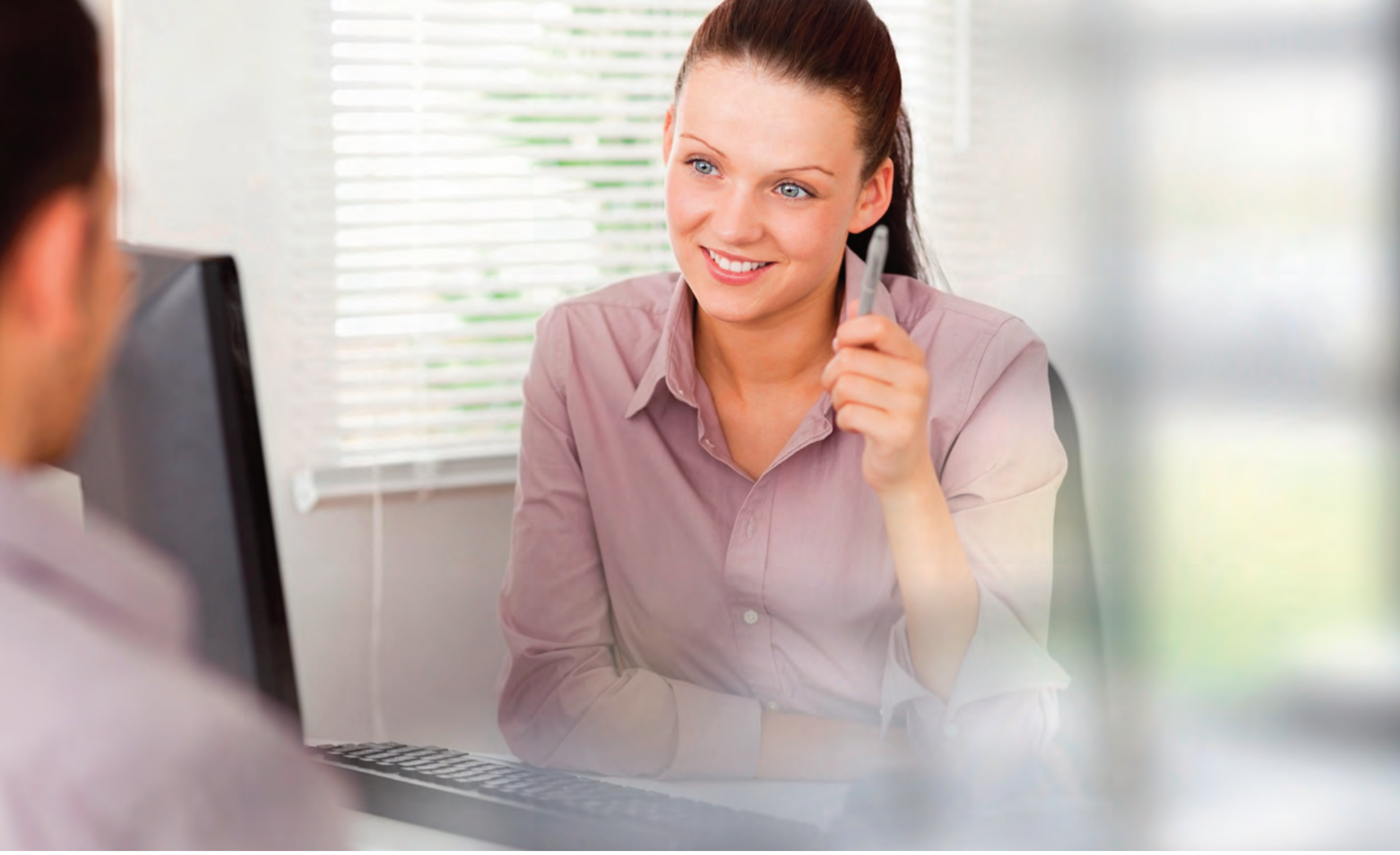
	31.12.2019	31.12.2018	
Balance sheet total	321,935	82,921*	288.2%
Stockholders' equity	50,959	50,967	0.0%
Return on Equity before Tax in %	15.8%	61.5%*	
Cash and cash equivalents	20,465	44,559	-54.1%

	31.12.2019	31.12.2018	
Number of employees (active)	3,181	2,907	9.4%
thereof temporary staff	2,560	2,357	8.6%

Per-capita revenue	73.3	70.8	3.6%
Per-capita profit	7.6	8.4	-9.1%

*) Prior-year figures partially adjusted. For further explanations, please refer to the section "Change in method of reporting deferred taxes" in the notes to the consolidated financial statements.

Annual report in PDF-format
www.amadeus-fire.de/investor-relations



Content

Management report

Consolidated financial statements

Ladies and Gentlemen,

Robert von Wülfing, Spokesman of the Management Board

We closed the fiscal year with an encouraging result. On 19 December 2019, Amadeus FiRe AG acquired a 100% interest in Comcave Holding GmbH, a specialist adult education provider. Comcave's focus is on publicly funded occupational retraining and advanced vocational training in commercial and IT professions and on seminars for companies and individuals.

This transaction was the biggest in Amadeus FiRe's history. Strengthened by Comcave, it has now substantially enlarged its training segment. Comcave has a highly successful track record of high growth and excellent results in recent years.

The acquisition also opens up exciting prospects for combining its strengths with the Amadeus FiRe Group. Comcave equips its course participants for re-entry into the labor market, and Amadeus FiRe can help to find their next assignment, developing from a Comcave training participant to an Amadeus FiRe candidate or employee. We will take this path in the best interests of all of our stakeholders.

By teaming up with Comcave, the Amadeus FiRe Group has found its partner of choice and an additional approach to tackling the biggest restricting factor, access to qualified candidates.

Overall, fiscal year 2019 was a very good and successful year for the Amadeus FiRe Group. In what was overall a positive economic environment in Germany, we were able to increase profits further. Consolidated profit from operations before goodwill impairment (EBITA) reached a new record high of EUR 38.7m, up 3.2% on the previous record. This increase was achieved in the face of the non-recurring expenses at year-end of some EUR 3m for the acquisition of Comcave Holding GmbH. In other words, the Amadeus FiRe Group recorded organic growth in excess of 10% last fiscal year, which combined with a substantial expansion and increase in headcount in the sales organization, has paved the way for future growth.

Also on behalf of my fellow management board member, Mr. Dennis Gerlitzki, I would like to express my thanks to our employees, who made this outstanding result possible through their daily personal dealings with customer companies, candidates and course participants. Many thanks!

Revenue also performed very well, with EUR 233.1m earned in 2019. This was 13.3% higher than in the prior year, with contributions from all services. This figure does not include Comcave's revenue, which will not be reflected until 2020.

Overall, we achieved a profit for the period of EUR 24.0m after non-controlling interests in comparison with EUR 24.2m in the prior year, a minimal decrease of 0.9%.

Our cash and cash equivalents totaled EUR 20.5m as of the reporting date, a sharp decrease on the prior-year level of EUR 44.6m. This is due to the funding of the acquisition of Comcave Holding GmbH.

It is currently very difficult to formulate an outlook for 2020. The impact of the corona epidemic is sending shockwaves through the economy and the capital markets are reacting severely. It is not possible to predict the course the crisis will take at this point in time.

But events will almost certainly have an effect on the business of the Amadeus FiRe Group. Regardless of the structurally persisting shortage of skilled labor, customer companies will take action to cut costs in the crisis or freeze hiring, which will negatively impact our personnel placement and temporary staffing services. An elevated sickness rate is likely to reduce utilization in temporary staffing activities. On the other hand, with our training offerings we will probably be able to help people improve their qualifications during the crisis, especially in the publicly funded training segment.

Originally, we had budgeted for another expansion step and the growth of our sales organization for 2020. We had planned earnings growth for both of our segments, personnel services and training. Together with Comcave's earnings, we had forecast a roughly 50% year-on-year increase in EBITA. The next few months will tell to what extent we will be able to realize our plans and achieve our budgeted earnings.

The successful acquisition and the recent developments surrounding coronavirus also have an effect on our dividend policy. In our communication about the acquisition of Comcave Holding GmbH, we already announced that we would review our full distribution policy in light of the fact that the transaction was debt financed.

We are in the midst of the corona crisis and are unable to predict how our business will fare over the next few months. It is certain that the Amadeus FiRe Group's business will be affected, but we cannot estimate to what extent. In this situation, the management board believes that extreme caution is necessary in the interests of the Company, its employees and shareholders and thus considers it essential to preserve its liquidity. As a result, we will propose to the shareholder meeting that no dividend be distributed after the shareholder meeting for 2020.

When the general situation has returned to normal, Amadeus FiRe will resume its consistent dividend policy and communicate this fact.

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

Sincerely,

Robert v. Wülfing

Robert von Wülfing

Christoph Groß,
Chairman of the
Supervisory Board

Dear Shareholders,

At the end of fiscal year 2019, we closed the biggest acquisition ever in the history of our firm. We have succeeded in taking the long-awaited step of strengthening the training and education segment. The acquisition of Comcave Holding GmbH also offers exciting opportunities to link the training and personnel services segments even more closely than before. We are able to offer immediate assistance to many of those participating in Comcave Holding GmbH's publicly funded occupational training, helping them to return to the labor market by providing permanent placement services or temporary staffing work.

I am pleased to inform you that the Amadeus FiRe Group achieved another new record result (EBITA) in fiscal year 2019. In spite of the one-time costs incurred in December in connection with the Comcave transaction, we managed to top the all-time high figure we reported last fiscal year by another 3.2%.

We also laid important groundwork for future growth in the personnel services segment. In 2019, we were able to extend our network of branches and further grow the Amadeus FiRe Group's sales organization. Amadeus FiRe is now well equipped to unlock further growth potential in the future.

Since the beginning of fiscal year 2019, a new management board team (Robert von Wülfing and Dennis Gerlitzki) has been at the helm of the Amadeus FiRe Group. The supervisory board is delighted that Amadeus FiRe has been able to continue our success story under the new leadership.

Mr. Robert von Wülfing was appointed as Spokesman of the Management Board as of 1 January 2019, the date on which Mr. Peter Haas, the former CEO, left the management board.
Mr. von Wülfing has been a member of the management board of Amadeus FiRe AG since 2012 and in addition to his role as spokesman and CFO, he is also responsible for the training segment.
Mr. Dennis Gerlitzki was appointed as a new member of the management board, likewise as of 1 January 2019, the date on which Mr. Haas left the board. As Chief Operations Officer, Mr. Gerlitzki is responsible for the personnel services segment. Mr. Gerlitzki has worked successfully for Amadeus FiRe in various roles for more than 15 years and has been responsible for a large number of Amadeus FiRe's branches in Germany in his role as regional director since 2008.

At the time of their appointment, the supervisory board was convinced that Mr. von Wülfing and Mr. Gerlitzki would have the skills and experience needed to continue to lead the Company successfully in the future. The first fiscal year under the new leadership has confirmed our expectations in every respect.

There was no personnel changes in the supervisory board in fiscal year 2019.

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.

The work of all Amadeus FiRe supervisory board members is characterized by their highly constructive and transparent cooperation. In fiscal year 2019, 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 2019, 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.

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 consistently 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 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-year 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. Dialog was particularly intensive in the fourth quarter in the run-up to the Comcave transaction, where the management board and supervisory board liaised closely at all times. Equally, the chairman of the accounting and audit committee and the CFO hold regular meetings where they exchange information relating to financial reporting.

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. In addition to the regular supervisory board meetings, two additional meetings were held in the fourth quarter in connection with the (at the time) contemplated acquisition of Comcave Holding GmbH. One resolution was also passed by circulation. All members of the supervisory board attended at least half of the meetings.

Attendance of supervisory board meetings by its members

X = attended	Meeting						
	07.03.	06.05	05.08.	05.11.	03.12.	11.12.	18.12.
Mr. Christoph Groß	X	X	X	X	X	X	X
Mr. Michael C. Wisser	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
Ms. Dr. Ulrike Schweibert	X	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	X

Two supervisory board committees were formed, the personnel committee and the audit committee. No decision-making powers have been delegated to the 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 five times in fiscal year 2019. 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 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. It is responsible for the employment contracts for members of the management board and for other matters relating to the management board, and did not meet during the fiscal year. Personnel-related matters were discussed and resolved by the full supervisory board.

After the current management board remuneration system was presented at the shareholder meeting in 2018 with a request for approval and it was rejected by the shareholders by a small majority, the supervisory board modified the system. The long-term compensation component will now be dependent on share price performance for future management board contracts. The modified management board remuneration system was then presented to shareholders at the 2019 shareholder meeting and their approval was requested. Once again, it was rejected by a small majority. The supervisory board addressed the matter and as a consequence it has discussed the present management board remuneration system and the modified version in detail in the Compensation section of the management report in the annual report for 2019. The modified remuneration system will be presented to the shareholders again at the shareholder meeting in 2020.

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 ["Aktiengesetz": German Stock Corporation Act] on 5 November 2019. 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 remuneration of the management board and supervisory board and is made permanently available on the Company website.

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

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 2019 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 reports 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 24 March 2020, endorsed the financial statements prepared by the management board. The financial statements have thus been approved.

In the ad hoc announcement of the acquisition of the Comcave Group, the management board stated that the policy of fully distributing our net income for the year would be reviewed in connection with this acquisition. When a full distribution was made each fiscal year since 2011, it was always justified by the fact that the liquidity earned was not required for investment purposes. This is no longer the case after the acquisition of the Comcave Group, which is why, as we have communicated, are deviating from our policy of full distribution. The Group's accumulated surplus liquidity was used to finance this acquisition.

After the end of fiscal year 2019, the Amadeus FiRe Group was also faced with the corona crisis. There is no doubt that Amadeus FiRe will be hit by this development, but at this stage we are unable to estimate to what extent corona will affect our business in 2020.

At the supervisory board meeting on 19 March 2020, the management board informed the supervisory board in great detail on the action the Company has taken in connection with the corona crisis. After an in-depth discussion and based on the knowledge and insight available to the supervisory board, the supervisory board concluded that the action initiated is suitable for protecting our employees, customers and our Company.

Exercising extreme caution, the management board proposed not to distribute a dividend for 2019 in order to preserve liquidity. After thorough examination, the supervisory board approved this proposal on 24 March 2020.

Management board and supervisory board members

As of 31 December 2019, 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 consisted of at least two members as of 31 December 2019, Robert von Wülfing and Dennis Gerlitzki. Both are also members of the management board in 2020. The management board therefore comprised at least two members at the beginning of 2020.

We owe the successful fiscal year 2019 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 an outstanding 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, 24 March 2020

On behalf of the supervisory board

Christoph Gross
Chairman of the supervisory board

By acquiring Comcave Holding, the Amadeus FiRe Group is expanding its training segment. The two companies complement each other and together they will be able to help people even better to obtain the qualifications they need to find employment and advance their careers. Both service providers see themselves as career partners and assist candidates and training participants in learning new skills, getting a foothold into employment and achieving their career goals.

In the following interview, Robert von Wülfing, Dennis Gerlitzki and Thomas Surwald explore the background to the acquisition and the resulting objectives and expectations.

Mr. von Wülfing, what was the Amadeus FiRe Group's intention in acquiring Comcave Holding?

In the Comcave Group we have found a partner that ideally complements the Amadeus FiRe Group's current offering and opens up highly interesting opportunities for direct cooperation. Both companies are highly successful specialized service providers who are very focused and have high quality standards, helping people to develop their professional skill set, gain new qualifications and thereby advance their personal careers.

Mr. Surwald, in your view, what synergies will the acquisition and future collaboration with Amadeus FiRe unlock?

Early on in our discussions we identified many common points of strategy. The training and permanent placement segments strengthen each other and as a whole are greater than the sum of the separate companies. We are therefore excited about joining forces with Amadeus FiRe, one of the most successful personnel services providers, to leverage the huge potential in our companies in the years to come.

ROBERT VON WÜLFING
Spokesman Management Bord, Amadeus FiRe AG

DENNIS GERLITZKI
Member of the Management Bord, Amadeus FiRe AG

THOMAS SURWALD
CEO
Comcave Holding GmbH

Complementing our service portfolio: **OUR INVESTMENT IN COMCAVE** improves prospects for candidates and staff

Mr. Gerlitzki, in your role as COO you are responsible for operations in the personnel services segment. What benefits for candidates or training participants do you see from the collaboration between the two companies?

We have a massive shortage of skilled labor in Germany and the situation is likely to get worse rather than better. For us at Amadeus FiRe, access to qualified candidates is the main bottleneck in personnel placement and in the search for candidates to employ for temporary staffing assignments. In my view, targeted cooperation between the two companies is a unique opportunity for training participants to receive professional assistance from Amadeus FiRe and to smoothly transition into the labor market. A very large proportion of the participants in retraining and further vocational training are honing their skills in the Amadeus FiRe Group's core segments, in commercial and IT professions.

Mr. von Wülfing, just how does Comcave Holding complement the Amadeus FiRe Group's existing training portfolio?

Comcave Holding's innovative portfolio of educational offerings mainly targets commercial and IT careers and qualifications in the marketing and multimedia sectors. This is not just a perfect fit in terms of specialization, but ideally complements our existing education and training portfolio with Steuer-Fachschule Dr. Endriss and Akademie für Internationale Rechnungslegung. Together we have a very strong national presence in Germany and can bolster our future growth.

All three interviewees agree that future cooperation will lead to better prospects for training participants, candidates and staff alike. As a result, the service portfolio will be able to deliver an even better and more focused response to the constantly changing and growing demands of the labor market.

COMCAVE.GROUP®

COMCAVE.GROUP is an established, innovative educational company that promotes the education and vocational training of adults to equip them for the German employment market. It focuses on publicly funded occupational retraining, and advanced vocational training.

With a diverse and high-quality portfolio spanning commercial professions, information technology, media and marketing, SAP, management, languages, healthcare, hospitality and catering, protection and security, it creates a sound basis of education for all participants.

Marvin Holzapfel benefited from our extensive network of recruitment consultants as a newcomer to the world of work. Having finished his vocational training as an IT specialist, he worked as an external employee for our customer companies, gleaning valuable professional experience and advancing his skills. This led to him being offered a permanent position after his last placement.

Mr. Holzapfel, why did you decide to apply to Amadeus FiRe?

After I finished my vocational training as an IT specialist for application development, I wanted to delve deeper into project management and business analysis. At the time, I had the technical expertise, but was still lacking explicit experience. So I decided to apply in this field and chanced upon a job advertisement placed by Amadeus FiRe.

How was the application process at Amadeus FiRe?

I was invited to an informal interview at Amadeus FiRe's Frankfurt office only a few days after submitting my application. In a friendly and relaxed conversation, the recruiter described the temporary staffing position on offer and answered all of my questions. The role was just what I had been hoping for and matched my profile, so I was very pleased when I received an invitation to an interview at the customer company shortly afterwards. And it was not long after that that I was actually offered the job.

MARVIN HOLZAPFEL
IT product specialist

For a young professional like myself, Amadeus FiRe is the **IDEAL PARTNER FOR MY CAREER.**

What advantages do you see in teaming up with Amadeus FiRe?

For a young professional like myself, Amadeus FiRe is the ideal partner for my career. On placements at a wide range of companies I had the opportunity to get to know new fields and sectors in my chosen profession. There was a lot of variety in my day-to-day work and I gained new skills as well as improving those I already had. I also benefited from the personnel services provider's extensive network and during my placements I worked for companies that were entirely new to me. I would particularly like to mention the excellent support from my staffing coordinators who were on hand at all times to answer my questions and provide advice.

Who would you recommend Amadeus FiRe to and why?

I can recommend Amadeus FiRe to anyone who is looking for a fresh career challenge or who needs support when starting out in the workplace. The free assistance offered by the personnel services provider can be especially helpful for young professionals, as it gives them the opportunity to try out companies in a range of sectors, while receiving excellent support from their staffing coordinators. Thanks to my placements as an external employee of Amadeus FiRe I was able to advance my job skills and gathered valuable professional experience in a short space of time. In the end, the customer company offered me a permanent role after my last placement. Thank you to the Amadeus FiRe team for the great placement service!

kununu
definitely
highly recommendable!

As soon as Torsten Bürgermeister, SVP Finance at Molecular Health GmbH, has vacancies he needs to fill at short notice with the right professionals and executives, he turns to Amadeus FiRe and draws on their expertise. He was won over by the personnel services provider's trustworthiness and knowledge of the local labor and candidate markets.

Mr. Bürgermeister, what is the situation at Molecular Health GmbH when you request staff through Amadeus FiRe?

We use the services of a personnel services provider like Amadeus FiRe when we have additional staffing requirements in times when our core workforce has a heavy workload. We also use their expertise when we have vacancies that we want to fill at short notice with the right professionals and executives, drawing on both their temporary staffing and permanent placement services.

Why did you choose Amadeus FiRe for the recruitment process?

After they have analyzed our requirements and discussed the general framework, Amadeus FiRe can quickly introduce us to suitable candidates who prove to be a good match. We benefit from the personnel services provider's longstanding experience and extensive expertise in accounting and financial control. We also value their trustworthiness and professionalism which lay the foundations for a good working relationship. In their temporary staffing services, Amadeus FiRe has proven to be a good and considerate employer for its staff, which is reflected in the high level of employee satisfaction.

TORSTEN BÜRGERMEISTER
SVP Finance,
Molecular Health GmbH

We have a very trusting **WORKING RELATIONSHIP** with our personal staffing coordinator at Amadeus FiRe.

What criteria do you consider particularly important when choosing personnel?

Several factors are crucial when hiring new staff. For a start, candidates should meet our professional requirements, such as good to excellent English skills, as we are an international company. We also make sure that candidates are reliable and, ideally, are available at short notice

How do you work with your consultant from Amadeus FiRe and what positions has the personnel services provider been able to fill for you?

We have a very trusting working relationship with our personal staffing coordinator at Amadeus FiRe. Being thoroughly familiar with our needs and our corporate culture, he is able to find us suitable candidates within a very short space of time. We also very much appreciate the fact that he is available whenever we need him and reliably returns our calls. Thanks to Amadeus FiRe we have been able to quickly and successfully fill our vacancies, especially in accounting and financial control, administration and office management.

Why and to whom can you recommend working with Amadeus FiRe?

Amadeus FiRe is a respectable personnel services provider that takes good and professional care of its temporary staff. Our consultant’s availability and the speed at which requests are handled are both excellent. Drawing on its specialization and many years of experience in the market, Amadeus FiRe is able to swiftly recruit suitable professionals and executives for companies with roles to fill. Last but not least, we value the fact that Amadeus is close by and knows the local labor and candidate markets. Based on all of these factors and our consistently good experience, I can recommend Amadeus FiRe to any company seeking to recruit!

Combined management report for fiscal year 2019

1. Economic Environment

Overall economic development

The German economy grew for the 10th consecutive year in 2019, albeit at a weaker pace. Gross domestic product (GDP) after adjusting for inflation grew by 0.6% (source: German Federal Statistical Office) meaning that growth was below the average level of the last 10 years (1.3%) for the first time since 2013. The economy grew by 1.5% and 2.5% in each of the two preceding years 2018 and 2017.

In 2019, the economic situation in Germany was shaped by significantly weaker growth and changing trends in the course of the year. After a dynamic start to the year and a decline in the second quarter, there were signs that the German economy was starting to rebound in the second six months.

The domestic economy was a significant source of positive growth momentum in 2019. Spending on private consumption rose by 1.6%, while government spending grew by 2.5%. Both these figures were higher than in the two previous years. Gross capital formation, on the other hand, which includes gross fixed capital formation and changes in inventories, decreased by 1.7% (price-adjusted) year on year. While investments in construction were 3.8% higher (price-adjusted) than in the prior year, investments in new machinery and equipment developed at a less dynamic rate and increased by a mere 0.4% (price-adjusted). The noticeable reduction in inventories due to weaker industrial output and higher exports is behind the weak development of gross capital formation. The balance of trade reduced GDP growth by 0.4 percentage points in 2019. Price-adjusted exports of goods and services rose slightly by 0.9%, while imports increased by 1.9% in the same period.

On the output side of gross domestic product, the economic development was a tale of two halves in 2019: while the services and construction sectors mostly reported relatively strong growth, economic output by the manufacturing industry (excluding construction) contracted relatively sharply. The strongest growth of 4.0% was reported by construction, followed by the information and communication sectors and financial and insurance service providers, with 2.9% year on year each. The gross value added by the trade, transportation and hospitality industries increased by 2.4%. By contrast, economic output by the manufacturing industry (not including the construction industry), which accounts for just over a quarter of the economy overall, declined by 3.6%. This is due in particular to weak production in the automotive industry, the largest manufacturing subsector.

In 2019, the German state posted a surplus of EUR 49.8b, which is somewhat less than the record figure of EUR 62.4b in 2018. According to provisional calculations, the government sector, including the federal, state and local governments as well as social insurance carriers, thus posted a surplus for the eighth consecutive year. Based on GDP at unadjusted prices, the budget surplus was 1.5% in 2019.

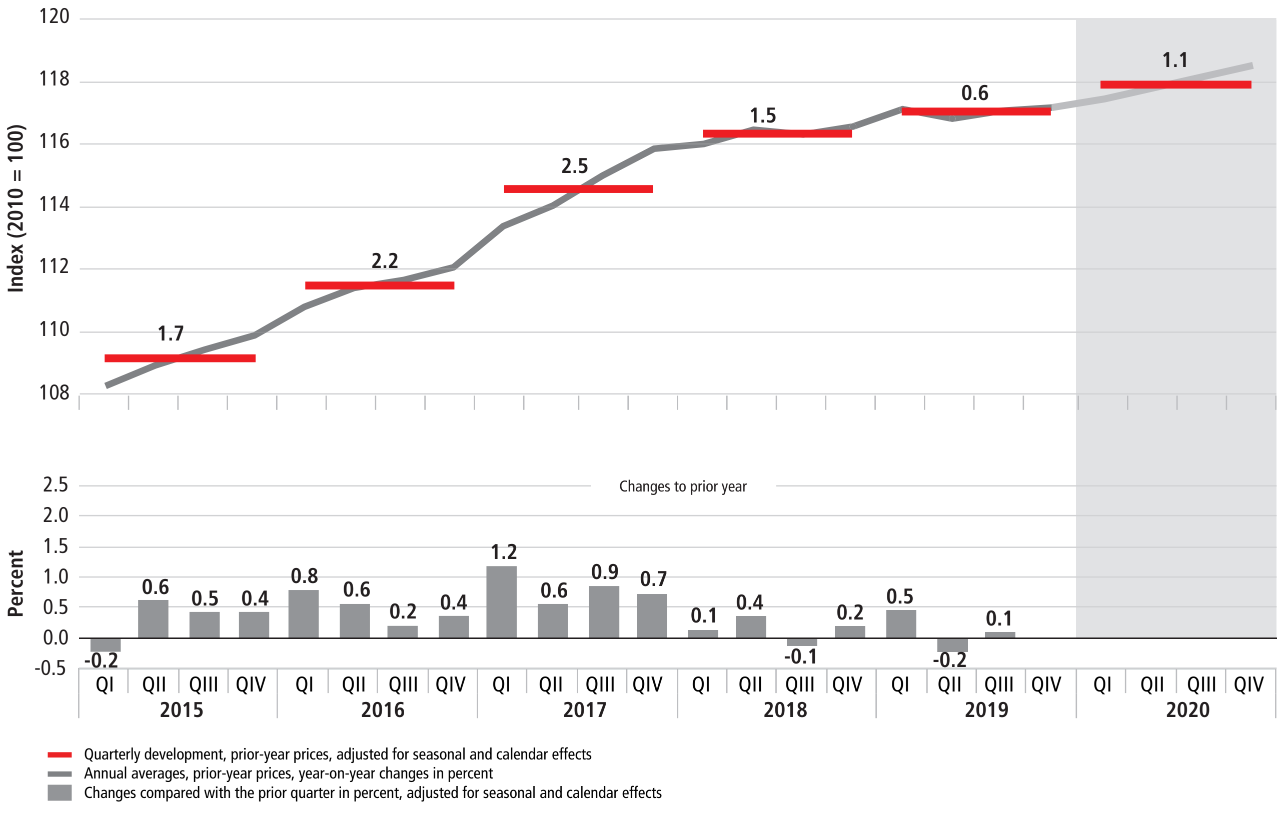
German economic sentiment was less rosy in 2019. On average, the ifo Business Climate Index (source: ifo Institute, Munich) was 5.9 points or 5.8% lower than in 2018 at 97.1. On the ifo's economic barometer, the Business Climate Index indicated a downturn for the first time since 2012. The mood was at its worst in August 2019 at 94.4 points, improving again toward year-end to

96.3 points in December. The manufacturing and trade sectors are responsible for the darker mood, while the services industry and main construction sector are still more confident.

The development of the German economy in 2019 was accompanied by a generally positive global economic development. According to figures from the International Monetary Fund (IMF), global economic growth came in at 2.9% in 2019, putting it 0.7 percentage points below the prior-year level. The growth of the Chinese economy receded further to 6.1% in 2019 due to the trade disputes with the US. Development varied in the industrialized countries. The US achieved GDP growth of 2.3% in 2019. Japan recorded the lowest GDP growth at 1.0%, while the eurozone grew by 1.2% in the same period.

The labor market continued its positive development in 2019, albeit in weaker form. In Germany, 45.6 million people were employed in November 2019, a new record high and thus the highest level since German reunification. According to preliminary calculations by the German Federal Employment Agency, the number of people in work increased by 304,000 persons (0.7%) in 2019 against the prior year. The increase in employment, which has been ongoing for more than a decade, thus continued in 2019. As in the prior years, negative demographic effects were balanced out by increased labor force participation by the German population as well as the immigration of foreign workers.

Development of GDP in Germany (adjusted for inflation)



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

In 2019, the number of people in insurable employment again grew more strongly than the number in work. According to an estimate by the German Federal Employment Agency, there were 34.0 million people in insurable employment in October 2019, which is 499,000 or 1.5% more than the year before. This development reflects the strong underlying condition of the labor market.

Unemployment and underemployment fell further on average in 2019. The risk of becoming unemployed is still at a low level, while the chance of escaping unemployment by finding a job was the same as a year earlier. An average of 2,266,700 people were registered as unemployed in Germany in 2019, down 73,400 or 3.1% on 2018 (2,340,100 people). This is the lowest level of unemployment since German reunification in 1991. In December 2019, unemployment rose month on month for the first time since December 2013. The number of unemployed as a percentage of the total civilian labor force was 5.0% on average in 2019, down 0.2 percentage points year on year. Compared to the prior year, unemployment has seen only limited benefit from the creation of jobs.

Demand for labor tailed off throughout 2019, but is still at a high level. The German Federal Employment Agency's vacancy index (BA-X), which indicates the demand for workers in Germany, was above the December level of the prior year at the beginning of the reporting year before spiraling steadily downward to produce an annual average of 243 points. The average level of the BA-X index in 2019 was therefore 10 points or 4.0% lower than the average prior-year level. This development was triggered by the weaker economic development of the past months and the related reluctance of business to recruit new staff, which was particularly felt by cyclically sensitive industries, such as transport and logistics, manufacturing or temporary staffing. Despite lower numbers of new vacancies reported, job openings remain at a high level. The need for labor is therefore still high due to the high level of employment and the simultaneous shortage of labor, which generally increases workers' willingness to change jobs. Increased employee turnover thus contributes to a high number of vacant positions. Furthermore, the growing importance of part-time employment drives the need for labor. The labor market is and will remain an important stabilizing element for Germany's economy.

Industry performance

Temporary staffing

The temporary staffing market is weak and is currently contracting. The number of people working under an employee leasing arrangement decreased significantly in 2019. According to the figures published by the German Federal Employment Agency, 833,475 people were in temporary employment on average in the first half of 2019, which is a 10.9% decrease compared with the prior-year period (first half of 2018: 935,511 people). The Agency's trend data for people working in the temporary employment sector indicate a sustained contracting market environment. For the first 10 months of 2019, the trend data indicate a decrease of around 11% in the number of people working in the temporary employment sector compared to the first 10 months of 2018.

The number of people working in employee leasing arrangements is thus expected to decrease by between 10% and 12% in 2019. The market will thus continue to decline. The current economic downturn of the mainly commercial industrial sector is one reason for this development.

The Amadeus FiRe Group's core submarket of commercial and IT professions developed more stably in the first half of 2019 than the overall market. The number of people employed in the respective professions decreased at a slower rate than in the temporary staffing market as a whole. The economic downturn, in particular in the industrial sector, which accounts for about a quarter of the total economy, and the continued restricted access to qualified candidates resulted in a decrease in the number of temporary workers in this specialized market in 2019.

The collective agreement in the temporary staffing industry valid until the end of 2019 raised the pay received by temporary workers by 3.0% to 3.2% (West) and 3.5% (East) as of 1 April 2019. This increase as well as the positive salary trend in Germany have again made temporary staffing services more expensive for customer companies.

Notwithstanding, demand for qualified temporary workers to meet flexible labor requirements is at a high level and recruiting for this purpose is still a key challenge for the industry. The shortage of candidates outlined above is also reflected in the number of vacant positions reported to the German Federal Employment Agency by the temporary staffing industry. The number of new vacancies reported has fallen, but the number of job openings is still high. In 2019, the share of reported vacancies from the temporary staffing industry was 30.2% (prior year: 31.3%).

The German temporary staffing market is still heavily fragmented. According to the figures published by the German Federal Employment Agency as of 30 June 2019, the number of companies dedicated entirely or mostly to employee leasing decreased slightly to 11,600 (prior year: 11,700). 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.

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 in force was concluded on 30 November 2016 and had long-term validity until 31 December 2019. The pay rises (based on the pay specified by the BAP and iGZ collective agreements with the DGB collective bargaining association) specified therein are as follows:

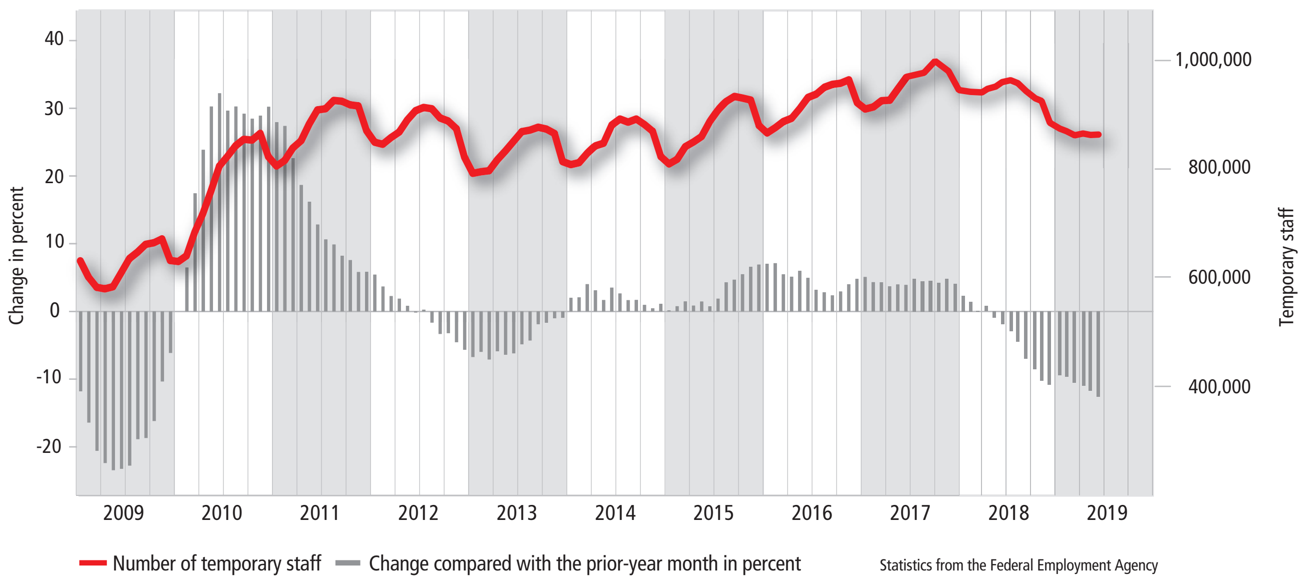
	West	**East**
From 1 March 2017	2.5% (≙ 9.23 € for pay catergory 1)	4.0% (4.82% for pay category 1, ≙ 8.91 €)
From 1 April 2018	2.8% (≙ 9.49 € for pay category 1)	4.0% (≙ 9.27 € for pay category 1)
From 1 January 2019		Increase for pay categories 1 and 2 to minimum wage of 9,49 €
From 1 April 2019	3.0% (pay categories, 1 and 2: 3.2% ≙ 9.79 € for pay category 1	3.5% (≙ 9.49 € for pay category 1)
From 1 October 2019	Increase for pay categories 1 and 2 to minimum wage of 9.96 €	Increase for pay categories 1 and 2 to minimum wage of 9.66 €

The law drafted by the German Federal Ministry of Labor and Social Affairs for the amendment of the AÜG ["Arbeitnehmerüberlassungsgesetz": German Personnel Leasing Act] and other laws was adopted in 2016 and entered into force on 1 April 2017. Its main provisions are equal pay for temporary workers after working for the company to which they are assigned for at least 9 months, on the one hand, and a maximum lease duration of generally 18 months, on the other. The consequences of the change in the law affected calendar year 2018 in particular and resulted in a further long-term increase in the cost of temporary staffing services. The equal pay provision was applicable for the first time from the start of 2018 and the maximum lease duration took effect for all temporary employment contracts in the fourth quarter of 2018. Implementing the change in law considerably increased the administrative workload for both the temporary staffing companies and the customer companies that borrow staff.

Following the amendment to the German Personnel Leasing Act, the last few years have also seen changes to the industry surcharge agreements introduced gradually in 11 industries from November 2012. As a result of the industry surcharge agreements, in cases of extended periods of assignment and correspondingly high surcharge levels, surcharges of up to 50% on collectively agreed pay have to be paid. Following the introduction of the statutory equal pay rule, an additional surcharge level was installed in the pay system set out in the collective industry surcharge agreements in lieu of an "equal pay" salary. This new surcharge level normally applies after a contractual term of 15 months. With this additional surcharge level, surcharges of up to 67% on collectively agreed pay are also possible. The different changes made to the respective industry surcharge agreements have significantly increased the complexity of temporary employment contract administration.

The abovementioned 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. On the other hand, such legal regulations and collectively bargained contractual provisions have made temporary staffing increasingly expensive, with price hikes making it harder for German companies to achieve greater workforce flexibility.

Number of temporary staff in Germany



Statistics from the Federal Employment Agency

Permanent placement

The overall market environment driving the demand for permanent placement clearly lost momentum, though it remained at a high level, due to the economic situation in 2019. 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 and are responsible, among other things, for the stable development in permanent placement.

The permanent placement market has been affected for quite some time by the generally very limited supply of qualified professionals and executives. According to the BA-X index, demand for workers in Germany decreased steadily in 2019 with little momentum, averaging 243 points for the year. This is still a high level of demand and filling vacant positions remains a challenge for companies. 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 100.2 points in 2019, 4.0% below the comparable prior-year level. It has stood at less than 100 points since mid-2019. Manufacturing is the main driver of this downward trend and is weakening momentum in the labor market. According to a survey conducted by the German Association of Chambers of Commerce and Industry in Berlin in the fall of 2019, 56% (fall 2018: 62%) of the businesses surveyed see the shortage of specialists as a risk to the growth of their business. The shortage of specialists is therefore still a key risk factor for the companies' medium-term economic development. Given the competitive labor market and demographic changes, the recruitment of qualified staff will remain a challenging task for companies over the long term.

Amadeus FiRe believes that the permanent placement market performed well with weaker momentum in 2019 despite the economic downturn thanks to ongoing excess demand and limited candidate availability. Given limited access to a much needed labor force, companies in Germany are still dedicating additional resources to recruiting and retaining employees. This is likely to have propped up the permanent placement market again in 2019. There are no reliable sources indicating the size of the market in Germany.

Training

The overall training market is likely to have remained stable for the most part in 2019. Following a remarkably good revenue development in the prior year, the training institutions that form Wuppertaler Kreis e.V. – Bundesverband betriebliche Weiterbildung expected a stable to positive trend in 2019.

The niche markets for tax, finance and accounting training and adult education with a focus on publicly funded occupational retraining and advanced vocational training (in which the training companies of the Amadeus FiRe Group operate) are not very sensitive to economic cycles in the economy at large, mainly thanks to its high proportion of private customers.

Unlike corporate customers, the majority of private customers plan their own professional training on a very long-term basis, and their decisions with respect to training are less dependent on short-term general economic trends and oriented more toward their long-term plans for their private lives and careers. Economic upturns and downturns therefore have more of a delayed impact on long-running training initiatives, and their effect is limited. The situation on the market for private customers is therefore likely to have remained stable on the whole, thanks in no small part to still robust domestic employment levels in 2019.

The corporate customer business (mainly public and in-house business), on the other hand, is much more sensitive to short-term economic trends or regulatory changes. The field of tax, finance and accounting training is also affected by the extent of new legal regulations and changes to existing laws. There was no significant demand for training as a result of statutory changes and, consequently, no boom in the area of seminars in 2019. Overall, in-house training is becoming increasingly important for companies, including with a view to employee retention.

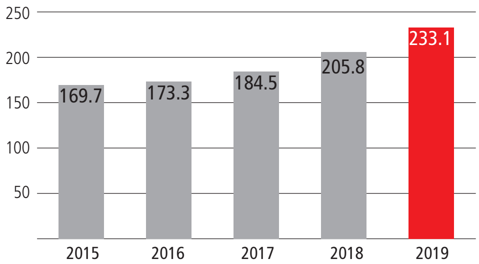
The niche market for adult education with a focus on publicly funded occupational retraining and advanced vocational training (in which the subsidiaries of Comcave Holding GmbH operate) is highly fragmented and comprises a handful of providers operating across Germany and a large number of regional educational institutions. The development of unemployment figures is a key indicator for this niche market. The extremely low level of unemployment in Germany is therefore a negative market environment for the adult education segment. By the same token, there is very high demand for specialists and the corresponding qualifications on the employment market. 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. This in turn has a stabilizing and positive effect on the market for publicly funded occupational retraining and advanced vocational training.

Part of the management not subject to audit in accordance with IDW AuS 350 (revised)

2. Busisness Situation of the Amadeus FiRe Group

The Amadeus FiRe Group achieved consolidated revenue of EUR 233.1m in fiscal year 2019, up from EUR 205.8m in the prior year. This is an increase of 13.3%. All of the services made positive contributions to revenue growth.

Sales revenues in EUR m

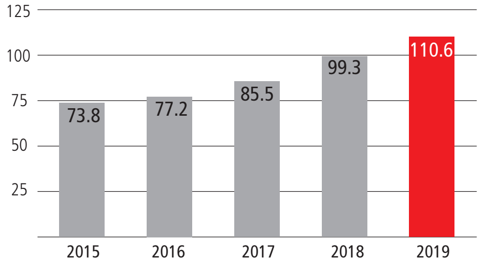


Shortly before year-end, on 19 December 2019, Amadeus FiRe AG acquired all the shares in Comcave Holding GmbH. Comcave's figures are not included in the consolidated income statement of the Amadeus FiRe Group for fiscal year 2019 due to the very late acquisition date. They will be included for the first time at the beginning of fiscal year 2020.

Cost of sales increased by 14.9% to EUR 122.5m (prior year: EUR 106.6m). In the Amadeus FiRe Group, this figure mainly comprises the personnel expenses under employee leasing arrangements and fees for interim and project managers, as well as expenses for instructors in connection with courses, training materials and rent for training venues.

Gross profit for fiscal year 2019 amounted to EUR 110.6m (prior year: EUR 99.3m). This is a EUR 11.3m or 11.4% increase in comparison to the prior year, leading to a decrease in the gross profit margin of 0.8 percentage points, from 48.2% in the prior year to 47.5%. This decrease was primarily due to a change in the mix of services owing to the comparatively strong growth of the lower-margin services temporary staffing and interim and project management.

Gross profit in EUR m

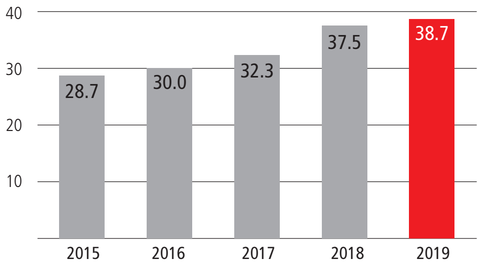


For more detailed comments on revenue and the gross profit margins for each service, see the descriptions of the business situation for the individual segments.

Selling and administrative expenses came to EUR 72.1m, compared with EUR 62.0m in the prior year. The increase mainly resulted from the higher headcount required for the planned large-scale expansion of the sales organization and the related outlay. The expenses also include the transaction costs of approximately EUR 3m incurred in the fourth quarter for the acquisition of Comcave Holding GmbH.

The Amadeus FiRe Group achieved a new record profit from operations before goodwill impairment (EBITA) of EUR 38.7m. This is an increase of 3.2% on the prior-year figure. During the fourth quarter, the non-recurring expenses of approximately EUR 3m for the successful acquisition of Comcave Holding GmbH pushed down total-year EBITA growth by 8 percentage points. Adjusted for this special effect, the EBITA target which the management board adjusted upward from 5% to over 10% in the course of the year was met. EBITA is the Amadeus FiRe Group's most significant performance indicator.

EBITA in EUR m



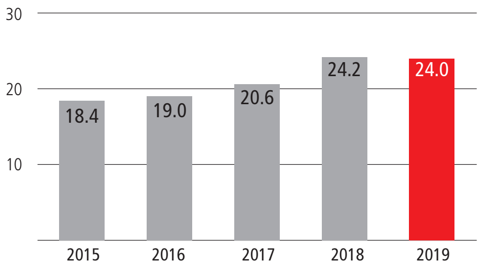
The EBITA margin is 16.6%. Adjusted for the transaction costs, an EBITA margin of 17.9% was achieved, which was 0.3 percentage points lower than in the prior year. The reason for this slight decrease is the above-average growth of the services temporary staffing and interim and project management.

The Amadeus FiRe Group's profit after taxes came to EUR 25.7m, a decrease of EUR 0.1m or 0.4% on the prior year. The negative earnings effects from the fourth quarter pushed down the total-year growth of profit after taxes by 12 percentage points.

In the reporting year 2019, the profit after taxes was impacted by EUR 0.4m (prior year: EUR 0.3m) in finance costs. As in the prior year, the increase in these costs is entirely due to the effect of the measurement for accounting purposes of the settlement option held by the non-controlling interests of Steuer-Fachschule Dr. Endriss due to the positive performance of business. The share of profit after taxes that is attributable to non-controlling interests reported under liabilities and equity came to EUR 1.7m (prior year: EUR 1.6m).

Overall, the Amadeus FiRe Group realized a profit after non-controlling interests reported under liabilities and equity for fiscal year 2019 of EUR 24.0m, down by a slight 0.8% on the prior-year profit of EUR 24.2m.

Profit for the year in EUR m



As a result, earnings per share stand at EUR 4.62 (prior year: EUR 4.66) with respect to the profit for fiscal year 2019 attributable to the ordinary shareholders.

3. Development of the Segments

For over 30 years, the Amadeus FiRe Group has been a specialized personnel services provider for professionals and executives in the fields of commerce and IT at 20 locations throughout Germany, serving national and international companies of varying sizes across all industries. Our core business comprises specialist temporary staffing, permanent placement and interim and project management.

The Amadeus FiRe Group is also a specialized service provider in the training segment. The acquisition of 100% of the shares in Comcave Holding GmbH as of 19 December 2019 by Amadeus FiRe AG ideally complements the existing services offered by the Amadeus FiRe Group in the training segment. Since December 2019, the Amadeus FiRe Group has offered services of Comcave Holding GmbH in addition to the training offerings of Steuer-Fachschule Dr. Endriss, TaxMaster GmbH and Akademie für Internationale Rechnungslegung.

Comcave Holding GmbH is an innovative training provider with a focus on publicly funded occupational retraining and advanced vocational training, and seminars for companies and individuals. In these areas, it mainly offers lessons in IT, multimedia and commercial subjects at over 50 locations across Germany as well as from the home in the form of telelearning.

Steuer-Fachschule Dr. Endriss is Germany's largest specialist school for tax, finance and accounting and financial control training and has a nationwide history stretching back over 70 years. Akademie für Internationale Rechnungslegung was the first and remains the leading provider of training in IAS/IFRS and US GAAP accounting standards on the German market. TaxMaster is a master's program for working professionals designed by Steuer-Fachschule Dr. Endriss in cooperation with Aalen University which prepares students for the state examination to qualify as a certified tax advisor.

The Company's core competencies are supporting its customers by providing personnel within the framework of the German Personnel Leasing Act, recruitment and permanent placement of professionals and executives, interim and project management as well as teaching in the areas of tax, finance and accounting and financial control. Publicly funded occupational retraining and advanced vocational training, and thereby targeted skills acquisition for the employment market, has been a further core competency of the Group since the acquisition of Comcave Holding GmbH on 19 December 2019. The Amadeus FiRe Group only offers these services in Germany.

Segment reporting is based on the two segments, personnel services (temporary staffing, permanent placement, interim and project management) and training, in accordance with the Group's management accounts.

In the personnel services segment, the Amadeus FiRe Group focuses on roles in the fields of commerce and IT, more specifically in the four divisions of accounting, banking, office and IT services. With the three personnel services of temporary staffing, permanent placement and interim and project management, the aim is to always offer Amadeus FiRe customers a broad spectrum of flexible solutions for a range of needs.

Customer companies thus benefit from greater flexibility when planning the assignment of human resources and can respond more quickly in peak periods. These companies can thus respond in the event of personnel bottlenecks or surpluses and can secure capacities when implementing projects. They are also able to benefit from the Amadeus FiRe Group's current market access and excellent market image when looking for and selecting personnel and thus find personnel and reduce the associated costs thanks to the time and resources saved.

Candidates and employees benefit 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.

Our training segment offers corporate and private customers training products with a particular focus on finance, accounting, tax and financial control. Since acquiring Comcave Holding GmbH, Amadeus FiRe has also offered innovative training courses in publicly funded occupational retraining and advanced vocational training in this segment, with the focus here also on commercial and IT skills.

In this way, Amadeus FiRe provides its clients with a service complementing the professional focus of the personnel services segment. Participants can build on their existing professional knowledge or acquire new skills through occupational retraining by attending the wide variety of top-quality courses and seminars run throughout Germany. This increases their competitiveness and appeal on the labor market and can help them to progress professionally. Both private individuals seeking to gain recognized qualifications at various levels or retrain to work in a new profession as well as companies looking to develop their employees' expertise and skills make use of the offerings.

Part of the management not subject to audit in accordance with IDW AuS 350 (revised)

Temporary staffing, permanent placement, interim and project management segment

The Amadeus FiRe Group surpassed the revenue mark of EUR 200m in the personnel services segment for the first time in fiscal year 2019. Revenue rose to EUR 207.1m, up from EUR 181.6m in the prior year, corresponding to a revenue increase of EUR 25.5m or 14.0%. All three segment services contributed positively to this increase. In calendar year 2019, there were 250 working days and therefore the same number of chargeable days as in 2018. As such, there were no negative or positive effects on revenue, gross profit or profit before taxes for fiscal year 2019 in this connection.

The segment's gross profit also improved by 11.9% from EUR 86.7m in the prior year to EUR 97.0m. The gross profit margin was slightly lower year on year at 46.8% (prior year: 47.7%). The 0.9 percentage point decrease was due to the comparatively strong growth and higher revenue share of the lower-margin services temporary staffing and interim and project management.

The sales organization successfully increased its staff in 2019. Amadeus FiRe continues to hold its prospective employees to high standards and pursues a restrictive hiring policy. The continuing shortage of qualified personnel also makes it difficult to increase headcount. Amadeus FiRe has responded by placing a high focus on the recruitment activities of all executives in the entire branch network and with an additional central recruiting team. This enabled it to successfully implement its target of further expanding the organization and to achieve the planned increase in headcount.

The segment's selling and administrative expenses rose by EUR 9.5m to EUR 63.1m in the past fiscal year, an increase of 17.7%.

The successful expansion of the sales organization described above resulted in an increase in personnel-related expenses for the sales organization of EUR 5.6m in fiscal year 2019. Marketing expenses were up by EUR 0.7m due to stepped up recruiting activities for a keener focus on the job seeker market. Growth of the sales units also resulted in higher rental expenses due to branch relocations and the opening of the new branch in Nuremberg. These increased by a total of EUR 0.3m. The expenses for the ongoing expansion of IT infrastructure and the applications used stood at EUR 1.1m.

Changes in the management board at the beginning of fiscal year 2019 had a positive effect due to lower management board remuneration. Consequently, personnel-related administrative expenses decreased by EUR 1.7m despite a further expansion of management. The administrative expenses also include the transaction costs of approximately EUR 3m incurred in the fourth quarter for the acquisition of Comcave Holding GmbH.

There was a strong increase in amortization, depreciation and impairment included in selling and administrative expenses in fiscal year 2019, most of which was due to the first-time application of IFRS 16 and the related first-time recognition of lease agreements. In this context, there was a significant shift of rental and vehicle expenses to amortization, depreciation and impairment. The actual effect on profit or loss of this shift is marginal.

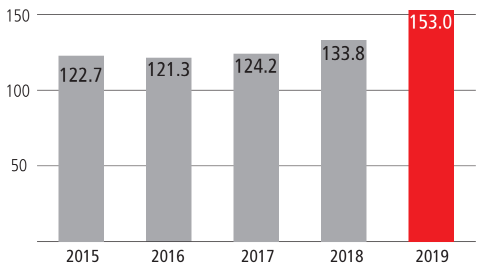
The segment's result before goodwill impairment came in at EUR 33.8 m, a EUR 0.8m or 2.4% increase in comparison to the prior year. As a result, the EBITA margin in the personnel services segment decreased from 18.2% in the prior year to 16.3%. In the fourth quarter, total-year growth in the segment result was pushed down by approximately 11 percentage points in particular by the non-recurring expenses for the successful acquisition of Comcave Holding GmbH of approximately EUR 3m and the high sickness rate of temporary workers.

Investments of EUR 4.2m in the reporting year were up in comparison to the prior year (EUR 2.7m). After partial implementation in prior years, a new sales software program was fully rolled out in the personnel services segment at all branches and at a corporate level in the fiscal year. At year-end, Amadeus FiRe exercised the option of acquiring the full application.

Temporary staffing

The temporary staffing service reported revenue growth of 14.4% or EUR 19.2m in fiscal year 2019. Revenue of EUR 153.0m was generated in the temporary staffing business, up from EUR 133.8m in the prior year. Fiscal year 2019 had the same number of chargeable days as the prior year, so this had no effect on revenue or profit in 2019. The seasonal decline in business in temporary staffing going into 2019 was weaker this fiscal year compared with the long-term average, which had a positive impact. At the beginning of 2018, the New Year lull was impacted by an additional decline in business by approximately 3 percentage points due to the first-time application of the equal pay legislation. The positive effect on the capacity utilization of Amadeus FiRe's temporary workers thanks to a comparatively low level of sickness in the first half of 2019 was neutralized by a comparatively high level of sickness in the fourth quarter of 2019 in particular.

Temporary staffing Revenue in EUR m



The average hourly charge-out rates rose by 4.0% in 2019 (prior year: 5.0%). This reflects the higher salaries of Amadeus FiRe's temporary staff largely stemming from the general increase in real wages and is a further reason for the revenue growth.

The average level of business increased significantly in the fiscal year compared with the prior year. The expansion of the sales and recruitment organizations, among other factors, has contributed to this positive development. A regional market presence as well as the ability to maintain personal contact to customers and applicants play an important role.

The trend toward permanent positions declined a little due to the weak economic phase affecting the industrial sector. This is having a favorable impact on temporary staffing services. However, it is still a challenge to recruit suitable personnel.

At 34.6%, the gross profit margin for temporary staffing was 0.1 percentage points lower than the prior year's figure of 34.7%.

Thanks to the strong growth momentum, temporary staffing's share of total revenue increased for the first time since 2014 to 65.7% in 2019 compared with 65.0% in the prior year.

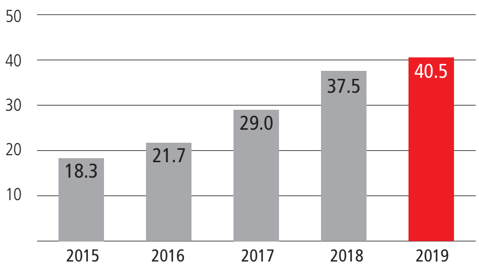
Permanent placement

There was a further, weaker increase in revenue for the permanent placement service in the reporting year. The slower growth was due to the economic environment in the reporting year. Demand for qualified candidates is still high on the labor market, but customers' hiring plans are more cautious. The trend toward permanent positions declined in the course of the year. At Amadeus FiRe, this led to a shift in business for vacancies from permanent placements back to temporary staffing. This enables businesses to postpone making a final decision on whether to hire a candidate on a permanent contract to a date in the future.

A favorable factor for permanent placements is that, due to the now very low risk of people in permanent positions becoming unemployed, the employee turnover rate has increased across Germany. Applicants are more inclined to change jobs, which has a positive effect on the permanent placement market. In addition to the positive market conditions and the supporting effects described, the expansion of the organization and of its sales and recruitment activities naturally also plays a role in winning market share in regional permanent placement markets.

Following a positive year that was in line with expectations, permanent placement revenue increased by 8.0% to EUR 40.5m in the fiscal year (prior year: EUR 37.5m). The permanent placement service's share in total revenue fell in the fiscal year for the first time since the steady expansion of the sales organization that started in fiscal year 2010. It decreased by 0.8 percentage points from 18.2% in the prior year to 17.4% in 2019.

Permanent placement Revenue in EUR m



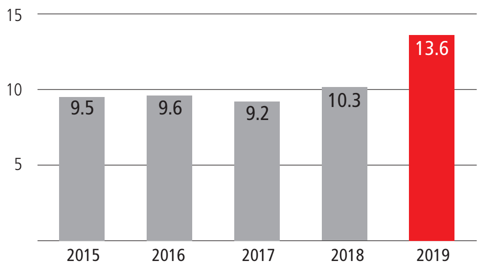
No costs of sales are allocated directly for the provision of the personnel placement service. Gross profit for personnel placement is therefore largely equivalent to revenue from personnel placement. Consequently, the personnel placement service's share in total gross profit is higher than its share in total revenue.

Interim and project management

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.

Revenue from interim and project management rose significantly by 31.9% from EUR 10.3m in the prior year to EUR 13.6m in fiscal year 2019. Accordingly, its percentage of total revenue increased from 5.0% in the prior year to 5.8% in the reporting year. Following a year-on-year revenue decline in 2017, the steps taken from 2018 to increase the focus on interim and project management in the regions resulted in this encouraging development.

Interim and project management Revenue in EUR m



The gross profit for interim and project management amounted to EUR 3.5m (prior year: EUR 2.7m). The gross profit margin decreased slightly to 25.8% (prior year: 26.3%).

Training segment

The service portfolios of all of the companies included to date in the Amadeus FiRe Group's training segment are established in the niche market for training in the fields of tax, finance and accounting and financial control. Since the acquisition of Comcave Holding GmbH as of 19 December 2019, the segment has also included a specialized adult education provider in the area of publicly funded occupational retraining and advanced vocational training.

With a history stretching back 69 years, Steuer-Fachschule Dr. Endriss is Germany's largest specialist school for professional training in the fields of tax, accounting and financial control. Its portfolio of services covers preparation for state examinations such those for tax advisors, tax specialists, accountants and financial controllers. The company also runs recognized private certificate courses specially designed to prepare participants for professional practice in the field of accounting (e.g., as a financial accountant, accounting clerk, payroll accountant or fixed asset accountant). The product portfolio is rounded off by an extensive range of seminars which is growing all the time.

The portfolio of services offered by the training segment is enhanced by Akademie für Internationale Rechnungslegung and its specialist qualifications in international accounting in accordance with IASs/IFRSs and 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 services offered by TaxMaster GmbH add an academic qualification in the form of a master's degree to the range of products in the training segment. This course provides students with a combination of professional (tax advisor) and university qualifications (master of arts) in the field of taxation and accounting, resulting in an attractive dual qualification for the graduate.

Except for the new lease standard IFRS 16, as in 2018, 2019 was shaped by low levels of legislative activity, with few new topics on both the national agenda and with respect to international accounting standards and tax law.

In this stable but not exceedingly positive environment, the number or participants was once again boosted. A higher number of participants made use of the training offerings provided by the Amadeus FiRe Group both in the seminar business and in the preparation for examinations. In-house seminars held on site for the employees at customer companies also performed well. The total number of new participants in all training courses improved to around 20,000 in the reporting year.

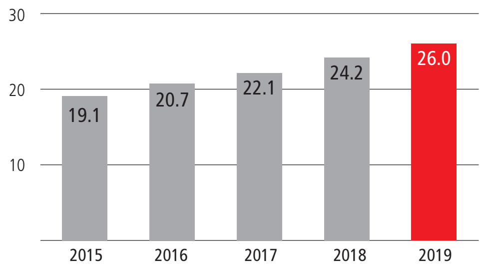
Comcave Holding GmbH mainly offers lessons in IT, multimedia and commercial subjects at over 50 locations across Germany as well as from the home in the form of telelearning. For people who want to improve their development and career advancement prospects, Comcave offers numerous modular qualifications that can be subsidized through an education voucher from the German Federal Employment Agency or another public funding institution. For corporate customers, Comcave offers executive and team training, seminars for trainers and language courses.

Comcave is a licensed education partner for SAP® and offers training on all the standard SAP® applications.

On grounds of immateriality, the income and expenses of Comcave Holding GmbH from 19 December 2019 to the end of 2019 were not included in profit or loss for the training segment since there were only a handful of business days in this period and training activities ceased for the year when the Christmas holiday period began.

Revenue in the training segment rose to EUR 26.0m in the reporting year (prior year: EUR 24.2m), which represents an increase of 7.4%. The consistent implementation of the product and location strategy, the development of the tax advisor courses, basic courses and accountancy courses as well as the systematic development and expansion of the open and in-house seminars contributed to this positive result.

Training segment Revenue in EUR m



The gross profit margin increased by 0.6 percentage points from 51.9% to 52.5%, mainly due to the establishment of the expanded offering rolled out in the prior year.

The segment's result before goodwill impairment (EUR 4.9m) exceeded the level achieved in the prior year (EUR 4.5m) by 8.9%.

4. Assets, Liabilities and financial position of the Amadeus FiRe Group

Composition of assets, equity and liabilities

Amounts stated in EUR m	31 Dec. 2019		31 Dec. 2018**		Change*	
ASSETS						
Non-current assets						
Other intangible assets	41.4	12.9%	4.6	5.5%	36.8	>100.0%
Goodwill	171.7	53.3%	6.9	8.3%	164.8	>100.0%
Property, plant and equipment	5.3	1.6%	2.9	3.5%	2.4	82.8%
Right-of-use assets	47.7	14.8%	0.0	0.0%	47.7	>100.0%
Deferred tax assets	0.0	0.0%	0.5	0.6%	0.5	-100.0%
	266.1	**82.7%**	**15.0**	**18.2%**	**251.1**	**>100.0%**
Current assets						
Trade receivables	30.7	9.5%	22.8	27.5%	7.9	34.6%
Other assets	3.4	1.1%	0.1	0.1%	3.3	>100.0%
Prepaid expenses	1.3	0.4%	0.6	0.7%	0.7	>100.0%
Cash and cash equivalents	20.5	6.4%	44.6	53.8%	-24.1	-54.0%
	55.8	**17.3%**	**68.0**	**82.0%**	**-12.2**	**-17.9%**
Total assets	**321.9**	**100.0%**	**82.9**	**100.0%**	**239.0**	**>100.0%**
EQUITY AND LIABILITIES						
Equity						
Subscribed capital	5.2	1.6%	5.2	6.3%	0.0	0.0%
Capital reserves	11.2	3.5%	11.2	13.4%	0.0	0.0%
Retained earnings	33.6	10.4%	33.8	40.9%	-0.2	-0.6%
Equity attributable to equity holders of the parent	50.0	15.5%	50.2	60.6%	-0.2	-0.4%
Non-controlling interests	1.0	0.3%	0.8	1.1%	0.2	25.0%
	51.0	**15.8%**	**51.0**	**61.6%**	**0.0**	**0.0%**
Non-current liabilities						
Liabilities to non-controlling interests	6.0	1.9%	5.7	6.9%	0.3	5.3%
Other liabilities and accrued liabilities	39.2	12.2%	1.9	2.3%	37.3	>100.0%
Deferred tax liabilities	5.2	1.6%	0.0	0.0%	5.2	>100.0%
	50.4	**15.7%**	**7.6**	**9.2%**	**42.8**	**>100.0%**
Current liabilities						
Trade payables	9.5	3.0%	2.2	2.7%	7.3	>100.0%
Contract liabilities	4.0	1.2%	3.9	4.8%	0.1	2.6%
Liabilities to non-controlling interests	1.7	0.5%	1.7	2.1%	0.0	0.0%
Income tax liabilities	1.4	0.4%	1.0	1.2%	0.4	40.0%
Current financial liabilities	170.1	52.8%	0.0	0.0%	170.1	>100.0%
Other liabilities and accrued liabilities	34.0	10.6%	15.7	19.0%	18.3	>100.0%
	220.6	**68.5%**	**24.4**	**29.4%**	**196.2**	**>100.0%**
Total equity and liabilities	**321.9**	**100.0%**	**82.9**	**100.0%**	**239.0**	**>100.0%**

*) Differences in totals due to rounding
**) Not fully comparable with the prior-year figures (for an explanation see the "Changes in accounting policy" section in the notes to the consolidated financial statements)

The total assets of the Amadeus FiRe Group rose by EUR 238.4m or 285.5% to EUR 321.9m as of 31 December 2019. This substantial increase is mainly due to the inorganic growth from the acquisition of Comcave Holding GmbH as of 19 December 2019 and the effects from the first-time application of the new lease standard IFRS 16.

This equity side of the balance sheet changed considerably as a result. The equity ratio decreased to 15.8% from 61.0% in the prior year. The Amadeus FiRe Group thus has a very different financing structure at present.

Non-current assets increased by EUR 250.5m to EUR 266.1m in the course of the fiscal year. The rise in goodwill by EUR 164.8m due to the acquisition of Comcave Holding GmbH accounted for most of this increase. Intangible assets grew by EUR 36.8m as a result of the purchase price allocation following the acquisition of Comcave Holding GmbH and investments, in IT systems in particular. The effects from the statutory changes due to IFRS 16 resulted in an increase in right-of-use assets of EUR 47.7m.

Current assets decreased by EUR 12.2m to EUR 55.8m, while trade receivables were higher, up EUR 7.9m due to organic business growth and the acquisition of Comcave Holding GmbH. This contrasted with a significant decrease in cash and cash equivalents by EUR 24.1m following the distribution of the prior-year profit as a dividend and utilization of funds for the acquisition.

On the liabilities side, non-current liabilities increased by EUR 42.2m to EUR 50.4m. As of the reporting date, they include liabilities to non-controlling interests of Steuer-Fachschule Dr. Endriss totaling EUR 6.0m, resulting from a potential settlement claim in respect of the non-controlling interests. The value of the settlement claim rose by EUR 0.1m in comparison to the prior year on account of the trend in the training business and stable prospects for the future. Other non-current liabilities and accrued liabilities increased by EUR 37.3m, largely due to the first-time consolidation of Comcave Holding GmbH.

Current liabilities totaled EUR 220.6m as of the reporting date, up EUR 196.2 m on the prior-year figure of EUR 24.4m. This figure includes in particular financial liabilities from the bridge financing of approximately EUR 170m to finance the purchase price for Comcave Holding GmbH. Trade payables rose by EUR 7.3m, mainly as a result of the inorganic growth. The same applies for other liabilities and accrued liabilities, which increased by EUR 18.3m in the course of the fiscal year. Income tax liabilities rose slightly by EUR 0.4m.

Investment and financing

Amounts stated in EUR k	01.01. – 31.12.2019	01.01. – 31.12.2018
Cash flows from operating activities	36.7	26.4
thereof working capital changes	3.1	-1.4
Cash flows from investing activities	-203.0	-3.3
Cash flows from financing activities	142.2	-21.9
Net change in cash and cash equivalents	-24.1	1.2
Cash and cash equivalents at the beginning of the period	44.6	43.4
Cash and cash equivalents at the end of the period	20.5	44.6
Composition of cash and cash equivalents as of 31 December		
Cash on hand and bank balances (without drawing restrictions)	20.5	44.6

The cash flow statement for fiscal year 2019 is dominated by two topics: the effects of the acquisition of 100% of the shares in Comcave Holding GmbH and the related debt and equity financing as well as the first-time application of IFRS 16.

First, we explain the technical effects of IFRS 16 on the cash flow statement. The principal portion of the lease payments from former operating leases reduces the cash flow from financing activities instead of the cash flow from operating activities starting from fiscal year 2019. In addition, the interest portion of the lease liabilities is also included in the cash flow from financing activities starting from fiscal year 2019. This resulted in an improvement in cash flow from operating activities by EUR 5,265k in fiscal year 2019.

To finance the purchase of Comcave Holding GmbH made as part of investing activities, cash and cash equivalents of Amadeus FiRe AG of EUR 28,318k were used and bridge financing of EUR 170,000k was raised.

In addition, as in the prior years, the Amadeus FiRe Group distributed its entire retained earnings in fiscal year 2019. In May 2019, a dividend of EUR 24.2m or EUR 4.66 per share was paid to the shareholders of Amadeus FiRe AG. EUR 1.3m of net cash and cash equivalents was also used to finance the payout to the non-controlling interests of Steuer-Fachschule Dr. Endriss.

Cash and cash equivalents came to EUR 20.5m as of 31 December 2019 (31 December 2018: EUR 44.6m). The share of cash and cash equivalents in total assets therefore dropped strongly by 47 percentage points and currently stands at 6.4%.

Please refer to notes 30 to 32 of the notes to the consolidated financial statements for detailed information.

The management board's summary assessment of business developments in the reporting year

A shortage in the availability of skills and a resulting lack of qualified specialists is a good market environment overall for the Amadeus FiRe Group. The temporary staffing service and interim and project management, in particular, were able to benefit from this in the fiscal year and notched up significant growth. There was a sound increase in the operating result despite the special expenses incurred for the Comcave acquisition. The sustained focus on sales success factors and steady expansion of the sales organization continue to form the basis for success. New internal staff were hired successfully according to plan. The new sales software was also rolled out successfully at all locations.

The acquisition of Comcave Holding GmbH resulted in significant changes in the organization's financing structure. The equity ratio and available cash and cash equivalents decreased and debt was raised. The acquisition was initially carried out using short-term bridge financing, which is now to be transferred to a longer-term structure. Based on the cash-generating operations of the Amadeus FiRe Group, there are various viable options for this and the Amadeus FiRe Group is well positioned for a sound development going forward.

At 49.9%, the average return on equity was down 4 percentage points on the prior-year figure of 53.9%. The decrease is due to the higher equity on average during the fiscal year compared with the prior-year period coupled with a profit for the period that is roughly unchanged year on year due to the special charges incurred at year-end for the Comcave transaction.

The Amadeus FiRe Group was in a position to meet its payment obligations in full at all times during the reporting period.

The Group's economic situation remains very stable. At the time of preparing these consolidated financial statements, the management board considers the Group's economic situation to be strong.

5. Assets, liabilities, financial position and financial performance of Amadeus FiRe AG

In contrast to the consolidated financial statements based on the IFRSs of the International Accounting Standards Board (IASB) as applicable in the EU, the separate financial statements of Amadeus FiRe AG were prepared in compliance with German legally required accounting principles in accordance with the provisions of Secs. 242 to 256a and Secs. 264 to 288 HGB ["Handelsgesetzbuch": German Commercial Code] and the special provisions of the AktG ["Aktiengesetz": German Stock Corporation Act].

The Company'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 Company does not provide any tax or legal services.

As was the case for the Group, the trend for business was positive in 2019. Amadeus FiRe AG's revenue rose 11.5%, from EUR 164.4m in the prior year to EUR 183.2m.

The cost of sales amounted to EUR 100.1m, an increase of EUR 12.9m (prior year: EUR 87.2m).

Selling expenses came to EUR 43.0m, EUR 4.1m higher than the EUR 38.9m recorded in the prior year. This increase is principally due to higher personnel expenses. The number of employees working in sales rose over the course of the year. Rent and vehicle costs also contributed to the increase in selling expenses.

General and administrative expenses were up 0.9% on the prior year at EUR 9.9m.

Income from equity investments amounting to EUR 7.0m was generated in fiscal year 2019 (prior year: EUR 5.5m). Other income from a profit and loss transfer agreement with Amadeus FiRe Services GmbH came to EUR 0.3m (prior year: EUR 0.3m). The net interest expense amounted to EUR 860k (prior year: net income of EUR 4k).

Income tax expenses in fiscal year 2019 totaled EUR 10.0m, compared with EUR 9.7m in the prior year.

This resulted in a profit of EUR 26.8m for fiscal year 2019 (prior year: EUR 24.9m), an increase of EUR 1.9m or 7.7%.

Total assets as of 31 December 2019 were up by EUR 181.3m year on year to EUR 249.2m (prior year: EUR 67.8m) as a result of the Comcave transaction performed in December. Non-current assets of EUR 143.7m were up in comparison to the prior year (EUR 13.6m).

Trade receivables rose by 6.5% or EUR 1.3m on the prior year and receivables from affiliates stood at EUR 76.4m, well up on the prior-year figure of EUR 2.7m due to the acquisition. Cash and cash equivalents came to EUR 6.6m at the end of the reporting year (prior year: EUR 31.0m).

Equity accounted for 21.5% of the equity and liabilities side of the balance sheet, compared with 75.2% in the prior year. Overall, equity grew from EUR 51.0m to EUR 53.6m. The dividend payout adopted by the shareholder meeting was EUR 2.5m less than the profit for 2019 (prior year: EUR 4.3m).

At the time this report was prepared, the management board also considered Amadeus FiRe AG's financial performance, financial position and assets and liabilities to be very stable.

6. Our employees

For the Amadeus FiRe Group as a personnel services provider and training business, the individual is always at the center of its day-to-day operations – both in the personnel services segment when it comes to career orientation and development and in the training segment when it comes to sharpening or acquiring new skills. The steady development of the Amadeus FiRe Group would not have been possible without the contribution of many people over the years. The Group's employees are the foundation for the future and the element most responsible for its positive performance. Its future will be shaped by the hard work and commitment of each and every employee.

Shortly before year-end, on 19 December 2019, Amadeus FiRe AG acquired all the shares in Comcave Holding GmbH. Comcave's headcount is not included in the group headcount of the Amadeus FiRe Group for fiscal year 2019 or in the following disclosures due to the very late acquisition date. It will be included for the first time at the beginning of fiscal year 2020. 377 people were employed by Comcave as of 31 December 2019.

The Amadeus FiRe Group had an annual average of 3,123 employees including trainees in 2019, which is a welcome increase of 276 employees compared with the prior-year average. As of 31 December 2019, the Amadeus FiRe Group had 3,199 employees, 275 more than a year earlier. This positive development is attributable to a higher number of external and internal staff.

On average, some 80% of our employees represented Amadeus FiRe working for customers under employee leasing arrangements in 2019. 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 and instructors, as well as our employees in accounting, HR, the legal department, information technology, marketing and all other functional and administrative functions are the executive basis for our operations.

Our personnel developed as follows in the fiscal year:

Number of employees*		March	June	Sept.	Dec.	Ø	Personnel expenses (EUR k)
Employees on customer	**2019**	**2,426**	**2,467**	**2,579**	**2,560**	**2,508**	**97,231**
assignments	2018	2,232	2,258	2,328	2,358	2,294	84,503
Sales staff	**2019**	**542**	**542**	**551**	**572**	**551**	**41,326**
(internal staff)	2018	491	492	496	504	496	36,149
Administrative staff	**2019**	**46**	**50**	**50**	**49**	**49**	**5,053**
	2018	41	42	41	46	43	6,819
Trainees	**2019**	**12**	**11**	**18**	**18**	**15**	**210**
	2018	14	12	18	17	15	211
Total	**2019**	**3,026**	**3,070**	**3,198**	**3,199**	**3,123**	**143,820**
	2018	2,778	2,803	2,883	2,924	2,847	127,682

*) This break down reflects only staff who where active in the fiscal year.

Part of the management not subject to audit in accordance with IDW AuS 350 (revised)

As of 31 December 2019, the share of part-time employees at Amadeus FiRe was 19.4% (prior year: 20.3%).

Amadeus FiRe offers its external staff many opportunities to take the next step in furthering their careers. Amadeus FiRe hired 3,382 employees for customer assignments over the course of 2019 (prior year: 3,113 employees).

The number of employees on customer assignments was consistently higher than in the prior year. In many cases, our temporary workers were taken on by the companies they were assigned to and thus stayed on as permanent employees at our customers. The resulting reduction in headcount was offset by new hires over the course of the year. The number of temporary workers as of 31 December 2019 was 8.6% higher than the prior-year figure (prior year: increase of 1.3%).

The average age of temporary workers was around 39 in 2019. 62% of external staff were female. The effects of the statutory amendments to the German Personnel Leasing Act from April 2017 also had an impact on the retention period for temporary workers at Amadeus FiRe in the fiscal year. The average retention period decreased by around one month to approximately 12 months.

Undertaking temporary work at Amadeus FiRe is usually a stepping stone along our employees' individual career paths and not a long-term individual working model. Amadeus FiRe 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 2019, the proportion of hires resulting from the placement of job advertisements in various job portals and on Amadeus FiRe's home page was 61% (prior year: 66%). A second, very stable long-term source of recruitment are former employees and recommendations. This second source accounted for a share of 25% in the reporting year (prior year: 24%). This can be seen as confirmation of the appreciation employees have for the Amadeus FiRe Group as an employer. 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 551 people were employed in the sales organization, 11.1% or 55 more than in fiscal year 2018.

In administration, the average number of employees increased from 43 in 2018 to 49 in 2019.

The average age of sales and administrative staff was 32.2 and was therefore on a par with the prior year. The average annual gender ratio of female to male employees was balanced, with a marginally higher share of female employees (51%).

Each year, Amadeus FiRe employs young trainees at its headquarters and major locations. It had an average of 15 trainees in 2019, which was the same as in the prior year.

7. Takeover-related information

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 5,198,237.00 and is divided into 5,198,237 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 27 May 2015, 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.

8. Statement on corporate governance pursuant to secs. §§ 315d and 289f HGB

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, in its own name and on behalf of the supervisory board, pursuant to No. 3.10 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 management board and supervisory board of Amadeus FiRe AG declare that the Company has met, and continues to meet, the recommendations of the German Corporate Governance Code (as amended on 7 February 2017) presented by the Commission on the German Corporate Governance Code with the following exceptions:

1. Departure from No. 4.2.2, paragraph 2

The supervisory board observes all statutory provisions and recommendations of the German Corporate Governance Code pertaining to the appropriateness of the management board's compensation, but has not defined senior management for Amadeus FiRe AG.

The management structure of Amadeus FiRe AG and the Amadeus FiRe Group is characterized by its relatively small management team, flat hierarchy and decentralized organization. The supervisory board believes that defining senior management would neither reflect the actual structure of the Company nor be useful from an operating or organizational perspective.

The supervisory board is confident in its ability to ensure that the compensation of the management board is appropriate without defining senior management.

2. Departure from No. 4.2.5, paragraph 3 (first bullet point)

The Company opted not to state the maximum and minimum levels of compensation achievable by the management board (in accordance with standard table 1).

The supervisory board believes that stating the maximum and minimum levels of compensation in the requested form – without the context of the compensation rules behind it – is misleading and can lead to inaccurate conclusions. The remuneration report of Amadeus FiRe AG states that the variable remuneration of the management board members has either been revoked or it is subject to a cap. The supervisory board is of the opinion that this statement is entirely sufficient.

3. Departure from No. 5.4.1, paragraph 2, sentence 1

The Company has not set a time limit for membership of the supervisory board. The personal and professional qualifications of the candidates and members of the supervisory board remain the determining factors, regardless of the length of time they have served on the supervisory board.

4. Departure from No. 5.3.3

The supervisory board has not formed a permanent nomination committee for the purpose of electing supervisory board members.

The supervisory board intends to form a nomination committee as needed for the preparation of those shareholder meetings in which the election of supervisory board members shall be resolved.

Part of the management not subject to audit in accordance with IDW AuS 350 (revised)

Structure and oversight of Amadeus FiRe AG

Shareholders and shareholder meeting

Amadeus FiRe AG's shareholders exercise their codetermination and control rights at the Company's 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.

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 are also made available on Amadeus FiRe AG's website.

The next annual shareholder meeting is scheduled to take place on 20 May 2020 in Frankfurt am Main.

Cooperation 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. Until 31 December 2018, the management board comprised two members, Peter Haas and Robert von Wülfing. Peter Haas left the management board upon expiry of his management board contract as of 31 December 2018. Mr. Dennis Gerlitzki was appointed as a new member of the management board of Amadeus FiRe AG, effective as of 1 January 2019. The management board therefore continues to comprise two members as of the beginning of 2019. 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.

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 2019, 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 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 six 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 2019, there was no election of new members to the supervisory board at the shareholder meeting held on 23 May 2019.

The current 12 members of 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

None of its members left the supervisory board over the course of the year.

No former management board member is currently on the supervisory board, which is in compliance with the recommendations of the German Corporate Governance Code that no more than two former members of the management board should be members of the supervisory board of Amadeus FiRe AG.

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 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.

The German Corporate Governance Code recommends that the chairman of the accounting and audit committee have specialist knowledge and experience in the application of accounting principles and internal controls. This recommendation has been implemented at Amadeus FiRe. 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. As a result, he has extensive knowledge and experience of internal controls and the application of accounting principles.

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

Compensation of the management board and supervisory board is presented in detail in the section on compensation in the management report. 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. Please see section 11 on compensation for further details.

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 5,000 in any one calendar year (directors' dealings). In fiscal year 2019, 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 2019, a total of 5,700 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 37 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 proportion of women at the two management levels below the management board was 10.5% (as of 31 December 2019). The FührposGleichberG ["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 10% for the first and second management levels below the management board. This target was exceeded with a proportion of 11% as of the cut-off date 30 June 2017. The management board adopted a new resolution with a minimum proportion of 11% and an implementation deadline of midnight, 30 June 2022.

The Company's supervisory board is composed of 12 members. As of the reporting date, the supervisory board was composed of five women and seven men. When appointing men and women to its supervisory board, the Company thus complied with the statutory minimum quota of 30%.

Given the specific situation in the Company – in particular, the fact that the management board is currently composed of two 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.

Part of the management not subject to audit in accordance with IDW AuS 350 (revised)

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. This also allows private 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 2019 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 2019 did not result in any such findings.

9. Sustainability report

Amadeus FiRe publishes its sustainability report and non-financial statement in accordance with Secs. 289b and 315b HGB in its combined management report on the Company's website. The most recent sustainability report and non-financial statement can be accessed in German at www.amadeus-fire.de/investor-relations/nachhaltigkeits-bericht/.

10. Risks

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

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.

Risk areas

Significant risks for the Amadeus FiRe Group are as follows:

General economic risks

The economic situation deteriorated further in the reporting year compared with the prior year. The German economy thus continued its growth on a lower level. The primary growth driver in 2019 was domestic demand from both private households and the government. At the beginning of 2020, economic activity in Germany is likely to show solid development at the very least, particularly as interest rates will initially remain low and demand from abroad is expected to increase again.

Looking to the domestic economy, opportunities for positive economic growth currently prevail. There is a potential risk that problems in the industrial sector will persist for longer than expected. The resulting sustained

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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 see to what extent geopolitical tensions will intensify, for example in the Middle East.

The imminent pandemic due to the outbreak of coronavirus in China poses a risk to the general economy that was not quantifiable as of the reporting date. This could have relevant negative consequences.

Transparency is low overall and it is difficult to forecast how the various factors will develop. The underlying economic and political situation appears to be very robust and stable, however. Nonetheless, the overall performance of the German economy could turn out to be more favorable or less favorable than predicted in the opportunities and outlook section. One basic prerequisite for stable growth in Germany is global economic growth of 3% or more.

Industry risks

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

Temporary staffing represents an alternative type of employment for companies which allows them to respond flexibly to fluctuations in labor demand and is also as 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. The reputation of temporary staffing has also improved in society. The collective agreements for the temporary staffing industry which have been in place since 2003, the changes to the industry surcharge agreements introduced gradually since November 2012 and the amendments to the German Personnel Leasing Act, in particular equal pay, which entered into force in April 2017 have contributed to this development.

Despite these positive developments, customer companies' economic situation and therefore general economic growth poses an intrinsic risk to the future performance of the industry and the Amadeus FiRe Group.

The temporary staffing 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.

However, the surcharges on the collective wages are in some cases lower for highly qualified professions, which are the focus of the Amadeus FiRe Group, than for industrial workers. There is also less reliance on a few, large customers. Experience thus far has shown that the Amadeus FiRe Group's customers accept the higher cost rates brought about by the industry surcharges. Proper administrative processing is also guaranteed.

When the law for the amendment of the German Personnel Leasing Act on came into force on 1 April 2017, it introduced a maximum lease duration of 18 months as well as equal pay for temporary workers after working for the company to which they are assigned for 9 months. This means that, after 9 months, a temporary worker should receive the same salary as the permanent staff of the company to which he or she is assigned. Administrative expenses increased significantly from 2018 as a result of these provisions. This was a result of the greater complexity involved in the equal pay process. In addition, the law reduces workforce flexibility.

The difficulty for the industry and the customer companies posed by the fact that the wage components covered by the term equal pay were not adequately defined by the legislator was partly resolved through the addition of supplements to the industry surcharge agreements. They introduced an additional surcharge level in the pay system set out in the collective industry surcharge agreements in lieu of an “equal pay” salary.

Most customers have accepted and are adopting the new equal pay system. However, there are also some customers who categorically refuse to accept assignments lasting longer than nine months. While the market conduct of customer companies has changed in the wake of equal pay, demand has not decreased as a result. The effects of equal pay are a lower average contractual term, which means that temporary workers switch companies and have to be given new placements more frequently. In addition, the high administrative workload, the requirement to disclose internal information used to calculate equal pay and yet another increase in the cost of leasing staff are a risk factor for long-term assignments.

The rule on the maximum lease duration does not have any relevant impact on Amadeus FiRe Group’s business development. Due to the first-time application of the maximum lease duration to the order books, there were no longer any long-term temporary employment contracts, which in turn resulted in a slight reduction in the average assignment duration. We do not expect any further effects from this rule.

The collective agreement from November 2016 expired as of 31 December 2019. More pay rises were implemented in April 2019. A new collective agreement was concluded in December 2019 and is valid from 1 January 2020 to 31 December 2022. This provides for further annual pay rises for temporary workers. From April 2021, there will no longer be any difference between pay rates in East and West Germany. The minimum vacation entitlement will increase to 25 days per annum from 1 January 2021. The agreement also provides for an increase in vacation and Christmas bonuses and annual leave during the length of service over a five-year period. Temporary workers can consequently expect to receive annual bonuses of up to EUR 750 and annual leave of up to 30 days a year depending on their length of service. Changes in the rules relating to working time accounts increase flexibility for the employer in particular. The collective agreement will make labor 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.

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

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, 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 Holding GmbH, which was acquired on 19 December 2019. 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 this context, Comcave Holding GmbH has the following risk management tools in place: evaluations of various internal performance indicators, such as development of the number of participants per location and form of learning, evaluation of the quality of the regional market for each location, regular benchmarking against the major providers, annual participation in labor market discussions organized by the German Federal Employment Agency at the various locations and location-based annual evaluation of the training objective plans of public funding institutions and of Jobmonitor as well as labor market analysis.

Having the requisite license plays a keys role in the niche market of publicly funded occupational training. Comcave is a certified provider in this market and licensed in accordance with the AZAV ["Akkreditierungs- und Zulassungsverordnung Arbeitsförderung": German Accreditation and Licensing Ordinance for the Promotion of Employment]. Comcave is therefore eligible to redeem education vouchers. All courses offered by Comcave Holding GmbH 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.

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 – note in particular the legislative changes as of 1 April 2017 ("equal pay" and "maximum lease duration") – that the correct interpretation of the changes is not always clear, even among industry experts and specialist lawyers whom Amadeus FiRe engages. However, Amadeus FiRe believes the measures taken and the new staff hired in the legal department 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 among the Amadeus Fire Group's top priorities for many years. Internal checks are regularly conducted and documented to ensure that the IT systems are implemented on the basis of the specifications and guidelines of defined security standards. IT security management has been expanded and an information security management team set up. The Group is currently transitioning to ISO27001 and hopes to be certified.

IT operations comprise a decentralized organization across locations nationwide with centralized data storage and IT support. This makes it necessary to keep the risk of line connection downtime as low as possible. This is achieved by using a high-quality and secure wide area network and redundant data lines from various providers. High connection quality is contractually ensured in service level agreements with corresponding performance standards. The latest encryption technologies ensure that the transferred information is extensively protected.

At the data center, the focus is on a high performance level and stable operation of the systems. The use of state-of-the-art IT components and large-scale redundancy ensures that the target operating level can be attained. A further focus of the Company is on the avoidance of data loss. This is achieved through the use of highly available servers and a modern backup architecture.

Particular care is taken to protect the personal data of business partners and employees. Closely monitored rights and role management and sophisticated network segmentation ensure the restrictive assignment of rights in order to preserve the confidentiality and integrity of the information. A disaster recovery plan has been developed for emergencies and provides for the use of alternative IT system resources at another location.

Comcave pursues a standardized IT strategy at all locations. The highly integrated IT system in use 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. There are no significant foreseeable IT risks at present.

Financing risks

The Amadeus FiRe Group held cash and cash equivalents amounting to EUR 20.5m as of 31 December 2019. These funds form the basis for the solid financing of the Company's operations, 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 a bridge loan for EUR 170m with a term of one year. This loan therefore needs to be refinanced in fiscal year 2020. Amadeus FiRe AG has various options for arranging the refinancing. The operating business of the Amadeus FiRe Group with its high operating profit and extremely strong liquidity forms the basis for debt financing arrangements.

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 of the Amadeus FiRe Group, it has a continuously high need for qualified professionals and executives, both to work in-house 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 prospective employees. The persistent shortage of professionals and executives and a low rate of unemployment make it difficult to recruit suitable staff. This is also reflected by the fact that the planned expansion of the sales organization in 2019 was largely but not fully completed. The excess demand on the labor market is expected to continue in 2020 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 Amadeus FiRe or Comcave 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 by company management

Assessing the overall risk situation involves a consolidated examination of all individual risks and areas of risk. The Amadeus FiRe Group's risk environment changed significantly year on year during the reporting period as a result of the acquisition of Comcave Holding GmbH. The specific risks and risk areas of Comcave were 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.

Internal control and risk management system in relation to the (group) financial reporting process

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:

Amadeus FiRe uses a standardized group-wide approach to monitor the effectiveness of its internal control system. This approach includes a definition of the required controls, which are documented using uniform specifications and regularly tested.

In connection with the acquisition of Comcave Holding GmbH by Amadeus FiRe AG as of 19 December 2019, the risk management and internal control system in place at Comcave has been transferred unchanged for the time being and will be integrated into the Group's system in fiscal year 2020.

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.

11. 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 is in line with the recommendations of the German Corporate Governance Code. It meets the requirements of the applicable provisions contained in Secs. 289a (2), 314 (1) Nos. 6a and b, 315a (2) No. 2 HGB.

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	
Fixed component	**Bonus**

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.

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 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 EBITA achieved in the fiscal year based on EBITA before deduction of the management board bonuses. An earnings bonus is paid out once an 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 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 EBITA above this mark is paid as a growth bonus.

The earnings and growth bonuses are granted based on the consolidated EBITA of the Amadeus FiRe Group. In addition, an earnings and growth bonus can be granted in relation to the 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 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 current LTI plans of the management board members are detailed as follows. The LTI plan is aimed at achieving a long-term and sustainable increase in 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 multi-year reference period. If this eligibility threshold is not met, there is no entitlement to a long-term performance-based bonus under the LTI plan. In addition to this first eligibility threshold, the LTI plan defines a second, significantly higher threshold, which, if achieved, results in an increase by an additional 50% in the total long-term performance-based bonus 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 EBITA figures achieved during the term. In addition, in each fiscal year of the term, a high EBITA margin must be achieved as a prerequisite for the inclusion of a percentage of the EBITA of the respective fiscal year in the total entitlement under the LTI plan.

In the case of the current five-year management board contract of Mr. von Wülfing, for example, the first threshold is reached if EBITA increases by an average of at least 20% compared with a three-year reference period (the three years prior to the start date of the management board contract). The second threshold is reached if EBITA increases by at least 30% on average. If the average increase in EBITA is less than 20% there is no entitlement to a long-term performance-based bonus under the LTI plan.

The figure below illustrates theoretical payments under the LTI plan:

Example of terms and conditions of a management board LTI plan

Reference period:

From Year_1 – To Year_x

$$Ø\text{-EBITA}_{(R)} = \frac{(\text{EBITA}_1 + \ldots + \text{EBITA}_x)}{x}$$

The basis for calculating the average EBIT increase$_{(W)}$ is the average EBITA for a multi-year reference period$_{(R)}$.

Duration of management board contract:

From Year_1 – To Year_n

$$Ø\text{-EBITA}_{(V)} = \frac{(\text{EBITA}_1 + \ldots + \text{EBITA}_n)}{n}$$

The second component for calculating the average EBIT increase$_{(W)}$ is the average EBITA for the duration of the management board contract$_{(V)}$.

LTI entitlement: Basic condition

$$Ø\text{-EBITA}_{(W)} = \frac{Ø\text{-EBITA}_{(V)}}{Ø\text{-EBITA}_{(R)}} - 1$$

An LTI entitlement exists after the end of the contract if predefined thresholds for the the average EBITA increase$_{(W)}$ are reached. A multiplier (M) is defined for each threshold.

Duration of management board contract:

Year_1 … Year_n

Annual Amount_1 + … + Annual Amount_n

A certain percentage of the annual EBITA (annual amount)) is allocated to the LTI plan for each year of the management board contract. This is conditional upon a predefined threshold for the annual EBITA margin having been exceeded.

LTI entitlement: Calculation

$$LTI = M * (\text{Annual Amount}_1 + \ldots + \text{Annual Amount}_n)$$

If the basic condition is met, the payment amount (LTI) is calculated as the product of the multiplier (M) and the totals of the allocated annual amounts.

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 of the plan.

The supervisory board modified the design of the long-term variable compensation of management board members under the management board member compensation system with effect from 20 March 2019. Compensation under the LTI plan will be granted in shares in the future. On the basis of the current basic LTI structure presented above, the supervisory board plans to grant performance share units over the term of future management board contracts, calculated by reference to the annual EBITA achieved. These would be earned on expiry of the management board contract depending on the increase in average EBITA achieved and paid out in cash.

The performance share units would be granted for a fiscal year in the form of the grant amount of the current fiscal year divided by the share price. The share price would be calculated as the non-volume weighted average closing price of the Amadeus FiRe AG shares over a predefined number of trading days of the respective fiscal year. Dividend payments made over the further contractual term would also be converted into performance share units which would be earned on expiry of the management board contract and paid out in cash.

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 targets and forecast communicated for fiscal year 2019 – an increase in EBITA by 5% year on year – resulted in the following weighting of the compensation components:

Weighting of target compensation for 2019		
Fixed component	STI	LTI*
35%	51%	14%

*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 weighting will change from time to time based on the annual budgets and forecasts and any new management board contacts concluded. At the last shareholder meeting, the supervisory board announced that it intended to increase the weighting of the target amount for the long-term performance-based bonus under the LTI plan for management board contracts concluded in the future.

In March 2019, the supervisory board also made changes to the compensation system for management board members regarding the weighting between short-term and long-term variable consideration. The variable compensation resulting from the achievement of long-term targets (LTI plan) will be higher than the share from the achievement of short-term targets (STI). This will be implemented accordingly in all new 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 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. The long-term performance-based compensation (LTI) does not have any defined absolute ceiling; it is calculated as a percentage of the Group’s EBITA and is contingent on the eligibility criteria being met.

Future LTI plans for management board members will be capped and will therefore define a maximum payout amount for the LTI plan.

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 clawback provisions or special provisions governing a potential change of control.

The supervisory board will include a clawback provision in all management board contracts concluded in the future as a further element 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, both 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 two active management board members Robert von Wülfing and Dennis Gerlitzki. Mr. von Wülfing's current management board contract is valid for five years and expires on 31 December 2020. The current management board contract of Mr. Gerlitzki has a term of three years and expires on 31 December 2021.

Overview of the individual bonus inputs

Robert von Wülfing	
STI	
Earnings bonus	0.7% of consolidated EBITA
	1.0% of the training segment result
Growth bonus	5% of consolidated EBITA above HWM
	5% of the training segment result above HWM
LTI	Threshold >20% → 0.3% of EBITA
	Threshold >30% → 0.45% of EBITA

Dennis Gerlitzki	
STI	
Earnings bonus	0.7% of consolidated EBITA
Growth bonus	5% of consolidated EBITA above HWM
LTI	Threshold >20% → 0.3% of EBITA
	Threshold >30% → 0.45% of EBITA

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.

Overview of individual management board compensation

Robert von Wülfing

2019	Remuneration earned				Received	
in EUR k	2019	2019 (min)	2019 (max)	2018	2019	2018
Fixed Compensation	324	324	324	234	324	234
Other Compensation	19	19	19	18	19	18
STI	435	0	1.620	673	673	444
LTI*	183	0	n.a.	105*	0	0
Total	961	343	Dependent on EBITA-Development	1,030	1,016	678

Dennis Gerlitzki (appointed as of 1 Jan 2019)

2019	Remuneration earned				Received	
in EUR k	2019	2019 (min)	2019 (max)	2018	2019	2018
Fixed Compensation	252	252	252	-	252	-
Other Compensation	15	15	15	-	15	
STI	367	0	1.260	-	0	
LTI*	177	0	n.a.	-	0	-
Total	811	267	Dependent on EBITA-Development	-	267	-

Peter Haas (left the board as of 31 Dec 2018)

2019	Remuneration earned				Received	
in EUR k	2019	2019 (min)	2019 (max)	2018	2019	2018
Fixed Compensation	-	-	-	620	0	620
Other Compensation	-	-	-	24	0	24
STI	-	-	-	1,962	367	3,144
LTI*	-	-	-	400	0	2.000
Gesamt	-	-	-	3,006	367	5,788

*) The amounts accrued during the year for a later due date are not discounted here

Mr. Peter Haas did not renew his management board contract and retired from the Company effective 31 December 2018 at the end of his contractual term. The multi-year LTI and a portion of the STI for fiscal year 2018 were paid out to Mr. Peter Haas in fiscal year 2018. The rest was settled in the fiscal year just ended.

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. 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.

Fiscal year 2019	Average compensation
Management board	EUR 890k
Senior management	EUR 170k
Employees (internal)	EUR 60k

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:

Amounts stated in 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
Ms. 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
	268.2	47.7	11.5

The members of the supervisory board received the following specific compensation in 2018:

Amounts stated in EUR k	Supervisory board compensation	Committee compensation	Per-meeting fee
Mr. Christoph Groß	40.0	8.0	0.0
Mr. Michael C. Wisser	29.0	9.7	0.0
Mr. Knuth Henneke	18.7	4.7	0.0
Ms. Annett Martin	20.0	0.0	0.0
Ms. Dr. Ulrike Schweibert	20.0	0.0	0.0
Mr. Hartmut van der Straeten	20.0	10.0	0.0
Ms. Ulrike Bert	20.0	5.0	0.0
Ms. Angelika Kappe	20.0	0.0	0.0
Mr. Elmar Roth	20.0	0.0	0.0
Mr. Andreas Setzwein	20.0	5.0	0.0
Ms. Ulrike Sommer	20,0	5.0	0.0
Mr. Mathias Venema	20.0	0.0	0.0
	267.7	47.4	0.0

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 2019 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.

12. The Amadeus FiRe share

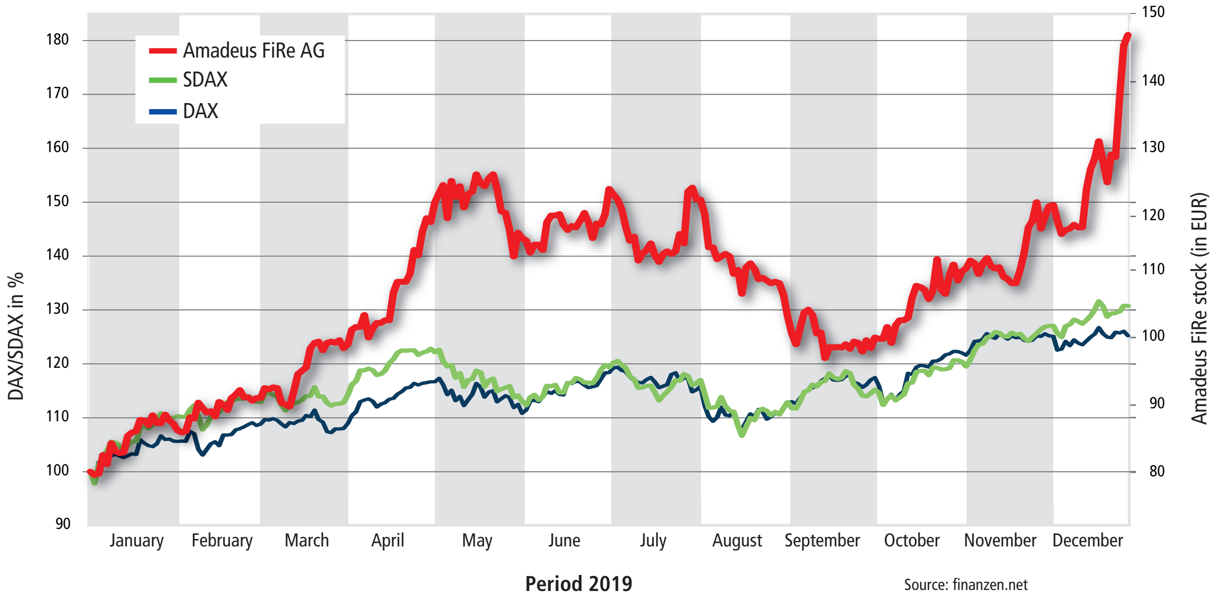
Performance of the Amadeus FiRe share in fiscal year 2019

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 22 March 2010 to 18 September 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 in September 2017, the share of Amadeus FiRe AG was removed from the index. Following another regular review of the SDAX in March 2019, the share of Amadeus FiRe AG has been included on the index again since 18 March 2019.

After the DAX's downward slide at the end of 2018, it reached its annual low of 10,417 points on 3 January 2019 before doing an about-face and rising to 12,413 at the beginning of May. The DAX then trended sideways until the end of July 2019, dipping to 11,413 points in mid-August 2019 due to the trade conflict between the US and China, which was escalating again at the time. At year-end, the DAX finally climbed to its annual high of 13,408 points on 16 December 2019 and closed out the year at a similar level. The share prices of SDAX-listed companies performed better until the beginning of May 2019 when the index reached a provisional high of 11,753 points. The SDAX then moved closer to the DAX during the rest of May 2019 and mirrored the latter's performance until December 2019. At year-end, the SDAX picked up again and closed up 30.8% on the prior year, while the DAX was up 25.2% year on year.

The price of the Amadeus FiRe share fluctuated in 2019. At the beginning of the year, the share price initially moved almost in line with the DAX and SDAX indices. From mid-March, the share price diverged from the indices, reaching its provisional annual and all-time high of EUR 126.00 on 22 May 2019. In the two subsequent months June and July, the share maintained its price level and, at the end of July, fell to reach a low of EUR 98.30 in mid-September 2019. The share of Amadeus FiRe AG rebounded sharply in the remaining months and was listed at a price of EUR 131.00 in mid-December, a new provisional annual and all-time high. With a closing price of EUR 124.80 on

Indexed share price performance



18 December 2019, Amadeus FiRe AG published its ad hoc announcement on the purchase of the shares in Comcave Holding GmbH on the morning of 19 December 2019. This resulted in further growth and a higher share trading volume. At the close of the year on 30 December 2019, the share reached an annual and all-time high of EUR 147.00. The share price therefore increased by 81.0% over 2019 as a whole.

Key figures for the Amadeus FiRe share

in EUR	2019	2018
Market price (XETRA closing price, Frankfurt)		
High	147.00	104.80
Low	80.70	77.70
Year-end	147.00	80.40
Trading volume on German exchanges ((in thousands of units)	2,295	2,333
Number of shares outstanding (in thousands)	5,198	5,198
Stock market capitalization (31 December, in EUR m)	764	418
Earnings per share	4.62	4.66

Amadeus FiRe AG's shareholder structure as of 31 December 2019

According to the definition of Deutsche Börse AG, 100% of the shares of Amadeus FiRe AG are in free float. About 56% of the known shareholdings are held by foreign institutional investors, and around 44% by institutional investors in Germany. 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.

Investor Relations

The Amadeus FiRe Group's management board and investor relations department maintain an ongoing dialog with existing and potential investors, stock market analysts and banks. Communication with market participants is subject to the statutory requirements and guided by the principle that all information must be communicated frankly, transparently and without delay. 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 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.

Amadeus FiRe's share was analyzed and evaluated by M.M. Warburg in 2019.

The Company's annual 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). Amadeus FiRe ensures that up-to-date and extensive information is made available and that the Company can be contacted at any time.

13. Subsequent events

The spread of the corona virus will have a significant impact on the business segments of the Amadeus FiRe Group, as described in the section "Expected sales and earnings development". In addition, no events of particular significance have occurred since 31 December 2019 that are expected to have a material impact on the net assets, financial position and results of operations of Amadeus FiRe.

14. Opportunities and Outlook

Focus of the Amadeus FiRe Group for the next fiscal year

The Amadeus FiRe Group will continue to offer the services temporary staffing, permanent placement, interim and project management and training. It will retain its basic focus on commercial professions as well as IT services. There are no plans to expand into other countries. In the training segment, the Amadeus FiRe Group has taken its first step into the market for publicly funded advanced vocational training and occupational retraining. Reintegration of such training participants in the employment market and, as a result, a close linking of the activities of the two business segments will play a role in fiscal year 2020.

Overall economic outlook

Economic forecasts for 2020 unanimously predict weaker, but continued upward global economic growth. The International Monetary Fund forecasts global economic growth of 3.3% next year, which is above the figure for 2019. The global economic situation is volatile and highly uncertain in light of the ongoing trade conflict between the US and China and the ongoing uncertainty in respect of future relations between the UK and the EU as well as the general political disintegration tendencies.

The potential effects of a pandemic as a result of the outbreak of coronavirus in China are not included in this forecast. These represent a further significant uncertainty factor for the 2020 forecast.

The IMF is forecasting 2.0% growth for the US in 2020. For the second largest economy, China, the IMF forecasts relatively weak growth of 6.0% due to the trade disputes with the US.

The European Central Bank initially ended its sovereign bond-buying program in December 2018, only to resume it with a provisional volume of EUR 20 billion per month in November 2019. A potential rise in interest rates is not expected until the second half of 2020 at the earliest due to the deterioration in growth prospects for the economy amid the trade conflict between the US and China, the uncertainty in respect of future relations between the UK and the EU and further geopolitical risks. The purchases will not be stopped until an increase in key interest rates is imminent. In turn, the key interest rates will not be raised until the inflation outlook for the euro area robustly converges to a level sufficiently close to, but below 2%. At the end of October 2019, the US Federal Reserve lowered its benchmark rate to a range of 1.50% to 1.75%. This was the third consecutive cut in 2019.

On the back of high domestic demand and an expected improvement in demand from abroad, real GDP growth of 1.3% in the eurozone is expected in 2020 compared with 1.2% in 2019.

Deutsche Bundesbank anticipates that the German economy will gradually emerge from its weak phase in 2020 and grow at rate similar to 2019. In its latest forecast, issued in January, the IMF predicts growth of 1.1% in Germany in 2020, before adjustment for calendar effects. There will be positive calendar effects in 2020 since there will be three more available working days than in 2019. Deutsche Bundesbank expects German real GDP to grow by 0.6% in 2020. As in the past, this figure, which is adjusted for calendar effects, is the figure on which the Amadeus FiRe Group is basing its opportunities and outlook report. The current forecast by the German federal government (January 2020) predicts GDP growth of 0.7% adjusted for calendar effects and 1.1% without adjusting for calendar effects for 2020.

Private consumption, government consumption and exports will stimulate growth in 2020. Private consumption will remain on an upward trajectory and will benefit from expansionary financial policies and the supportive impact of monetary policy. Households' real disposable incomes will grow at a slower pace than in the prior year, however, due to the less dynamic employment trend. This means that private consumption will rise less sharply over the next few years that in the fiscal year just ended. Exports are likely to see a gradual recovery in 2020 and grow in pace with foreign demand. As a result, the industrial sector should return to growth, albeit with a certain delay, and bury its phase of economic weakness. Housing construction is expected to expand further in 2020, though not as much as in the prior year.

Figures in %	Forecast Deutsche Bundesbank	
	2019	2020
	As of January 2020	As of January 2020
Global economic growth (IMF forecast)	2.9	3.3
Components of real GDP		
Private consumption	1.6	1.1
Government consumption	1.9	2.4
Gross fixed capital formation	2.7	0.2
Exports	1.0	0.8
Imports	2.2	1.6
Contributions to GDP growth (in percentage points)		
Domestic final demand	1.8	1.1
Changes in inventories	-0.8	-0.3
Net exports	-0.4	-0.2
German GDP (real)	0.5*	0.6

Source: International Monetary Fund, Deutsche Bundesbank
*) Difference in total due to rounding

Looking to the domestic economy, risks to further economic growth currently prevail. If the industrial sector, which is heavily dependent on exports, does not stabilize as expected the downturn could have a knock-on effect on the more domestically oriented sectors of the economy that have proven robust to date.

Risks to the 2020 forecast can also be found in international trade. The unchanged trade policy pursued by the US and related uncertainty about the future of global trade as well as a potential economic slowdown in China and ongoing doubts concerning future relations between the UK and the EU could pose a threat to economic growth. The response of the global economy to these myriad uncertainties is hard to predict. It also remains to be see to what extent geopolitical tensions will intensify, for example in the Middle East.

The labor market is again expected to see a stable development on a good level next year. Absolute employment should continue to rise. However, lower immigration levels, an overall shortage of labor and Germany's unfavorable demographic outlook will hamper this development. Further growth in the coming years will be possible only to a limited extent, if at all. The baby boomers, i.e., those born between 1955 and 1965, will cease pursuing active employment and go into retirement in the coming years. This will likely exacerbate the shortage of skilled labor long term.

The annual economic report by the German federal government forecasts an annual average increase in people in work of 190,000 for 2020 compared to the prior year. The number of people in work is therefore set to increase to over 45.4 million in 2020 as employment growth continues apace.

For the first time in years, unemployment is likely to rise slightly again in 2020 to a little above the past year's average of 5.0%. The number of people of working age has increased as a result of immigration, but a rising proportion thereof are expected to participate in labor market policy measures and will therefore be removed from the statistics. The number of people officially registered as unemployed is therefore expected to increase in 2020; experts from Deutsche Bundesbank anticipate it to rise by 5.1%.

Industry performance

There is a strong correlation between the market for employee leasing and the general economic trend. This means that the forecast development of the global and national economies and the performance of the labor market will have a commensurate impact on the market for employee leasing.

Experience has shown that demand in the industrial sector is more directly and strongly affected by economic developments, while the qualified sector responds in a late-cyclical manner.

The temporary staffing sector has become established as a flexible employment model in recent years. Due to the currently weaker economic growth coupled with an escalating labor shortage, it is unlikely that demand on the temporary staffing market will increase again in the near future. The early-cyclical industrial temporary staffing market is recording declines in orders and the number of temporary employees. On the smaller and late-cycle submarket for qualified professionals, the number of temporary employees is also decreasing, albeit less sharply, due to the increased caution shown by customer companies when planning their personnel. Notwithstanding, demand for temporary workers in this area is at a high level and still outstrips supply. Recruiting staff remains a central challenge.

The growing cost of temporary staffing is likely also making a certain contribution to muted demand. Higher collectively agreed compensation, further effects from the industry surcharge agreements and the statutory equal pay rules in effect since April 2017 and maximum lease duration rules from amendments to the German Personnel Leasing Act are pushing up prices for temporary staffing in Germany further. Moreover, each and every additional onerous legal or collectively bargained regulation will further curtail workforce flexibility for German companies.

Collective agreements for the temporary staffing industry have been in place since 2003. From the outset, Amadeus FiRe has applied the 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], as amended. The collective wage agreement effective until the end of the fiscal year was terminated giving due notice as of 31 December 2019. A new collective wage agreement was concluded on 18 December 2019 and has long-term validity until 31 December 2022. The pay rises (based on the pay specified by the BAP and iGZ collective agreements with the DGB collective bargaining association) specified therein are as follows:

	West	East
From 1 April 2020	1.9% (≙ 10.15 € for pay category 1)	3.0% (2,31% for pay category 1, ≙ 9.88 €)
From 1 October 2020		2.2% (≙ 10.10 € for pay category 1)
From 1 April 2021	3.0% (≙ 10,45 € for pay category 1)	
From 1 April 2022	4.1% (≙ 10.88 € for pay category 1)	

Accordingly, from April 2020, the first phase of the increase in collectively agreed compensation will take effect with an increase of 1.9% in the West and 3.0% in the East (2.31% in pay category 1). Other features of the new collective agreement are higher annual bonuses (vacation and Christmas bonuses), which can amount to up to EUR 750 depending on the length of service. From 1 January 2021, the annual leave entitlement will increase to at least 25 days per annum (from currently 24 days per annum), rising, also based on the length of service, to up to 30 days per annum from the fourth year of employment. Changes in the rules relating to working time accounts increase flexibility for the employer in particular.

The supply side is still dominated by the major challenge of recruiting new employees due to the lack of availability and shortage of specialists. Employment prospects for qualified staff will continue to be good due to excess demand on the labor market. Given the demographic trend in Germany, qualified personnel will become scarcer in the long term and, as a result, the number of workers and qualified specialists available will be limited further. These factors make it more difficult to win over and hire candidates for temporary staffing, despite rising wages and salaries for temporary workers.

There will be 253 chargeable days in 2020, three chargeable days more than in 2019. This will have a positive effect on revenue, gross profit and profit before taxes in 2020.

A decline in the number of temporary workers in Germany is expected for the whole temporary staffing market due to an economic slowdown, a robust, competitive labor market, price increases and the newly negotiated collective wage agreement. The Federal Employment Agency's trend figures support this forecast. According to a survey conducted by the Lünendonk market research institute in 2019, temporary staffing agencies predict market growth of 0.9% in 2020. Amadeus FiRe does not share this view. We expect further slightly negative market growth of as much as -3% despite price increases.

In the past fiscal year, the overall temporary staffing market, dominated by the industrial sector, developed more weakly than the qualified market relevant to Amadeus FiRe due to the deterioration in the economic situation in Germany. The prospective situation for 2020 is similar. The subdued outlook for the cyclical industrial temporary staffing market has a weaker impact on the niche market for commercial professionals. The latter's market volume is expected to be unchanged or to decrease slightly compared with 2019. Demand will continue to outstrip supply in 2020 due to ongoing limited access to professionals.

2020 should present good opportunities for the permanent placement service. Experience has shown that a short supply of qualified staff 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. Owing to the economic situation, the trend toward permanent placements will be less pronounced than in previous years. Despite the greater degree of caution when it comes to increasing headcount, companies are prepared to secure talent and offer applicants permanent contracts. While the employment market will continue to be the dominating factor, a further economic slowdown will also leave its mark on the permanent placement service. Given these factors, the personnel placement market should show a slightly positive development in 2020, but the pace of growth will be slower than in the prior years. Market growth in the region of 2.5% to 5% is expected.

The overall performance of the economy has only a slight impact on interim and project management. A greater number of restructuring and cost-cutting projects are carried out in recessionary phases, while staff are needed for the more traditional interim management projects in recovery phases. In Amadeus FiRe's assessment, demand for interim and project management on the extremely competitive market in Germany was comparatively unchanged in 2019. A similar pattern is expected for 2020.

In the training segment, a more nuanced analysis of the training market will be required going forward. Besides ideas for training topics, it already played a role in the past whether the offerings were used by end customers or by corporate customers for their employees. Publicly funded training for job seekers aimed at reintegrating them in the job market is a new market segment for us. The unemployment rate and lack of professional qualifications play a significant role here.

Demand for training is expected to remain stable in 2020. The overall general trends at work in the field of training are demographic change, a shift toward academic qualifications, insufficient readiness for the world of work (inadequate qualifications after completing formal training), digitalization and the increasing mobility of media. The projected demographic change (shortage of specialists) is expected to lead to a fall in demand for basic training on the one hand but a rising demand for further training aimed at the later stages of people's careers on the other. Versatile training packages for life-long learning could therefore become a crucial tool for employer branding. The trend toward more academic qualifications in training is also continuing in Germany, which is reflected in the fact that the number of people starting university is increasing relative to the number of people starting vocational training. At the same time, there is an increasingly urgent need to develop suitable bridging courses to give graduates who are becoming less equipped for the world of work more practical professional training. Finally, the positive development of mobile media is influencing the way training is provided. Solutions must be developed to provide training rapidly and flexibly, without being tied to particular locations or times, as part of a digitalization strategy that is appropriate to the target group. As many professions are being transformed and some job profiles are even disappearing altogether, the need for targeted skills acquisition for the employment market continues to rise in the course of a career as does the need for occupational retraining, i.e., acquiring skills in a completely new profession.

As regards our focus on tax, finance and accounting, no major regulatory changes in the fields of tax or accounting are anticipated at a national level in 2020. As such, no positive special effects from temporarily relevant special training for these professions are expected.

The niche market for training in the area of international financial reporting standards (IFRSs, US GAAP) is expected to be flat at best or to contract in 2020 due to decreasing demand.

For the niche market of adult education with a focus on publicly funded occupational retraining and advanced vocational training (in which the subsidiaries of Comcave Holding GmbH operate), the development of the unemployment rate and the lack of relevant qualifications are key factors. In December 2019, unemployment rose for the first time in a number of years compared to the same month in the prior year. The forecasts for 2020 all agree that the number of unemployed will stabilize at the 2019 level. The currently high forecasting uncertainty as to whether the economy could lose momentum more strongly than expected and put more people out of jobs will remain a key factor for 2020. Important strategic measures to address the shortage of specialists 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 the labor market situation remains unchanged compared with 2019, we expect demand for training in the area of publicly funded adult education to remain stable or increase slightly in 2020.

Anticipated revenue and earnings development

A robust overall economic situation in Germany is forecast for 2020. Confidence in the German economy is at a similar level as it was in 2019. In January 2020, the ifo Business Climate Index deteriorated from 99.6 to a level of 95.9 points. The reliability of forecasts for 2020 is below average due to the general uncertainty.

At the time of preparing this management report, the recent developments in connection with the pandemic spread of coronavirus, which has also reached Germany, indicates a likely significant deterioration in the economic situation. It was not possible to quantify the resulting effects at the time we completed our report.

A nuanced analysis of opportunities for growth in the personnel services segment is required, which, as already mentioned, are good overall, in line with the labor market. High demand for specialists combined with short supply is favorable for Amadeus FiRe's business model. A further weak cyclical trend would likely dampen the generally high demand for specialists at some customer companies, in particular in the permanent placement service.

The volume of orders in the temporary staffing industry falls at the beginning of the year due to seasonal factors. There were no special effects in 2019 and the adjustment at the start of 2020 was in line with the long-term average. As in the prior year, the number of orders at the beginning of January 2020 surpassed the prior-year level. Amadeus FiRe therefore expects a further moderate increase in revenue from temporary staffing in the course of the year. The abovementioned investments in personnel resources of the sales organization are expected to contribute to this development. In addition, a positive effect on revenue, gross profit and profit before taxes of approximately EUR 1.8m is expected in fiscal year 2020 since there will be three more chargeable days available.

As expected, the permanent placement service again performed well but with less momentum in the fiscal year. Accordingly, a further slight increase in revenue in a weaker market environment is anticipated for 2020. After outperforming expectations, especially in 2017 and 2018, the Group's forecast for 2020 projects a normal level of performance as in the fiscal year just ended.

The management board is confident that the temporary staffing and permanent placement services will receive a boost from the acquisition of Comcave Holding GmbH. Comcave's main focus is on publicly funded advanced vocational training and occupational retraining. Participants, most of whom are not in regular employment, receive training in largely commercial fields and IT skills so they can return to the job market at the end of their course. The reintegration rate is the key performance measure for the funding institutions. The regional Amadeus FiRe personnel services organization will prove an ideal partner for participants looking to find a new job as they complete their training. They could either join Amadeus FiRe directly as an employee in the employee leasing service or find a permanent placement at a customer company. The process for this kind of cooperation is still in the design stage and has yet to be implemented. However, it should be possible to realize first synergies in the course of the year and to successfully reintegrate Comcave participants through Amadeus FiRe. Given the current shortage of skilled labor and limited supply, this is a strategically attractive expansion of recruiting activities for Amadeus FiRe.

Due to the planned continued expansion of its sales units, which focus on permanent placement and, increasingly, on interim and project management services, the Amadeus FiRe Group is also planning to boost its revenue from these services and to expand its market position again slightly.

A further expansion in the sales organization in the personnel services segment is planned for fiscal year 2020. A new branch is scheduled to open in Bremen in the second half of 2020. Another new branch in a different location could also be opened in the course of the year. In addition to full staffing levels at existing branches, there are plans to create other teams at selected locations. The employee turnover rate in Amadeus FiRe's sales organization was lower again in 2019 than in the prior years. The stable situation and the development of personnel opened up opportunities for expanding the branches at several locations in order to take advantage of these favorable circumstances. Departmental heads will strengthen the first-tier management level in branches with further market potential in large metropolitan areas. The sales trainee program established in 2019 will be continued in 2020. It is aimed at recruiting graduates and preparing them to join the sales team. The overall objective is to steadily strengthen the sales and recruitment organization for the long term in order to successfully penetrate regional markets and ultimately to further improve Amadeus FiRe's market position.

The Group will therefore invest in employees and operations in the personnel services segment. For fiscal year 2020, additional expenses of around EUR 5.2m have been planned for the expansion activities outlined above, including the expansion of central support functions, as well as salary increases to ensure competitiveness. To better align with the job seeker market and gain best access to all potential candidates, further additional funds of EUR 0.9m are earmarked for recruitment tools and resources.

In the area of IT, additional expenditure of EUR 1.6m has been budgeted for fiscal year 2020. The operation, expansion and amortization of the sales software, which has now been fully rolled out, is a key element. Furthermore, it remains extremely important to Amadeus FiRe to ensure that its systems and processes are state of the art. This will involve making investments in various expansion and infrastructure projects and in enlarging the Group's own IT team and ensuring that its members have a high level of specialist expertise and project experience.

Overall, we expect an increase in revenue, gross profit and EBITA in the personnel services segment compared with the prior year and a largely unchanged relationship between supply and demand. Provided the aforementioned projects involving increased expenditure can be implemented as described, revenue and gross profit growth could exceed organic earnings growth in the segment, which is pegged at around 7%.

The effects of the corona epidemic will have a negative impact on these original growth plans. The sickness rate of temporary workers will likely increase and demand, in particular in personnel placement, will decrease. Depending on the extent to which market demand declines, the planned expansion of the sales organization could be put on hold, leading to a reduction in the planned expenditure.

There was a special effect from the transaction expenses of approximately EUR 3m incurred in the fourth quarter of fiscal year 2019. For 2020, the management board expects more non-recurring expenses in a comparable amount due to integration activities, the need for additional consulting services and higher variable management board compensation, in particular from the growth bonus, relating to the significant overall rise in the assessment base.

In Amadeus FiRe's training segment, we do not expect to see an especially high level of new topics for the niche market for tax, finance and accounting training in 2020 due to changes in the regulatory environment. Further market share will be gained thanks to the expansion of marketing and sales activities and the ever broader range of courses and seminars the Group offers in economic centers where it has its own training premises and employees. Despite revenue growth, profit is expected to be at the prior-year level due to investments in premises and personnel.

The new niche segment of publicly funded adult education from the acquisition of Comcave Holding GmbH as of 19 December 2019 is expected to capture additional market share due to strong regional expansion activities in the last few years. If the situation on the labor market were to deteriorate in 2020 compared with 2019 this would be positive for the business activities of Comcave. The niche market segment of publicly funded advanced vocational training is countercyclical in nature. Both revenue and profit growth are forecast.

Comcave, whose revenue, expenses and profits will be 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. Revenue in the training segment should therefore be upwards of EUR 90m in fiscal year 2020. The EBITA margin for the training segment is forecast at around 20%.

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

Following Amadeus FiRe's year-end acquisition of the new sales software that had already been rolled out, further investments are planned in 2020 to continuously enhance the application and update and extend the system and application landscape. Investments are also planned in fittings and equipment for new premises following relocations and new occupancies as well as to further strengthen recruiting activities and resources. Significant investments in the training segment will be made in expanding the IT infrastructure and in modernizing classroom technology and in opening new locations for Comcave with a view to obtaining the best access to candidates and prospects and further improving and supporting operating processes.

Prior to the Corona crisis, the overall goal of the Amadeus FiRe Group in the 2020 fiscal year was to further increase its organically generated sales and, including Comcave sales, to significantly exceed the EUR 300 million threshold. Originally, the management board expected to exceed last year's EBITA of EUR 38.7 million by around 50%. This was based on the assumption that the planned investments in the expansion of business operations could be made successfully.

This earnings forecast was in line with the management board's objectives before the effects of the Corona pandemic. At the time of reporting, it is not possible to estimate the impact of the resulting macroeconomic consequences of the epidemic in Germany on the business performance of the Amadeus FiRe Group. The economic crisis will impact EBITA 2020. Demand for the permanent placement and temporary staffing services is expected to decline. A lower utilisation of temporary staff is also expected due to precautionary measures introduced by customer companies and longer periods of incapacity to work.

The above forecasts apply without restriction to Amadeus FiRe AG since that company's portfolio of services mainly comprises temporary staffing and permanent placement.

The previous dividend policy of a full distribution of the results for the period will be reviewed as a result of the liquidity requirements for the acquisition of Comcave Holding GmbH and the repayment of the funds raised and will be transferred to a new distribution procedure. After the outflow of funds in December 2019 for the acquisition of the company and against the background of the current highly complex corona crisis, the management board believes that optimum liquidity is the most important priority. The management board therefore does not expect to pay a dividend in 2020. Once the general situation has been clarified, Amadeus FiRe will return to a consistent dividend policy and communicate this.

Overview of the accuracy of the forecasts made in the outlook section of the 2018 annual report

	Forecast for 2019 made in the 2018 annual report	Current status (2019) in the 2019 annual report
Global economy		
Global economic growth	3.5%	2.9%
Eurozone growth	1.6%	1.2%
German economy		
GDP (real)	1.6%	0.5%*
Components of real GDP		
Private consumption	2.0%	1.6%
Government consumption	2.6%	1.9%
Gross fixed capital formation	2.7%	2.7%
Exports	2.9%	1.0%
Imports	4.7%	2.2%
Contributions to GDP growth (in percentage points)		
Domestic final demand	2.1%	1.8%
Changes in inventories	0.0%	-0.8%
Net exports	-0.5%	-0.4%
German labor market		
Average unemployment figure	„likely to fall slightly short of the 2018 level (less than 2.34 million people) on average in 2019"	2.266.700
Industry performance		
Temporary staffing market	„market growth of 2.3%"	-11.0%*
Temporary staffing market for commercial specialists	„market volume on a par with 2018"	-9.0%*
Permanent placement market	„Market growth of 5 to 10%"	'"Developed fairly well"**
Interim and project management market	„slight market growth"	N/A
Training market	„unchanged compared to 2018"	„steady to fairly positive development"
Revenue and earnings performance of Amadeus FiRe		
Services		
Revenue, temporary staffing	"moderate revenue growth" (more than EUR 133.8 m)	EUR 153.0 Mio.
Revenue, permanent placement	"slight revenue growth" (more than EUR 37.5 m)	EUR 40.5 Mio.
Revenue, interim and project management	"slight revenue growth" (more than EUR 10.3 m)	EUR 13.6 Mio.
Revenue, training	'"moderate revenue growth" (more than EUR 24.2 m)	EUR 26.0 Mio.
Group as a whole		
Total revenue	"moderate revenue growth" (more than EUR 205.8 m)	EUR 233.1 Mio.
Group EBITA	"increase in EBITA of about 3% to 5% (EUR 37.5 m)"	EUR 38.7 Mio.

*) Differences in totals due to rounding

**) Current estimate by Amadeus FiRe

15. 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, 19 March 2020

Robert von Wülfing
Spokesman of the management board

Dennis Gerlitzki
Member of the management board

Part of the management not subject to audit in accordance with IDW AuS 350 (revised)

Consolidated financial statements 2019

Content

Consolidated income statement – twelve months of fiscal year 2019

Amounts stated in EUR k	Notes	01.01.-31.12.2019	01.01.-31.12.2018
Revenue	1	233,124	205,836
Cost of sales	2	-122,516	-106,584
Gross profit		**110,608**	**99,252**
Selling expenses	3	-59,290	-51,511
- thereof impairment of financial assets		-531	-243
General and administrative expenses	4	-12,851	-10,478
Other operating income	6	259	269
Other operating expenses	7	-5	-8
Profit from operations before goodwill impairment		**38,721**	**37,524**
Impairment of goodwill	8	0	0
Profit from operations		**38,721**	**37,524**
Finance costs	9	-442	-307
Finance income	9	6	9
Profit before taxes		**38,285**	**37,226**
Income taxes	10	-12,537	-11,391
Profit after taxes		**25,748**	**25,835**
Profit attributable to non-controlling interests recognized under liabilities	11	-1,432	-1,365
Profit for the period		**24,316**	**24,470**
Attributable to non-controlling interests		304	245
Attributable to equity holders of the parent		24,012	24,225
Earnings per share, in relation to the profit for the period attributable to the ordinary equity holders of the parent			
basic (euro/share)	12	4.62	4.66
diluted (euro/share)		4.62	4.66

Consolidated statement of comprehensive income – twelve months of fiscal year 2019

Amounts stated in EUR k	Notes	01.01.-31.12.2019	01.01.-31.12.2018
Profit for the period		24,316	24,470
Other comprehensive income	13	**0**	**0**
Total comprehensive income for the period		**24,316**	**24,470**
- Attributable to non-controlling interests		304	245
- Attributable to equity holders of the parent		24,012	24,225

Consolidated balance sheet as of 31 December 2019

Amounts stated in EUR k	Notes	31.12.2019	31.12.2018*
Assets			
Non-current assets			
Other intangible assets	14	41,420	4,600
Goodwill	14	171,706	6,935
Property, plant and equipment	15	5,328	2,913
Right-of-use assets	15	47,669	0
Financial assets	16	2	0
Deferred tax assets	18	0	507
		266,125	14,955
Current assets			
Trade receivables	19	30,676	22,782
Other assets	19	3,384	74
Prepaid expenses	20	1,285	551
Cash and cash equivalents	21	20,465	44,559
		55,810	67,966
Total assets		321,935	82,921
Equity & Liabilities			
Equity			
Subscribed capital	22	5,198	5,198
Capital reserves	24	11,247	11,247
Retained earnings	25	33,551	33,762
Equity attributable to equity holders of the parent		49,996	50,207
Non-controlling interests	26	963	760
		50,959	50,967
Non-current liabilities			
Liabilities to non-controlling interests	27	5,990	5,650
Other liabilities and accrued liabilities	27	39,212	1,918
Deferred tax liablilities	18	5,153	0
		50,355	7,568
Current liabilities			
Trade payables	28	9,459	2,189
Contract liabilities	28	3,954	3,867
Liabilities to non-controlling interests	28	1,719	1,652
Income tax liabilities	28	1,391	1,024
Current financial liabilities	28	170,096	0
Other liabilities and accrued liabilities	28	34,002	15,654
		220,621	24,386
Total equity and liabilities		321,935	82,921

*) Not fully comparable with the prior-year figures (for an explanation see the "Changes in accounting policy" section in the notes to the consolidated financial statements)

Consolidated statement of changes in equity for fiscal year 2019

Amounts stated in EUR k	Equity attributable to equity holders of the parent				Non con-trolling interests Note 26	Total equity
	Subscribed capital Note 22	Capital reserves Note 24	Retained earnings Note 25	Total		
01.01.2018	5,198	11,247	30,122	46,567	558	47,125
Total comprehensive income for the period	0	0	24,225	24,225	245	24,470
Profit distributions	0	0	-20,585	-20,585	-43	-20,628
31.12.2018	5,198	11,247	33,762	50,207	760	50,967
01.01.2019	5,198	11,247	33,762	50,207	760	50,967
Total comprehensive income for the period	0	0	24,013	24,013	304	24,317
Profit distributions	0	0	-24,224	-24,224	-101	-24,325
31.12.2019	5,198	11,247	33,551	49,996	963	50,959

Consolidated cash flow statement for fiscal year 2019

Amounts stated in EUR k	Notes	01.01. - 31.12.2019	01.01. - 31.12.2018
Cash flows from operating activities	30		
Profit for the period before profit attributable to non-controlling interests		25,748	25,835
Tax expense		12,537	11,391
Amortisation, depreciation and impairment of non-current assets		7,084	1,391
Finance income		-6	-9
Finance costs		442	307
Non-cash transactions		97	-16
Operating profit before working capital changes		**45,902**	**38,899**
Increase/decrease in trade receivables and other assets		-2,216	-2,361
Increase/decrease in prepaid expenses and deferred income		-518	-84
Increase/decrease in trade payables, other liabilities and accrued liabilities		5,855	1,089
Other non-cash income		0	0
Cash flows from operating activities		**49,023**	**37,543**
Interest paid		-247	0
Income taxes paid		-12,084	-11,193
Net cash from operating activities		**36,692**	**26,350**
Cash flows from investing activities	31		
Cash paid for the acquisition of subsidiaries		-198,318	0
Cash paid for intangible assets and property, plant and equipment		-4,944	-3,305
Receipts from the disposal of assets		278	13
Interest received		6	9
Net cash used in investing activities		**-202,978**	**-3,283**
Cash flows from financing activities	32		
Cash received from borrowing		170,000	0
Change in cash and cash equivalents due to consolidation		2,946	–
Cash repayments of lease liabilities		-5,016	–
Interest payments on lease liabilities		-249	–
Cash paid to non-controlling interests		-1,265	-1,326
Profit distributions		-24,224	-20,585
Net cash used in financing activities		**142,192**	**-21,911**
Net change in cash and cash equivalents		**-24,094**	**1,156**
Cash and Cash equivalents at the beginning of the period		**44,559**	**43,403**
Cash and cash equivalents at the end of the period		**20,465**	**44,559**
Composition of cash and cash equivalents as of 31 December Cash on hand and bank balances (without drawing restrections)		**20,465**	**44,559**

Notes to the consolidated financial statements for fiscal year 2019

General

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.

The fiscal year is the calendar year.

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 and financial control. Following the acquisition of the Comcave Group (acquisition of 100% of the shares in Comcave Holding GmbH) on 19 December 2019, the Company's existing service portfolio in the niche market for tax, finance and accounting training was extended to include specialized adult education programs.

On 19 March 2020, the management board approved the IFRS consolidated financial statements and subsequently passed them on to the supervisory board for approval.

Abbreviations of group entities and investments

Academy 2.0 GmbH	Academy 2.0 GmbH, Dortmund, Germany
Akademie für Internationale Rechnungslegung	Akademie für Internationale Rechnungslegung (AkiR) GmbH, Cologne, Germany
Amadeus FiRe AG	Amadeus FiRe AG, Frankfurt am Main, Germany
Amadeus FiRe Personalvermittlung	Amadeus FiRe Personalvermittlung & Interim Management GmbH, Frankfurt am Main, Germany
Amadeus FiRe Services	Amadeus FiRe Services GmbH, Frankfurt am Main, Germany
Comcave College	Comcave College GmbH, Dortmund, Germany
Comcave Holding	Comcave Holding GmbH, Dortmund, Germany
COMCAVE RECRUITMENT SERVICES	COMCAVE RECRUITMENT SERVICES GmbH, Dortmund, Germany
Cpi consulting + training	Cpi consulting + training GmbH, Dortmund, Germany
Endriss GmbH	Dr. Endriss Verwaltungs-GmbH, Cologne, Germany
Endriss Service GmbH	Steuer-Fachschule Dr. Endriss Service GmbH, Cologne, Germany
Steuer-Fachschule Dr. Endriss	Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne, Germany
TaxMaster GmbH	TaxMaster GmbH, Cologne, Germany

Accounting Policies

Basis of the consolidated financial statements

The consolidated financial statements of Amadeus FiRe AG for the fiscal year ended 31 December 2019 were prepared in accordance with the International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), as adopted by the EU. All International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and all interpretations by the IFRS Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) or the Standing Interpretations Committee (SIC) – effective for fiscal year 2019 were observed. The separate financial statements of the entities included in consolidation were all prepared on the basis of uniform accounting policies. The separate financial statements of the group entities were prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements are prepared using the cost method. This does not include the liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss, which are recognized at fair value through profit or loss.

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.).

Changes in accounting policy

New and revised standards and interpretations adopted for the first time in fiscal year 2019

The accounting policies applied in the consolidated financial statements of Amadeus FiRe AG for fiscal year 2019 are generally consistent with those applied in the prior year. However, Amadeus FiRe AG applied the following new or amended standards and interpretations endorsed by the European Union for the first time when preparing the consolidated financial statements as of 31 December 2019:

Standard/interpretation		Applied for the first time by Amadeus FiRe	Endorsed by the EU	Impact on Amadeus FiRe
IFRS 16	Leases	1 Jan 2019	On 31 Oct 2017	Described below
Amendments to IFRS 9	Prepayment Features with Negative Compensation	1 Jan 2019	On 22 Mar 2018	Not relevant
Amendments to IAS 19	Employee Benefits: Plan Amendment Curtailment or Settlement	1 Jan 2019	On 13 Mar 2018	Not relevant
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	1 Jan 2019	On 08 Feb 2019	Not relevant
Annual Improvements	Annual Improvements to IFRSs 2015 -2017 Cycle: Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23	1 Jan 2019	On 14 Mar 2019	No significant impact
IFRIC 23	Uncertainty over Income Tax Treatments	1 Jan 2019	On 23 Oct 2018	No significant impact

Overall, the first-time adoption of **IFRS 16 Leases** in fiscal year 2019 had a significant impact on the assets, liabilities, financial position and financial performance as presented in the consolidated financial statements of Amadeus FiRe AG. The Amadeus FiRe Group applied IFRS 16 Leases for the first time as of 1 January 2019 using the modified retrospective approach. As a result, comparability with the prior-year figures is very limited as – in accordance with the transitional provisions – the comparative figures for fiscal year 2018 were not adjusted to reflect the requirements of IFRS 16.

In the course of its business transactions, the Amadeus FiRe Group exclusively acts as a lessee (of buildings and vehicles among other things). IFRS 16 replaces the existing lease accounting requirements (including IAS 17 and IFRIC 4) and implements a single accounting model whereby the lessee must recognize for all leases a right-of-use asset on the assets side of the balance sheet and a corresponding lease liability for all outstanding lease payments on the liabilities side of the balance sheet (right-of-use model). As a result, lessees will no longer differentiate between finance and operating leases. The considerable impact on the Amadeus FiRe Group's assets, liabilities, financial position and financial performance in the consolidated financial statements is exclusively attributable to the new lease accounting by the lessee and, in particular, to those leases that were previously classified as operating leases in accordance with IAS 17 and will have to be recognized in the balance sheet for the first time starting in fiscal year 2019.

Upon initial measurement as of the commencement date, that is at the inception date of the lease, the cost of a right-of-use asset is determined based on the present value of all future lease payments, the costs to fulfill the contract and an estimate of the costs of dismantling or removing the lease asset or restoring it to its original condition. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses. Right-of-use assets are recognized separately as such in the consolidated balance sheet and are broken down and described in detail in note 29. Any depreciation and impairment losses in respect of the right-of-use assets recognized in the balance sheet are included in the functional costs. Generally, right-of-use assets are depreciated straight-line over the lease term. In certain cases, right-of-use assets are depreciated over the useful life of the underlying lease asset. This is the case when the related lease payments also entail the transfer of ownership of the underlying asset to the lessee by the end of the lease term or it is highly likely that the lessee will exercise a purchase option.

The lease liability is initially recognized in the balance sheet item "Other liabilities and accrued liabilities" under both current and non-current liabilities at the present value of the remaining lease payments. Information on carrying amounts and maturities is included in note 29. On subsequent measurement, the carrying amount of the lease liability is increased to reflect annual interest on the lease liability and reduced to reflect lease payments made. The resulting interest expenses are recognized in profit or loss under the financial result. By contrast, in accordance with IAS 17, lease expenses from operating leases used to be recognized in full under operating expenses. The change will result in a quite considerable increase in EBITDA in fiscal years beginning after 31 December 2018. In the Amadeus FiRe Group's consolidated income statement for fiscal year 2019, lease expenses from the former operating leases of EUR 5,196k are replaced by depreciation totaling EUR 5,183k and interest expenses of EUR 249k. Even when ignoring the offsetting upfront effect, this leads to a significant improvement in EBITDA.

In the consolidated cash flow statement, the principal portion of the lease payments from former operating leases reduces the cash flow from financing activities instead of the cash flow from operating activities starting from fiscal year 2019. In addition, the interest portion of the lease liabilities is also included in the cash flow from financing activities starting from fiscal year 2019. This resulted in an improvement in cash flow from operating activities by EUR 5,265k in fiscal year 2019.

The Amadeus FiRe Group used the following practical expedients when applying IFRS 16 for the first time:

- The Group did not reassess whether a contract was, or contained, a lease on first-time adoption. Therefore, the definition of a lease in accordance with IFRS 16 is only applied to contracts entered into (or amended) on or after the date of first-time application.
- For leases that were previously classified as operating leases in accordance with IAS 17, the lease liability was recognized at the present value of the remaining lease payments discounted using the incremental borrowing rate for an equivalent maturity as of 1 January 2019. The incremental borrowing rate was derived from reference rates for a period of up to 10 years. The weighted average incremental borrowing rate was 1.0%. In line with the transitional provisions, the right-of-use assets were measured for convenience at an amount equal to the lease liabilities on first-time adoption. As a result, there was no effect on retained earnings as of the transition date 1 January 2019.
- Leases ending prior to 31 December 2019 were treated as short-term leases irrespective of their original lease term, i.e., no right-of-use assets were recognized and the agreed lease payments were expensed as incurred (where necessary subject to accrual accounting).
- No right-of-use assets and lease liabilities were recognized for leases for which the underlying asset is of low value. The agreed lease payments were expensed as incurred (where necessary subject to accrual accounting).
- The measurement of the right-of-use assets did not include initial direct costs as of the date of first-time application of IFRS 16.
- The lease term of contracts with renewal or termination options was determined on the basis of the knowledge available at the transition date.

The opening balances of the lease liabilities as of 1 January 2019 were developed from the lease liabilities recognized as of 31 December 2018 as follows:

Reconciliation of lease liabilities	EUR k
Future minimum lease payments under operating leases in accordance with IAS 17 as of 31 December 2018	**31,273**
Practical expedients for short-term leases and leases of low-value assets	-11
Practical expedients for non-lease components	-4,459
Obligations from leases to which the lessee was committed but under which control of the asset was only transferred in 2019	-3,158
Future obligations under leases as of 1 January 2019 (gross amount, undiscounted)	**23,645**
Discounting	-1,073
Future obligations under leases as of 1 January 2019 (discounted net amount)	**22,572**
Lease liabilities under finance leases as of 31 December 2018	-
Lease liabilities in accordance with IFRS 16 as of 1 January 2019	**22,572**

The following table summarizes the impact of the first-time application of IFRS 16 as outlined above on the relevant items in the consolidated balance sheet as of 1 January 2019.

IFRS 16 Impact on the consolidated balance sheet (in EUR k)	31 Dec 2018 (as reported)	Adjustment effects IFRS 16	1 Jan 2019
Assets			
Right-of-use assets	–	+22,068	22,068
Deferred tax assets	1,123	–	1,123
Total assets	**82,921**	**22,068**	**104,985**
Equity and liabilities			
Retained earnings	33,762	0	33,762
Other liabilities and accrued liabilities (non-current)	1,918	+17,455	19,373
Other liabilities and accrued liabilities (current)	15,654	+4,613	20,267
Deferred tax liabilities	616	–	616
Total equity and liabilities	**92,921**	**22,068**	**104,985**

The effect on equity and liabilities from the first-time application of IFRS 16 is not identical to the amount recognized for lease liabilities in the balance sheet as this amount includes lease incentives of EUR 504k which were already recognized as liabilities as of 31 December 2018.

The following tables summarize the impact of the first-time application of IFRS 16 on the relevant items of the consolidated balance sheet as of 31 December 2019 and the consolidated income statement for fiscal year 2019.

IFRS 16 Impact on the consolidated balance sheet (in EUR k	31 Dec 2019 (as reported)	Adjustment effects IFRS 16	31 Dec 2019 (without IFRS 16)
Assets			
Right-of-use assets	47,669	-47,669	0
Deferred tax assets	0	0	0
Total assets	**321,935**	**-47,669**	**274,266**
Equity and liabilities			
Retained earnings	33,551	+95	33,646
Other liabilities and accrued liabilities (non-current)	39,212	-35,884	3,328
Other liabilities and accrued liabilities (current)	34,002	-11,912	22,090
Deferred tax liabilities	5,153	+32	5,185
Total equity and liabilities	**321,935**	**-47,669**	**274,266**

IFRS 16 Impact on the consolidated income statement (in EUR k)	1 Jan to 31 Dec 2019 (as reported)	Adjustment effects IFRS 16	1 Jan to 31 Dec 2019 (without IFRS 16)
Cost of sales	-122,516	-15	-122,531
Selling expenses	-59,290	-80	-59,370
General and administrative expenses	-12,851	-27	-12,878
Finance costs	-442	+249	-193
Income taxes	-12,537	-32	-12,569
Earnings after taxes	25,748	+95	25,843
Earnings per share (in EUR)	4.62	0.02	4.64

As regards **IFRIC 23,** current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. They are calculated based on the tax rates and tax laws that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. To avoid uncertain tax positions, the Group only includes amounts in its tax returns whose realization is expected to be probable. The amount is determined based on the best estimate of the expected tax payment (expected value or most likely amount of tax uncertainty).

For more information on the accounting for deferred taxes, please see the relevant note on deferred taxes.

Other taxes, for example transaction tax and insurance tax, are reported under operating expenses.

New method for reporting deferred taxes

In fiscal year 2019, the Group changed its presentation of deferred tax assets and liabilities. In accordance with IAS 8, this was done retrospectively, including a restatement of prior-year figures. The Group's previous practice of not netting deferred taxes is no longer the preferred method at national or international level and now detracts considerably from comparability with other companies in the same industry. In fiscal year 2019, the Amadeus FiRe Group therefore switched to a net presentation of deferred tax assets and liabilities, which is the predominant form of presentation used by reporting entities. In accordance with IAS 8, the financial statement items for fiscal years 2019 and 2018 are presented as if the net presentation of deferred assets and liabilities had always been applied.

No other significant changes arose for the Amadeus FiRe Group in fiscal year 2019 from standards and interpretations that became effective for the first time.

New and revised standards and interpretations adopted for the first time in fiscal year 2018

IIn fiscal year 2018, the Group applied **IFRS 9 Financial Instruments** and **IFRS 15 Revenue from Contracts with Customers** for the first time.

Overall, the first-time adoption of **IFRS 9 Financial Instruments** in fiscal year 2018 did not have any material impact on the Amadeus FiRe Group's assets, liabilities, financial position and financial performance. The new classification provisions for financial assets did not result in any changes in measurement or presentation. In accordance with IFRS 9, financial assets and financial liabilities are classified in the "at amortized cost" measurement category. Only the liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss of EUR 5,541k (prior year: EUR 5,234k) continue to be recognized at fair value through profit or loss. As a result, the first-time adoption of IFRS 9 did not affect the classification of financial liabilities. As regards financial assets, the new guidance on the classification and measurement of financial instruments had the following impact as of 1 January 2018:

31 Dec 2017	in EUR k
IAS 39 Financial Instruments	
Cash	43.403
Loans and receivables	
- Trade receivables	20.420
- Other assets	20
	63.843

01 Jan 2018	in EUR k
New IFRS 9 measurement category	
At amortized cost	43.403
At amortized cost	20.420
At amortized cost	20
	63.843

The application of the new impairment model slightly reduced impairments of financial assets recognized since 1 January 2018 and, as a result, the respective carrying amount of trade receivables showed a slight increase. In the future, expected losses will have to be recognized upon initial recognition of the financial asset (expected credit loss model). Previously, impairment losses were recognized in accordance with IAS 39 when there was objective evidence of impairment, e.g., an overdue receivable (incurred loss model). This means that impairments used to be recognized at a later date under IAS 39 than under the new standard. The Amadeus FiRe Group uses the simplified approach for trade receivables, measuring loss allowances at an amount equal to lifetime expected credit losses. As the application of the new impairment model did not result in any major adjustments, Amadeus FiRe AG did not adjust retained earnings as of 1 January 2018 in its consolidated financial statements for fiscal year 2018.

As Amadeus FiRe AG has not applied the rules for hedge accounting in accordance with IAS 39 to date, the transition from IAS 39 to IFRS 9 does not lead to any changes for the Group as a result of the fundamental changes to hedge accounting. However, the new accounting standard offers new possibilities for presenting hedging relationships in the future. Overall, the first-time adoption of IFRS 9 Financial Instruments in fiscal year 2018 did not have any material impact on the Amadeus FiRe Group's assets, liabilities, financial position and financial performance.

However, depending on future agreements and/or transactions, significant effects from applying IFRS 9 on the presentation of assets, liabilities, financial position and financial performance are possible. Amadeus FiRe AG implemented consequential amendments to IAS 1 Presentation of Financial Statements that arose as a result of the adoption of IFRS 9 and require impairments of financial assets to be recognized in a separate line item in the consolidated income statement. It should also be noted that the first-time adoption of IFRS 9 resulted in additional disclosure requirements in the notes to the consolidated financial statements.

Overall, the first-time adoption of **IFRS 15 Revenue from Contracts with Customers** in fiscal year 2018 did not have any material impact on the Amadeus FiRe Group's assets, liabilities, financial position and financial performance due to the simple structure of the Group's service portfolio. Amadeus FiRe AG applied IFRS 15 as of 1 January 2018 using the modified retrospective approach. This means that the standard was applied to new and existing contracts which had not yet been completed at the time of first-time adoption.

IFRS 15 replaces the existing revenue recognition requirements (including IAS 18 and IAS 11) and provides a comprehensive framework for determining when and at what amount revenue is recognized. The core element of IFRS 15 is a uniform five-step revenue recognition model that must be applied to all contracts with customers. Once the separate performance obligations of the individual contracts with customers have been identified, the transaction price is determined for each contract and allocated to the previously identified separate performance obligations. Depending on how the separate performance obligations are satisfied, revenue is recognized in the amount of the allocated transaction price either over time or at a point in time.

The effects of IFRS 15 were analyzed in a group-wide project on the implementation of the new standard. The Group provides temporary personnel within the framework of the AÜG ["Arbeitnehmerüberlassungsgesetz": German Personnel Leasing Act] as well as services relating to permanent placement, interim and project management as well as the provision of training in the areas of tax, finance and accounting and financial control. Due to the simple structure of the Amadeus FiRe Group's service portfolio, revenue recognition did not change in fiscal year 2018 as a result of the first-time adoption of IFRS 15 (including the relevant clarifications). Nor did the timing of revenue recognition change as a result of adopting the new standard. The new requirements for contract cost accounting (costs to obtain a contract/costs to fulfill a contract) did not result in any changes in recognition or measurement either. Therefore, Amadeus FiRe AG did not adjust retained earnings as of 1 January 2018 in its consolidated financial statements for fiscal year 2018. However, the first-time adoption of the new standard changed the presentation under the balance sheet item "Other liabilities." Prepayments received under contracts with customers of EUR 3,867k were reclassified to the new balance sheet item "Contract liabilities." Depending on the specific services provided and the relevant business models, a significant future effect on the Group's assets, liabilities, financial position and financial performance cannot be ruled out. It should also be noted that the first-time adoption of IFRS 15 resulted in additional disclosure requirements in the notes to the consolidated financial statements.

Standards and interpretations that will become effective at a later date

The IASB and IFRS IC have issued the following pronouncements whose application was not yet mandatory in fiscal year 2019. The Amadeus FiRe Group does not plan early adoption of these new and/or amended standards and interpretations.

Standard/interpretation		Applied for the first time by Amadeus FiRe	Endorsed by the EU	Impact on Amadeus FiRe
IFRS 17	Insurance Contracts	01 Jan 2021	Outstanding	No impact
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	01 Jan 2020	On 15 Jan 2020	No significant impact
Amendments to IFRS 3	Definition of a Business	01 Jan 2020	Outstanding	No significant impact
Amendments to IAS 1 and IAS 8	Definition of material	01 Jan 2020	On 29 Nov 2019	No impact
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	01 Jan 2022	Outstanding	Impact is currently being analyzed
Conceptual Framework for Financial Reporting erstattung	Amendments to References to the Conceptual Framework in IFRS standards	01 Jan 2020	On 29 Nov 2019	No impact

Consolidation principles

The Company's consolidated financial statements include Amadeus FiRe AG and all subsidiaries under the legal or factual control of the Company (the "Group" or the "Amadeus FiRe Group").

The financial statements of the domestic and foreign subsidiaries included in consolidation are prepared in accordance with uniform accounting policies pursuant to IFRS 10. The Company applies the acquisition method pursuant to IFRS 3 to business combinations. Consolidation begins from the date on which Amadeus FiRe AG obtains control over the subsidiary. Specifically, the Group controls an investee if the Group has:

- Power over the 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
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. This is true for all subsidiaries of the Amadeus FiRe Group.

During consolidation, receivables and liabilities between consolidated entities were fully eliminated, as were income and expenses within the Group. Income and expenses relate solely to profit and loss transfer agreements, interest income and interest expenses from loan agreements, and, to a lesser extent, advertising and other administrative services.

The goodwill arising on consolidation represents the excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary. The impairment test prescribed by IAS 36 was performed as of 31 December 2019. The goodwill was allocated to the cash-generating units. Cash-generating units are the operating, legally independent entities of the Amadeus FiRe Group.

Use of judgment and main sources of estimation uncertainty

In preparing the consolidated financial statements, assumptions and estimates were made which had an effect on the presentation and recognized amounts of assets and liabilities, income and expenses, and on disclosed contingent liabilities. These assumptions and estimates generally relate to the goodwill impairment test, the measurement of liabilities to non-controlling interests, the recoverability of future tax benefits and the classification of leases by the lessee. Additional assumptions and estimates relate to the uniform determination of economic lives of assets within the Group and the recoverability of trade receivables. Please see the section on business combinations in the fiscal year for information on the use of judgment and main sources of estimation uncertainty in respect of the measurement of acquired assets of the Comcave Group.

Impairment of goodwill
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. Under IAS 36, goodwill is subject to an impairment test once a year – or more often if there are indications of impairment.

An impairment loss is recognized in profit or loss as soon as the carrying amount of a cash-generating unit exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and its value in use. Fair value less the costs of disposal is the amount obtainable from a sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. For further details, please see note 14.

The recoverable amount is determined based on a value in use calculation using the discounted cash flow (DCF) method. The cash flows used in the DCF valuation are based on current budgets and forecasts for the next five years. This involves making assumptions as to future revenue and costs. Assumptions as to future replacement investments in the Company's operations are made on the basis of historical values, and historical income patterns are projected into the future. If significant assumptions differ from actual figures, impairment losses may have to be recognized in the future. The key assumptions used were a terminal growth rate of 1.0% (prior year: 1.0%), a pre-tax discount rate of 8.5% (prior year: 9.2%) and a post-tax discount rate of 6.2% (prior year: 6.8%).

Measurement of 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 are recognized in liabilities in accordance with IAS 32.11. The agreement concluded between the partners stipulates that termination is possible as of 31 December 2019 at the earliest. A partner is entitled to a settlement upon termination. The amount of the settlement is determined using the Stuttgart method in accordance with the above partnership agreement. The potential settlement obligation was measured at fair value using the Stuttgart method as of the reporting date EUR 6,022k (prior year: EUR 5,812k) and the change in value was recognized in the income statement under finance costs.

Revenue from Contracts with Customers
In temporary staffing and interim and project management, revenue is recognized over time as the services are rendered. The services rendered are determined on the basis of the hourly or daily rates agreed with the customers and the actual number of hours or days worked. In permanent placement, revenue is recognized at a point in time upon satisfaction of the performance obligation. In the training segment, revenue is recognized over time as the service is rendered. The progress toward satisfaction of the performance obligation is measured using an output-based method, typically based on the number of training minutes provided in relation to the total number of training minutes agreed.

Costs to obtain contracts can be separated into commissions, which are directly attributable to individual contracts, and output-oriented fees relating to overall target agreements, which are not attributable to individual contracts.

In accordance with IFRS 15.94, directly attributable costs to obtain a contract are not recognized as an asset as the amortization period (based on the contractual term) is generally one year or less.

Deferred tax assets on loss carryforwards
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilized. The calculation of the amount of the deferred tax assets requires significant judgment on the part of management as regards the amount and timing of the future taxable income and the future tax planning strategies. As of 31 December 2019, the carrying amount of deferred tax assets recognized for unused tax loss carryforwards came to EUR 0k (prior year: EUR 0k), and the unrecognized unused tax loss carryforwards totaled EUR 223k (prior year: EUR 298k). For further details, please see notes 10 and 18.

Leases as the lessee
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Due to the initial application of IFRS 16 as of 1 January 2019, the changed accounting policies are outlined above under "New and revised standards and interpretations adopted for the first time in fiscal year 2019."

For further details, please see notes 15 and 29.

Currency translation

The presentation currency and the functional currency of the Company and all consolidated entities is the euro.

Defined contribution plans

Under the defined contribution plans for basic pensions up to the income threshold for the assessment of contributions, the Company pays contributions to pension insurance schemes in accordance with statutory provisions. The Company does not have any other benefit obligations beyond the payment of contributions.

Revenue and expense recognition

Revenue from temporary staffing services, permanent placement and interim and project management is recognized once the service has been rendered. Revenue from training services that are performed over an extended period of time is recognized over time as the service is rendered.

For services rendered in the areas of temporary staffing and interim and project management, revenue recognition is based on the hourly rate agreed with the customer and the actual number of hours worked as recorded in the respective activity report. As a rule, these are invoiced to the customer on a weekly basis.

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 for the permanent placement service stipulate that Amadeus FiRe is entitled to a fee as soon as the customer concludes an employment contract with 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).

The payment terms agreed with customers generally range between 8 and 30 days but can be longer in some cases.

Performance obligations not satisfied by the end of the reporting period are recognized under “Contract liabilities” in the balance sheet. They are usually recognized as revenue in the following year.

Operating expenses are recognized in profit or loss when a service is used or when the costs are incurred.

Interest income is recognized as the interest accrues. Interest income is included in finance income in the consolidated income statement. No financing component is included in the determination of the amount and timing of revenue recognition when the period between rendering the service to the customer and the customer paying for the service is one year or less.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

Goodwill is initially measured at cost, which, in turn, is defined as the amount by which the cost of the business combination exceeds the Group’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets

Intangible assets not acquired as part of a business combination are recognized initially at cost. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date. In subsequent periods, the intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each fiscal year-end. No impairment losses had to be recognized or reversed in fiscal years 2018 and 2019.

Software is amortized on a straight-line basis over useful lives of 3 to 10 years.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. No impairment losses had to be recognized or reversed in fiscal years 2018 and 2019.

Property, plant and equipment is depreciated on a straight-line basis over useful lives of 3 to 10 years. The residual carrying amounts, useful lives and depreciation methods used are reviewed and adjusted as necessary as of each fiscal year-end.

Impairment of intangible assets and property, plant and equipment excluding goodwill

The Group tests the carrying amounts of property, plant and equipment and intangible assets as of each reporting date to determine whether there are any indications that these assets may be impaired. If any indications are identified, the recoverable amount of the asset is estimated to determine the potential extent of impairment. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. If the corporate assets can be allocated on a reasonable and consistent basis, they are allocated to the individual cash-generating units. If not, they are allocated to the smallest group of cash-generating units to which they can be allocated on a reasonable and consistent basis.

Intangible assets with an indefinite useful life and those that are not yet available for use are tested for impairment at least annually and whenever there are indications of impairment.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. In determining value in use, the estimated future cash flows are discounted at a pre-tax interest rate. This pre-tax rate reflects the current market assessment of the time value of money as well as the risks specific to the asset unless these risks were already considered when estimating the cash flows.

If the estimated recoverable amount of an asset or a cash-generating unit falls below the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment loss is recognized in profit or loss immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to reflect the most recent estimate of the recoverable amount. The increase in the carrying amount is limited to the amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. Such reversal is recognized immediately in profit or loss to the extent that it eliminates the impairment loss recognized for the asset or cash-generating unit in prior years.

Income taxes

Current income taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred taxes

Deferred taxes are recognized using the liability method for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability resulting from a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax losses can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability resulting from a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Classification of financial instruments

Financial assets and financial liabilities carried on the consolidated balance sheet include cash and cash equivalents, trade receivables, trade payables, other assets, current financial liabilities and other liabilities, including lease liabilities, and liabilities to non-controlling interests. The accounting policies for recognition and measurement of these items are discussed in the relevant accounting policies found in this note.

Financial instruments are classified as financial assets or financial liabilities in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments or components thereof classified as financial liabilities are recognized as an expense or income in the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents recognized in the consolidated balance sheet comprise cash on hand and bank balances. They correspond to cash and cash equivalents presented in the cash flow statement.

Trade receivables

Trade receivables are stated at the fair value of the consideration given (transaction price) from the date on which they originated. Trade receivables are not discounted as they generally do not contain any significant financing components and are usually due in less than one year. They are subsequently accounted for at amortized cost (less any loss allowances recognized). When determining loss allowances, the Amadeus FiRe Group applies a simplified approach to calculating expected credit losses (ECLs). Under this approach, loss allowances are determined on the basis of a provision matrix that 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. For credit-impaired trade receivables, the credit risk is specifically assessed on a case-by-case basis. Indicators for the potential impairment of trade receivables include in particular the likelihood of insolvency or significant financial difficulties of the debtor. Loss allowances are recognized in the consolidated income statement using an allowance account. If it is found in subsequent periods that the reasons for the impairment no longer apply, the loss allowance will be reversed up to an amount not exceeding the original acquisition cost, with the reversal recognized in profit or loss. The loss allowances recognized for trade receivables and the gains from reversing loss allowances are reported on a net basis and shown as a separate item in the consolidated income statement.

Loan liabilities

Financial liabilities are initially measured at fair value. Subsequently, interest-bearing financial liabilities are measured at amortized cost.

Trade payables

Trade payables are measured at amortized cost, representing the settlement amount.

Liabilities to non-controlling interests

For information on liabilities to non-controlling interests, please see the comments under "Use of judgment and main sources of estimation uncertainty."

Accrued liabilities

Accrued liabilities are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

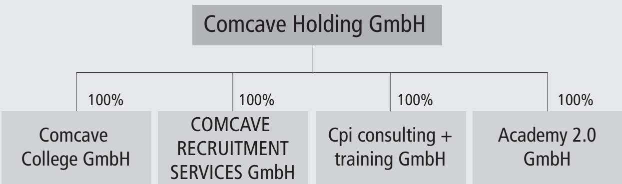
Fair value of financial assets and liabilities

Given their short maturities, the carrying amounts of financial assets and liabilities approximate their fair values.

Business combinations in the fiscal year

On 19 December 2019, Amadeus FiRe AG acquired the Comcave Group ("sale and transfer agreement") in Germany to strengthen its market position in the training segment. Comcave is a specialized adult education provider in Germany. Comcave's focus is on publicly funded occupational retraining and advanced vocational training, providing future-oriented learning content that is relevant for the labor market. Training courses are provided at 53 locations in Germany.

The transaction included the acquisition of all of the shares in Comcave Holding GmbH as the holding company as well as the four operating legal entities Comcave College GmbH, COMCAVE RECRUITMENT SERVICES GmbH, Cpi consulting + training GmbH and Academy 2.0 GmbH. The Comcave Group has the following legal structure:



Comcave College GmbH offers seminars, professional training, retraining and certifications. The entity also gives other group companies access to its course materials and technical infrastructure.

COMCAVE RECRUITMENT SERVICES GmbH provides personnel services to other companies of the Comcave Group.

Cpi consulting + training GmbH plans and organizes educational events, develops organizational and educational plans and materials, advises companies, institutions and individuals and provides recruitment services.

Academy 2.0 GmbH is a non-operating company of limited financial significance.

The cost to acquire all of the shares in Comcave Holding GmbH totaled EUR 124,595k. In addition, shareholder loans totaling EUR 24,717k (outstanding loan amount "shareholder loans" plus accrued interest as of 19 December 2019) were transferred from the seller to Amadeus FiRe AG under the sale and transfer agreement. Existing financial liabilities of Comcave Holding GmbH of EUR 58,006k were settled upon closing the sale and transfer agreement. The purchase price for the Comcave Group and the repayment of Comcave's existing financial liabilities in the total amount of EUR 207,318k were financed by raising bridge financing of EUR 170,000k and by cash and cash equivalents of Amadeus FiRe AG (EUR 28,318k) and Comcave (EUR 9,000k).

As the transaction date was very close to the reporting date and because of the amount of information required for valuation, it was not possible to finalize the analysis of assets acquired and liabilities assumed prior to the issuance of the consolidated financial statements. As regards the recognition and measurement of the acquired intangible assets as of 31 December 2019, the purchase price allocation for the acquisition of the Comcave Group is preliminary only.

The following assets and liabilities of the Comcave Group were acquired and recognized at fair value:

	Fair value EUR k
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 other intangible assets	380
Right-of-use assets	26,231
Other property, plant and equipment	1,638
Receivables and other assets	9,039
Cash	2,946
Deferred tax assets	99
Prepaid expenses	216
Financial liabilities 1)	-73,775
Liabilities	-1,535
Other liabilities	-33,983
Deferred tax liabilities	-5,672
Deferred income	-210
Net assets acquired	-40,176

1) As all of the shares in the Comcave Group were acquired, the **financial liabilities** also include two loans. In the first instance, a shareholder loan issued by the seller to Comcave Holding GmbH with a nominal value including accrued interest of EUR 24,717k was acquired when all of the shares in Comcave Holding GmbH were purchased. Secondly, the buyer repaid bank liabilities on behalf of the borrowers, these being the borrowers under the facility agreement, in the amount of EUR 49,006k as part of the acquisition of all the shares and concurrently provided a loan in the same amount to Comcave Holding GmbH. These loan receivables of Amadeus FiRe AG as the new lender and the interest accrued between the date of the sale and transfer agreement (19 December 2019) and 31 December 2019 totaling EUR 73,775k were fully eliminated during the elimination of intercompany balances carried out on initial consolidation. The purchase price for the Comcave Group and the repayment of Comcave Holding's

existing financial liabilities amounted to EUR 207,318k. EUR 198,318k of this amount was covered by Amadeus FiRe AG in the form of bridge financing (EUR 170,000k) and cash and cash equivalents (EUR 28,318k) and an amount of EUR 9,000k was provided by Comcave (cash and cash equivalents).

Goodwill was recognized as a result of the acquisition as follows:

	EUR k
Consideration transferred	124,595
Fair value of identifiable net assets	40,176
Goodwill	**164,771**

The resulting positive difference of EUR 164,771k was recognized as goodwill and arises, among other things, from synergy effects expected as a result of integrating the acquiree's operations into the Amadeus FiRe Group as well as from the acquired workforce, which cannot be recognized individually. Goodwill has not yet been allocated to the cash-generating units.

The acquisition of intangible assets and property, plant and equipment is shown in the statement of changes in fixed assets in the "Acquisition of subsidiaries" column.

The trade receivables assumed do not include any receivables which are expected to be uncollectible.

No contingent liabilities were recognized as a result of the business combination.

Costs directly related to the business combination of EUR 2,715k were recognized as an expense for the period.

On grounds of immateriality, the Comcave Group was not included in the consolidated financial statements (conversion to IFRSs and consolidation) as of 19 December 2019 (sale and transfer agreement) but as of 31 December 2019. Immateriality largely arises from the fact that only a few business days were left until the end of the fiscal year and Comcave's training activities ceased for the year when the Christmas holiday period began. As a result, initial consolidation of the Comcave Group was based on the IFRS balance sheet (opening balance sheet) as of 31 December 2019. No income statement, statement of changes in equity or cash flow statement was prepared for the period from 19 December 2019 to 31 December 2019 on grounds of immateriality.

Assuming that the acquisition of the Comcave Group (acquisition of all of the shares in Comcave Holding GmbH) had taken place as of 1 January 2019, revenue of the Amadeus FiRe Group would have been EUR 58,072k higher, EBITA EUR 12,083k higher and profit for the period EUR 6,067k lower in 2019. The acquiree's negative profit contribution mainly comprises non-operating effects from the amortization of the non-current assets acquired (-EUR 9,906k) on the basis of the fair values determined upon initial accounting for the business combination. In determining these values, it was assumed that the fair values and useful lives of the intangible assets identified in the purchase price allocation were the same as of 1 January 2019 and at the time of initial consolidation. In addition, it was assumed that the bridge financing raised on 19 December 2019 to acquire the Comcave Group and the transferred shareholder loans and repaid bank loans had already been issued, transferred or repaid as of 1 January 2019. Any compensation or consulting costs of the seller were deducted. Any effects of historical fair value adjustments or historical liabilities were also eliminated. These pro forma figures were exclusively prepared to facilitate comparison. They do not reliably represent operating results that would have been generated had the acquisition occurred at the beginning of the period. Nor do they allow for a reliable forecast of future results.

The basis of consolidation has changed as described above.

Notes to the consolidated income statement

1. Revenue

The Company provides temporary staffing, permanent placement, interim and project management as well as training services, mainly on the basis of service contracts.

Amounts stated in EUR k	2019	2018	Change from the prior year EUR k	%
Temporary staffing	153,036	133,812	19,224	14%
Permanent placement	40,494	37,472	3,022	8%
Interim and project management	13,599	10,308	3,291	32%
Training	25,995	24,244	1,751	7%
	233,124	**205,836**	**27,288**	**13%**

All current-period revenue was generated by services and mainly in Germany. Around 11% of total revenue (prior year: 11%) was generated from private customers, with training being the main source of such revenue. 89% of revenue (prior year: 89%) was generated with around 6,100 corporate customers (prior year: 5,900), while revenue from the 10 largest customers accounted for around 7% (prior year: 7%). The customer with the largest share of revenue contributed 1.9% to total revenue (prior year: 2.1%).

For information on the development of revenue by segment, please see the section on segment reporting.

Amadeus FiRe AG makes use of the option not to disclose the transaction price allocated to the remaining performance obligations as all relevant contracts have an original expected duration of less than one year.

2. Cost of sales

Personnel expenses for temporary staff, the cost of services purchased from external consultants, lecturer fees, expenses for training rooms, and personnel expenses for staff employed in permanent placement services are recognized as cost of sales. This item also includes assignment-related travel expenses.

3. Selling expenses

Selling expenses include management expenses, personnel expenses for sales staff, the premises and vehicle expenses attributable to such staff, marketing costs and depreciation of the non-current assets used. In addition, expenses for communication as well as training costs for the sales department are included on a proportionate basis.

4. 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 depreciation of the non-current assets used. Ongoing IT costs, legal and consulting fees, accounting costs as well as costs of shareholder meetings and the financial statements are also recognized in this item.

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

The Group had an average of 3,123 employees and trainees in fiscal year 2019 (prior year: 2,847).

Headcount breaks down as follows:

	2019	2018
Administrative staff	49	43
Sales staff	551	495
Employees on customer assignments	2,508	2,294
	3,108	**2,832**
Trainees	15	15
	3,123	**2,847**

The Comcave Group, acquired on 19 December 2019, had 377 employees (excluding trainees) as of 31 December 2019.

In the fiscal year, personnel expenses amounted to EUR 143,820k (prior year: EUR 127,682k).

Personnel expenses break down as follows:

Amounts stated in EUR k	2019	2018
Administrative staff	5,053	6,819
Sales staff	41,326	36,149
Employees on customer assignments	97,231	84,503
	143,610	**127,471**
Trainees	210	211
	143,820	**127,682**
Salaries	120,502	107,681
Social security costs	12,573	10,558
Pension costs	10,745	9,443
	143,820	**127,682**

Amortization of intangible assets and depreciation of property, plant and equipment and right-of-use assets amounted to EUR 7,084k in the fiscal year (prior year: EUR 1,391k).

6. Other operating income

Other operating income mainly includes discounts, income from cooperation agreements and income from subleasing.

7. Other operating expenses

Other operating expenses mainly include expenses stemming from losses on disposals of non-current assets.

8. Impairment of goodwill

An impairment test of recognized goodwill was carried out in accordance with IAS 36. No impairment losses were identified in fiscal years 2018 and 2019.

9. Financial result

The financial result includes finance income of EUR 6k (prior year: EUR 9k). This was primarily generated with time deposits at banks.

Finance costs amount to EUR 442k (prior year: EUR 307k). These arose as a result of measuring the non-controlling interests in Steuer-Fachschule Dr. Endriss in line with the development of the related liability (finance costs of EUR 140k; prior year: EUR 307k) as well as from the discounting of lease liabilities in accordance with IFRS 16 (EUR 249k) and interest on bank loans (EUR 53k; prior year: EUR 0k).

10. Income taxes

Income taxes were determined on the basis of the results of the individual entities in fiscal year 2019. The corporate income tax rate in fiscal year 2019 amounted to 15% of the tax base (prior year: 15%). As in the prior year, a 5.5% solidarity surcharge was levied on the corporate income tax. The trade tax rate varies throughout Germany; for the Amadeus FiRe Group, it averages 15.9% (prior year: 15.9%) of the tax base. In the fiscal year, deferred tax expenses of EUR 85k were recognized in profit or loss for temporary measurement differences (prior year: deferred tax income of EUR 52k).

As of the reporting dates, income taxes broke down as follows:

Amounts stated in EUR k	2019	2018
Current tax expense:		
Corporate income tax and solidarity surcharge	6,344	5,841
Corporate income tax and solidarity surcharge for prior years	0	0
Trade tax on income	6,108	5,602
	12,452	11,443
Deferred taxes:		
Relating to origination and reversal of temporary differences	85	-52
Tax expense	**12,537**	**11,391**

For information on the composition of deferred taxes, please see note 18.

Reconciliation pursuant to IAS 12:

The theoretical amount of tax that would have resulted had the group tax rate of 31.8% for the above income taxes (prior year: 31.8%) been applied to the pre-tax result is reconciled to the reported total tax expense as follows:

Amounts stated in EUR k	2019	2018
Profit/loss before taxes	**38,285**	**37,226**
Theoretical tax expense based on the effective tax rate in Germany	**12,174**	**11,838**
Trade tax add-backs	82	67
Tax on non-deductible expenses	1,043	164
Tax payable by non-controlling interests	-336	-332
Trade tax exemption for Steuer-Fachschule Dr. Endriss	-486	-392
Trade tax exemption for TaxMaster GmbH	-88	-105
Other	148	151
Reported tax expense	**12,537**	**11,391**

11. Profit attributable to non-controlling interests recognized under liabilities

The profit share attributable to the non-controlling interests in Steuer-Fachschule Dr. Endriss was recognized in profit or loss for the period as these non-controlling interests are classified as liabilities in accordance with IAS 32.

12. Earnings per share

Earnings per share are calculated in accordance with IAS 33. Profit for the period attributable to equity holders of the parent is divided by the weighted average number of ordinary shares outstanding during the fiscal year to give the basic earnings per share.

		2019	2018
Profit for the period attributable to equity holders of the parent	EUR k	24,012	24,225
Weighted average number of ordinary shares	units	5,198,237	5,198,237
Basic earnings per share	EUR	4.62	4.66
Diluted earnings per share	EUR	4.62	4.66

13. Other comprehensive income

No items had to be recognized in other comprehensive income in either the reporting period or the prior year.

Notes to the consolidated balance sheet

Non-current assets

14. Intangible assets

Amounts stated in EUR k	31.12.2019	31.12.2018
Software under development	805	2,893
Software	6,914	1,707
Goodwill	171,706	6,935
Other intangible assets	33,701	0
	213,126	**11,535**

Goodwill of EUR 171,706k (prior year: EUR 6,935k) mainly relates to the acquisition of the Comcave Group (EUR 164,771k) in fiscal year 2019. Effective 19 December 2019, Amadeus FiRe AG acquired all of the shares in Comcave Holding GmbH. In the preliminary purchase price allocation, purchased intangible assets were identified as of 31 December 2019. These include trademark rights, the order book, technologies, certifications and an instructor pool. These intangible assets were separable from goodwill and were recognized as assets as they meet the recognition criteria for intangible assets in IAS 38. After deducting deferred tax liabilities on fair value step-ups, the remaining difference compared to the purchase price was recognized as goodwill. The following intangible assets were acquired as of 19 December 2019:

Amounts stated in EUR k	19 December 2019
Intangible assets at fair value	**34,450**
thereof trademark rights (Comcave brand) revalued in the purchase price allocation	19,030
thereof order book revalued in the purchase price allocation	7,647
thereof technologies (GECS "live" and "in development") revalued in the purchase price allocation	5,471
thereof certifications revalued in the purchase price allocation	1,480
thereof instructor pool revalued in the purchase price allocation	822
Goodwill	**164,771**

The purchased trademark rights (EUR 19,030k) relate to the right to use the "COMCAVE" brand, which has a useful life of 10 years.

No impairment losses had to be recognized as of 31 December 2019 as a result of the impairment testing of the purchased trademark rights and goodwill.

The recognized order book (EUR 7,647k) will be amortized over a period of two years.

Purchased technologies (EUR 5,471k) relate to Comcave's proprietary Global Educational Collaboration System (GECS) required for its customer business. GECS allows for the digitalization of Comcave's complete value chain.

Identified GECS technology has a useful life of seven years.

Other intangible assets revalued in the purchase price allocation include certifications (EUR 1,480k) and Comcave's instructor pool (EUR 822k).

The Comcave Group had to acquire education provider certification to be able to offer publicly funded occupational retraining, advanced vocational training and skills development training. In accordance with the applicable AZAV ["Akkreditierungs- und Zulassungsverordnung Arbeitsförderung": German Accreditation and Licensing Ordinance for the Promotion of Employment], a competent government agency issues an education provider certification, which is valid for three years, if the relevant requirements are met.

While the instructor pool was assigned a useful life of four years, certifications are amortized over two years based on their date of issue and their total useful life.

Software under development of EUR 805k (prior year: EUR 2,893k) mainly includes payments for the acquisition of the software.

Internally generated intangible assets of EUR 570k (prior year: EUR 0k) were recognized in the fiscal year. Amortization of software of EUR 825k (prior year: EUR 500k) is recognized in cost of sales, selling and administrative expenses.

Impairment of goodwill

The recoverable amount of the cash-generating units is determined in a value in use calculation using cash flow projections based on five-year financial budgets and forecasts prepared by management. The pre-tax discount rate applied to the cash flow projections is 8.5% (prior year: 9.2%). The growth rate used to extrapolate the cash flows of the cash-generating units beyond the five-year period is 1.0% (prior year: 1.0%).

Key assumptions used in value in use calculations

The following assumptions used in calculating the value in use of the cash-generating units leave room for estimation uncertainty:

- Five-year business plan
- Discount rates
- Growth rate used to extrapolate cash flow projections beyond the forecast period

Five-year business plan – The business plan was prepared on the basis of estimates of future business development made by management. These estimates are based on historical values.

Discount rates – The discount rates reflect estimates made by management on risks to be attributed to specific cash-generating units. A base rate of 0.20% (prior year: 1.25%) and a risk premium of 7.50% (prior year: 6.25%) were used to determine the appropriate discount rates for the individual cash-generating units.

Estimates of growth rates – The terminal growth rate used to extrapolate the cash flow projections beyond the forecast period remained unchanged against the prior year at 1.0%.

In line with the business segment underlying the cash-generating units, capitalization rates (WACC) of 6.2% and 6.8% were used for the value in use calculations.

Sensitivity of assumptions made

Management believes that no reasonably possible change to the assumptions made for determining the value in use of the cash-generating units Steuer-Fachschule Dr. Endriss, Akademie für Internationale Rechnungslegung, Amadeus FiRe Personalvermittlung and Amadeus FiRe AG could cause the carrying amount of the cash-generating units to materially exceed their recoverable amount. For the Comcave Group, the reporting date 31 December 2019 was used as the valuation date instead of 19 December 2019 (sale and transfer agreement) as there were no significant changes in the assets, liabilities, financial position and financial performance between 19 December and 31 December 2019.

In addition to the impairment test, a sensitivity analysis was performed for the cash-generating units. If the discount rates used were to increase or the terminal growth rate were to decrease by one percentage point, there would still not be any need to recognize impairment losses for all four cash-generating units.

As regards the sensitivity of assumptions made in respect of the Comcave Group acquired on 19 December 2019, a WACC increase by 0.5 percentage points would reduce the value in use by EUR 20,008k. An increase in the terminal growth rate by 0.5 percentage points would reduce the value in use by EUR 15,626k. If both WACC and the terminal growth rate were to increase by 0.5 percentage points, the value in use would decrease by EUR 33,059k. There is no need to recognize an impairment loss.

The goodwill acquired in business combinations was allocated for impairment testing to the following cash-generating units:

Amounts stated in EUR k	31.12.2019	31.12.2018
Goodwill – Comcave	164,771	0
Goodwill – Steuer-Fachschule Dr. Endriss	3,853	3,853
Goodwill – Amadeus FiRe Personalvermittlung	1,388	1,388
Goodwill – Akademie für Internationale Rechnungslegung	1,280	1,280
Goodwill – Amadeus FiRe AG	415	415
	171,706	**6,935**

Goodwill of EUR 164,771k recognized as of 31 December 2019 arose from Amadeus FiRe AG's acquisition of all of the shares in Comcave Holding GmbH effective 19 December 2019.

15. Property, plant and equipment and right-of-use assets

Amounts stated in EUR k	31.12.2019	31.12.2018
Right-of-use assets	47,669	–
Property, plant and equipment	5,328	2,913
	52,997	**2,913**

Depreciation of EUR 6,259k (prior year: EUR 891k) is recognized in cost of sales, selling and administrative expenses. Please refer to note 29 for a breakdown of right-of-use assets.

16. Financial assets

Amounts stated in EUR k	31.12.2019	31.12.2018
Financial assets	2	0
	2	**0**

Financial assets relate to an interest in Volksbank Dortmund-Nordwest e.G.

16. Consolidated statement of changes in non-current assets for fiscal year 2019

Amounts stated in EUR k	Cost					
	01.01.2019	Acquisition of subsidiaries	Additions	Disposals	Reclassifications	31.12.2019
Intangible assets						
Software	6,735	803	451	346	5,046	12,689
Software under development	2,893	326	2,568	0	-4,982	805
Goodwill	14,254	164,771	0	0	0	179,025
Other intangible assets	0	33,701	0	0	0	33,701
	23,882	**199,601**	**3,019**	**346**	**64**	**226,220**
Property, plant and equipment						
Other plant and equipment	8,277	1,635	1,925	204	0	11,633
Property, plant and equipment under development	64	0	0	0	-64	0
	8,341	**1,635**	**1,925**	**204**	**-64**	**1,633**
Right-of-use assets						
	22,068	26,231	4,569	400	0	52,468
	54,291	**227,467**	**9,513**	**950**	**0**	**290,321**

Amounts stated in EUR k	Accumulated amortization, depreciation and impairment				Carrying amounts	
	01.01.2019	Additions	Disposals	31.12.2019	31.12.2019	31.12.2018
Intangible assets						
Software	5,027	825	77	5,775	6,914	1,708
Software under development	0	0	0	0	805	2,893
Goodwill	7,319	0	0	7,319	171,706	6,935
Other intangible assets	0	0	0	0	33,701	0
	12,346	**825**	**77**	**13,094**	**213,126**	**11,536**
Property, plant and equipment						
Other plant and equipment	5,429	1,076	200	6,305	5,328	2,848
Property, plant and equipment under development	0	0	0	0	0	64
	5,429	**1,076**	**200**	**6,305**	**5,328**	**2,912**
Right-of-use assets						
	0	5,183	384	4,799	47,669	0
	17,775	**7,084**	**661**	**24,198**	**266,123**	**14,448**

16. Consolidated statement of changes in non-current assets for fiscal year 2018

Amounts stated in EUR k	Cost					
	01.01.2018	Acquisition of subsidiaries	Additions	Disposals	Reclassifications	31.12.2018
Intangible assets						
Software	6,191	0	335	10	219	6,735
Software under development	2,318	0	804	12	-217	2,893
Goodwill	14,254	0	0	0	0	14,254
	22,763	**0**	**1,139**	**22**	**2**	**23,882**
Property, plant and equipment						
Other plant and equipment	6,829	0	2,138	694	4	8,277
Property, plant and equipment under development	43	0	27	0	-6	64
	6,872	**0**	**2,165**	**694**	**-2**	**8,341**
	29,635	**0**	**3,304**	**716**	**0**	**32,223**

Amounts stated in EUR k	Accumulated amortization, depreciation and impairment				Carrying amounts	
	01.01.2018	Additions	Disposals	31.12.2018	31.12.2018	31.12.2017
Intangible assets						
Software	4,537	500	10	5,027	1,708	1,654
Software under development	0	0	0	0	2,893	2,318
Goodwill	7,319	0	0	7,319	6,935	6,935
	11,856	**500**	**10**	**12,346**	**11,536**	**10,907**
Property, plant and equipment						
Other plant and equipment	5,195	891	657	5,429	2,848	1,634
Property, plant and equipment under development	0	0	0	0	64	43
	5,195	**891**	**657**	**5,429**	**2,912**	**1,677**
	17,051	**1,391**	**667**	**17,775**	**14,448**	**12,584**

18. Deferred taxes

Deferred taxes break down as follows as of the reporting date:

Amounts stated in EUR k	Consolidated balance sheet		Consolidated income statement	
	31.12.2019	**31.12.2018**	**2019**	**2018**
Deferred tax assets				
Liabilities to non-controlling interests	1,105	982	25	54
Lease liabilities	6,211	0	6,211	0
other liabilities and accrued liabilities	290	141	149	-2
Tax loss carryforwards	0	0	0	0
	7,606	**1,123**	**6,385**	**52**
Deferred tax liabilities:				
Accrued expenses	351	0	-260	0
Assets – purchase price allocation	5,581	0		
Right-of-use assets	6,211		-6,211	
Goodwill usable for for tax purposes	616	616	0	0
	12,759	**616**	**-6,471**	**0**
Total tax income/expense			**-86**	**52**
Net deferred taxes	**5,153**	**-507**		

In fiscal year 2019, the Group changed its presentation of deferred tax assets and liabilities. In accordance with IAS 8, this was done retrospectively, including a restatement of prior-year figures. In accordance with IAS 8, the financial statement items for fiscal years 2019 and 2018 are presented as if the net presentation of deferred assets and liabilities had always been applied.

The first-time inclusion of the Comcave Group in the consolidated financial statements as of 31 December 2019 was based on the carrying amounts in the balance sheet. As a result, changes in balance sheet items cannot be reconciled to the consolidated income statement.

The unused tax loss carryforwards include an amount of EUR 223k (prior year: EUR 298k), for which no deferred tax assets were recorded due to uncertainty as to the realization of the loss carryforwards. In accordance with the prevailing legal provisions, these tax loss carryforwards can be carried forward for an indefinite time and in an unlimited amount as long as they are not utilized.

Current assets

19. Trade receivables and other assets

Trade receivables break down as follows:

Amounts stated in EUR k	**31.12.2019**	**31.12.2018**
Trade receivables	30,990	22,968
Loss allowances	-314	-186
	30,676	**22,782**

The following table provides information on the estimated exposure to credit risk and ECLs for trade receivables as of 31 December 2019.

Group amounts stated in EUR k 31 Dec 2019	Total	not overdue	Overdue by			
			< 30 days	31-60 days	61-90 days	> 90 days
Gross carrying amount	**30,990**	20,980	7,504	1,310	435	761
Loss rate (weighted average loss rate)		0.22%	0.28%	2.29%	10.11%	22.73%
Loss allowance	**314**	46	21	30	44	173
Net carrying amount	**30,676**	20,934	7,483	1,280	391	588

Group amounts stated in EUR k 31 Dec 2018	Total	not overdue	Overdue by			
			< 30 days	31-60 days	61-90 days	> 90 days
Gross carrying amount	**22,968**	13,580	7,467	1,360	238	323
Loss rate (weighted average loss rate)		0.17%	0.22%	2.21%	12.61%	26.63%
Loss allowance	**186**	23	17	30	30	86
Net carrying amount	**22,782**	13,557	7,450	1,330	208	237

The maximum credit risk is reflected in the amortized cost of the receivables and other financial assets which are recorded on the balance sheet.

Credit checks and a dunning system limit the risk of receivable losses. In operating activities, outstanding receivables are monitored continuously by location, i.e., locally. On 31 December 2019, the average term of trade receivables in relation to revenue in the month of December was 40 days (31 December 2018: 38 days).

Bad debts on trade receivables amounted to EUR 422k in fiscal year 2019 (prior year: EUR 314k). This is the absolute default amount of trade receivables independent of the recognition and consideration of bad debt allowances.

The net loss in the category trade receivables came to EUR 530k (prior year: EUR 278k). The net loss in the category loans and receivables came to EUR 524k (prior year: net loss of EUR 269k).

Bad debt allowances developed as follows:

Group amounts stated in EUR k	2019	2018
Allowances on 1 January	**186**	**222**
Charge for the year	300	160
Utilization	-99	-99
Reversals	-73	-97
Allowances on 31 December	**314**	**186**

Group procedures are in force to ensure that services are only rendered to customers with a proven credit history and who do not exceed an acceptable credit exposure limit. In fiscal year 2019, new allowances for receivables totaling EUR 300k net (prior year: EUR 160k) were recognized. This mainly relates to allowances for trade receivables and their derecognition due to uncollectibility.

Other assets break down as follows:

Amounts stated in EUR k	31.12.2019	31.12.2018
Deposit for rent guarantees	2,310	0
Landlord subsidies	840	0
Creditors with debit balances	135	18
Receivables from employees	30	14
Miscellaneous	69	42
	3,384	**74**

Deposits for rent guarantees of EUR 2,310k (prior year: EUR 0k) relate to cash deposits for existing rent guarantees of the Comcave Group based on their previous practice for concluding rental contracts.

20. Prepaid expenses

Prepaid expenses totaling EUR 1,285k (prior year: EUR 551k) chiefly comprise amounts paid in advance for job advertisements, insurance, licenses and maintenance services.

21. 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 starting from the date of placement. As of the reporting date 31 December 2019, the interest rate for the time deposits was 0.00% (prior year: 0.00%).

Cash and cash equivalents mainly have short terms. Thus, the carrying amounts as of the reporting date correspond to the fair value.

Amounts stated in EUR k	31.12.2019	31.12.2018
Bank balances	20,430	41,806
Cash on hand	21	9
Time deposits	14	2,744
	20,465	**44,559**

Equity

22. Capital stock (subscribed capital)

The subscribed capital is the parent company's capital stock of EUR 5,198,237.00 and is divided into 5,198,237 no-par value bearer shares held by numerous shareholders. No shareholders are known to hold more than 25% of shares. The subscribed capital has been fully paid in.

By resolution of the shareholder meeting on 27 May 2015, the Company is authorized for a period until 26 May 2020 to acquire via the stock exchange treasury shares of up to a total of 10% of the capital stock available at the time of the resolution. The purchase price per share (excluding acquisition charges) may not be more than 10% above or below the price of an Amadeus FiRe share determined in the opening auction in XETRA trading (or in a comparable successor system) on any given trading day.

At no time may the shares acquired on the basis of this authorization together with other treasury shares already purchased and held by the Company or which are attributable to the Company constitute more than 10% of the relevant capital stock.

The authorization may be exercised by the Company in full or in part, on one or several occasions and also for its account by third parties.

The management board is authorized to re-sell treasury shares purchased under the current or previous authorizations on the stock exchange or by means of a tender addressed to all shareholders or use them as follows:

- With the approval of the supervisory board, treasury shares may be redeemed without the need for a resolution by the shareholder meeting to approve redemption.
- With the approval of the supervisory board, treasury shares may be offered and transferred to third parties in return for contributions in kind, in particular in connection with business combinations or the acquisition of entities, parts of entities or equity investments in entities.
- With the approval of the supervisory board, treasury shares may be sold to third parties in return for cash provided that the Amadeus FiRe shares are not sold at a price that is significantly less than the stock market price (Sec. 186 (3) Sentence 4 AktG ["Aktiengesetz": German Stock Corporation Act]).

In aggregate, the shares used on the basis of the authorizations for sale to third parties in return for cash and issued applying Sec. 186 (3) Sentence 4 AktG as appropriate (subject to the exclusion of subscription rights in return for contributions in cash close to the stock market price) must not exceed 10% of the capital stock at the time of use. Shares which are issued on the basis of other existing authorizations during the term of this authorization applying Sec. 186 (3) Sentence 4 AktG directly or indirectly are counted toward this aggregate amount. The authorizations to sell or use treasury shares may be exercised on one or several occasions, individually or jointly, in full or in part.

The shareholders' subscription rights to purchased treasury shares are excluded to the extent that these shares are used to acquire contributions in kind or sold to third parties in return for cash under the above authorizations.

23. Authorized capital

By virtue of a resolution adopted by the shareholder meeting on 27 May 2015, the management board was authorized to increase the capital stock on or prior to 26 May 2020, with the approval of the supervisory board, on one or more occasions, by up to an aggregate of EUR 1,559,471.00 by issuing up to 1,559,471 new no-par value bearer shares in return for cash contributions or contributions in kind (Authorized Capital 2015). In this regard, shareholders must be granted indirect subscription rights (Sec. 186 (5) AktG). However, the management board is authorized, with the approval of the supervisory board, to exclude the shareholders' subscription rights:

a) if the capital increase is made in return for cash contributions and if the notional share in capital stock of the new shares for which the subscription right is excluded does not exceed 10% of the lower of capital stock existing on the date of entry of the authorization in the commercial register or the capital stock available on the date of issue of the new shares, and the issue price of the new shares is not, pursuant to Sec. 203 (1) and (2) and Sec. 186 (3) Sentence 4 AktG, significantly less than the stock market price of the Company's shares of the same class and features which are already traded on the stock exchange on the date the final issue price is determined by the management board; shares which are issued or sold during the term of the authorization until the date of its exercise applying Sec. 186 (3) Sentence 4 AktG directly or indirectly are included when calculating the 10% upper limit;

b) if capital increases are made in return for non-cash contributions for the purposes of acquiring entities, parts of entities or equity investments in entities;

c) for fractional amounts.

24. Capital reserves

The capital reserves are chiefly the result of amounts generated in excess of the nominal value from the issuance of shares (premium).

25. Retained earnings

Retained earnings as of 31 December 2019 break down as follows:

Amounts stated in EUR k

As of 1 January 2019	33,762
Profit distributions	-24,224
Profit for the period accruing to the equity holders of the parent	24,013
As of 31 December 2019	33,551

In the prior year, retained earnings developed as follows:

Amounts stated in EUR k

As of 1 January 2018	30,122
Profit distributions	-20,585
Profit for the period accruing to the equity holders of the parent	24,225
As of 31 December 2018	33,762

26. Non-controlling interests

The non-controlling interests recognized separately under equity relate to shares in Endriss GmbH, TaxMaster GmbH, Endriss Service GmbH and Akademie für Internationale Rechnungslegung.

27. Non-current liabilities

Liabilities to non-controlling interests

These liabilities are due to the non-controlling interests in Steuer-Fachschule Dr. Endriss. For more information, please see the comments under "Use of judgment and main sources of estimation uncertainty."

Other liabilities and accrued liabilities

Other liabilities break down as follows:

Amounts stated in EUR k	31.12.2019	31.12.2018
Lease liabilities	37,015	–
	37,015	**–**

Accrued liabilities break down as follows:

Amounts stated in EUR k	31.12.2019	31.12.2018
Bonuses	2,197	1,918
	2,197	**1,918**
Other liabilities and accrued liabilities	**39,212**	**1,918**

28. Current liabilities

Liabilities classified as current have a residual term of up to one year. No collateral has been provided.

Trade payables

All trade payables are due to third parties; they are stated at the settlement amount.

Contract liabilities

Due to the application of IFRS 15 in the training segment, prepayments of course fees are recognized as contract liabilities. Most of the contract liabilities of EUR 3,954k recognized as of 31 December 2019 (prior year: EUR 3,867k) will be recognized as revenue in fiscal year 2020.

Liabilities to non-controlling interests

These liabilities are mainly due to claims of non-controlling interests to a share in the profit for the period (EUR 1,719k; prior year: EUR 1,652k).

Income tax liabilities

Income tax liabilities of EUR 1,391k (prior year: EUR 1,024k) relate to amounts owed by the group entities for the current fiscal years and prior years.

Current financial liabilities

Financial liabilities (liabilities to banks) relate to the bridge financing (loan agreement) agreed with Deutsche Bank Luxembourg S.A., Luxembourg, for an amount of EUR 170,000k (prior year: EUR 0k) to finance the acquisition of the Comcave Group as of 19 December 2019. The loan agreement has a term of nine months plus a three-month extension option and is for a bullet loan.

The loan bears interest of 0.9% until the end of the third month after the signing date of the loan agreement (signed on 18 December 2019). From the beginning of the fourth month until the end of the sixth month after the signing date, the loan bears interest at 1.2%. From the beginning of the seventh month until the end of the ninth month after the signing date, the loan bears interest at 1.6%. In the three-month extension period after the end of the original nine-month term, the loan bears interest at 2.1%.

Other liabilities and accrued liabilities

Other liabilities break down as follows:

Amounts stated in EUR k	31.12.2019	31.12.2018
Lease liabilities	12,337	–
VAT	1,953	2,438
Wage and church tax	1,973	3,221
Social security	195	–
Miscellaneous	3,521	47
	19,979	**5,706**

Miscellaneous other liabilities mainly relate to debtors with credit balances, overpayments received and relocation cost allowances.

Accrued liabilities break down as follows:

Amounts stated in EUR k	31.12.2019	31.12.2018
Bonuses	4,994	3,995
Accrued vacation	3,049	2,365
Outstanding invoices	2,857	1,165
Overtime	706	565
Employer's liability insurance	700	551
Personnel, other	465	330
Audit and tax consulting fees	282	139
Legal and consulting costs	74	24
Miscellaneous	896	814
	14,023	**9,948**
Other liabilities and accrued liabilities	**34,002**	**15,654**

The miscellaneous accrued liabilities include levies in lieu of employing the severely disabled, remuneration to the supervisory board and the costs of the shareholder meeting.

Financial liabilities (excluding lease liabilities)

Group amounts stated in EUR k	31.12.2019			
	Total	Residual term up to 1 year	Residual term beetween 5 years	Residual term more than 5 years
Loan liabilities	170,096	170,096	0	0
Liabilities to non-controlling interests, undiscounted	8,050	1,719	6,331	0
Trade payables	9,459	9,459	0	0
Other financial liabilities	3,496	3,496	0	0
Total	**191,101**	**184,770**	**6,331**	**0**

Group amounts stated in EUR k	31.12.2018			
	Total	Residual term up to 1 year	Residual term beetween 5 years	Residual term more than 5 years
Liabilities to non-controlling interests, undiscounted	7,573	1,652	5,921	0
Trade payables	2,189	2,189	0	0
Other financial liabilities	22	22	0	0
Total	**9,784**	**3,863**	**5,921**	**0**

Current liabilities from loans bear interest and have a term of 90 days.

Current liabilities to non-controlling interests are attributable to the profit for the period of the individual entities in fiscal year 2019.

The non-current liabilities to non-controlling interests are due in 2021 at the earliest. The period of notice is six months to the end of the fiscal year. For more information on maturities, please see our comments under “Use of judgment and main sources of estimation uncertainty.”

Financial liabilities to non-controlling interests that relate to severance payment options bear interest. The remaining financial liabilities to non-controlling interests are non-interest bearing.

Trade payables are non-interest bearing and generally due in 90 days or less (prior year: 90 days).

Other financial liabilities are non-interest bearing and due in 30 days on average.

Loan liabilities, trade payables and other liabilities are generally due in the short term; the amounts recognized in the balance sheet approximate the fair values. As the contractual agreements relating to the financial liabilities do not provide for the possibility of premature termination, there were no liquidity risks as of the reporting date.

Measurement of financial instruments by category

In accordance with IFRS 9, financial assets and financial liabilities are classified in the measurement categories “at amortized cost” and “at fair value through profit or loss.” Financial assets and financial liabilities are all measured at amortized cost. Only the liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss of EUR 5,681k (prior year: EUR 5,541k) are recognized at fair value through profit or loss. The carrying amounts of all financial instruments recognized in the consolidated financial statements approximate their fair value. The carrying amount of financial assets in the category “at amortized cost” is EUR 53,459k (prior year: EUR 67,351k). The carrying amount of the financial liabilities comes to EUR 240,112k (prior year: EUR 9,225k). Of this amount, EUR 5,681k (prior year: EUR 5,541k) is classified as “at fair value” and EUR 234,431k (prior year: EUR 3,684k) is classified as “at amortized cost.”

29. Leases as lessee in accordance with IFRS 16

The Group has rental and lease agreements for offices, vehicle parking spaces, vehicles and furniture, fixtures and office equipment. The agreements have terms between 3 and 10 years.

In addition to rental and lease agreements which are subject to IFRS 16, the Group has agreements with terms of less than 12 months as well as for low-value assets. For these agreements, the available practical expedients are used and they are expensed as incurred. This mainly relates to external premises leased on specific days as required by the Group's training and seminar business and monthly leases of vehicles.

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 as it is not reasonably certain that the extension option will be exercised. This could result in potential undiscounted cash outflows of EUR 52m.

Lease liabilities recognized as of 31 December 2019 mature as follows:

Overview of maturities Amounts stated in EUR k	**Up to 1 year**	**1 to 5 years**	**More then 5 years**	**Total**
Buildings on third-party land	11,250	29,509	6,588	47,347
Vehicles	1,068	911	0	1,979
Furniture, fixtures and office equipment	19	7	0	26
Total lease liabilities	**12,337**	**30,427**	**6,588**	**49,352**

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognized and their movements during the period:

Right-of-use asset (Property, plant and equipment) Amounts stated in EUR k	**Measurement on first time application 01.01.2019**	**Additions**	**Disposals Contract modification**	**Depreciation**	**Addition Initial consol. Comcave**	**Measurement 31.12.2019**
Buildings on third-party land	20,483	2,960	-6	-3,959	26,231	45,709
Vehicles	1,530	1,599	-10	-1,184		1,935
Furniture, fixtures and office equipment	55	10	0	-40		25
Total assets	**22,068**	**4,569**	**-16**	**-5,183**	**26,231**	**47,669**

Lease liabilities Amounts stated in EUR k	**Measurement on first time application 01.01.2019**	**Additions**	**Disposals Contract modification**	**Interest expense**	**Cash outflows**	**Addition Initial consol. Comcave**	**Measurement 31.12.2019**
Buildings on third-party land	20,987	2,960	-115	245	-4,039	27,352	47,390
Vehicles	1,530	1,599	-10	4	-1,186		1,937
Furniture, fixtures and office equipment	55	10	0	0	-40		25
Total liabilities	**22,572**	**4,569**	**-125**	**249**	**-5,265**	**27,352**	**49,352**

In recognizing the right-of-use assets, lease incentives in the form of rent-free periods were deducted from the lease liabilities:

First-time application as of 1 Jan 2019	EUR k 504
Initial consolidation of Comcave as of 19 Dec 2019	EUR k 778
Carrying amount as of 31 Dec 2019	EUR k 1,214

The following amounts were recognized in profit or loss in the reporting period

Depreciation expense for right-of-use assets	EUR k 5,183
Interest expense on lease liabilities	EUR k 249
Expense for short-term leases	EUR k 1,670
Expense for low-value leases	EUR k 42
Total amount recognized in profit or loss	EUR k 7,144

Including lease liabilities from short-term and low-value leases, total cash outflows in the fiscal year amounted to EUR 6,977k.

Notes to the consolidated cash flow statement

The Company's cash flow statement is in accordance with IAS 7. As such, cash flows are broken down into cash flows from operating activities, investing activities and financing activities.

30. Cash flows from operating activities

The cash flows from operating activities increased to EUR 36,692k during fiscal year 2019 (prior year: EUR 26,350k). This corresponds to an increase of EUR 10,342k. This change is attributable to a EUR 7,003k increase in operating profit before working capital changes, largely due to a EUR 5,693k increase in amortization and depreciation as a result of the first-time application of IFRS 16, which entailed a change in amortization and depreciation methods, and an increase in income taxes by EUR 1,146k. The EUR 7,690k change in net working capital also had a positive effect. By contrast, income taxes paid were up by EUR 891k in comparison with the prior year.

31. Cash flows from investing activities

Net cash used in investing activities increased to EUR 202,978k (prior year: EUR 3,283k). This is mainly attributable to the acquisition of Comcave Holding GmbH as of 19 December 2019 (EUR 198,318k). Investments in intangible assets, right-of-use assets and property, plant and equipment increased by EUR 6,208k year on year. Investments mainly related to capital expenditures for software and hardware to improve the IT infrastructure, for new offices, a new sales software program and for furniture, fixtures and office equipment. As interest rates remained low in 2019, interest income amounted to EUR 6k (prior year: EUR 9k).

32. Cash flows from financing activities

Net cash provided by financing activities came to EUR 142,192k in fiscal year 2019, whereas net cash of EUR 21,911k was used in financing activities in the prior year. The Group raised financial liabilities of EUR 170,000k to finance the acquisition of 100% of the shares in Comcave Holding GmbH. Cash and cash equivalents changed by EUR 2,946k as a result of the acquisition of the Comcave Group. The first-time application of IFRS 16 resulted in additional outflows relating to the payment of lease liabilities of EUR 5,265k. In fiscal year 2019, EUR 24,224k of the net retained profit for 2018 was distributed to the shareholders (prior year: EUR 20,585k). This corresponds to a dividend of EUR 4.66 per share (prior year: EUR 3.96 per share). Dividends of EUR 1,265k were distributed to non-controlling interests (prior year: EUR 1,326k).

The settlement option held by the non-controlling interests of Steuer-Fachschule Dr. Endriss of EUR 5,681k (prior year: EUR 5,541k) is a potential outflow. It has been recognized since fiscal year 2005. It is currently not expected that this option will be exercised in the future.

The changes in financial liabilities whose cash flows are currently shown or will be shown as cash flows from financing activities in the future are as follows:

Amounts stated in EUR k	31.12.2018	Cash changes in financing cash flow	Non-cash changes in lease liabilities	Cash changes in profit attributable to non-controlling interests	Non-cash measurement effects	Changes in profit attributable to non-controlling interests	31.12.2019
Non-current liabilities:							
Liabilities	5,650		37,015	–	340	–	43,005
Current liabilities:							
Liabilities	1,652	170,000	12,337	-1,165	-200	1,432	184,056
Total	**7,302**	**170,000**	**49,352**	**-1,165**	**140**	**1,432**	**227,061**

Amounts stated in EUR k	31.12.2017	Cash changes in financing cash flow	Non-cash changes in lease liabilities	Cash changes in profit attributable to non-controlling interests	Non-cash measurement effects	Changes in profit attributable to non-controlling interests	31.12.2018
Non-current liabilities:							
Liabilities	5,342	–		–	308		5,650
Current liabilities:							
Liabilities	1,569	–		-1,282	–	1,365	1,652
Total	**6,911**	**0**	**0**	**-1,282**	**308**	**1,365**	**7,302**

As of the reporting date, the Company had a guarantee facility of EUR 2,250k, EUR 1,704k of which had been drawn.

Notes to the segment reporting

33. Segment reporting

The Group's business is organized by products and services for corporate management purposes and has the following two segments which are subject to reporting:

a. Temporary staffing/interim and project management/permanent placement
b. Training

For a description of the segments, please see the management report.

The operating result of each segment is monitored separately by management. The performance of the segments is assessed on the basis of their profit from operations before goodwill impairment (EBITA).

Transfer prices between the operating segments are set on an arm's length basis.

Segment reporting by geographical segment is not performed because the Company currently renders its services in Germany, and thus is only active in one geographical segment.

As information on the allocation of liabilities to reporting segments is not used as a basis for management decisions, such information is not recorded in the accounts.

Amounts stated in EUR k	**Temporary staffing / permanent placement/ interim and project management**	**Training**		**Group**
01.01.-31.12.2019				
Revenue*				
Segment revenue	207,128	25,996		233,124
Result				
Segment result before goodwill impairment (EBITA)	**33,839**	**4,882**		**38,721**
Amortisation, depreciation and impairment of non-current assets	5,919	1,165		7,084
thereof of right-of-use assets in lease accounting	4,174	1,009		5,183
Impairment of goodwill	0	0		0
Segment assets	94,529	227,406		321,935
Investments	7,902	1,611		9,513
Finance costs	238	204		442
Finance income	1	5		6
Income taxes	11,825	712		12,537
01.01.-31.12.2018				
Revenue*				
Segment revenue	181,591	24,245		205,836
Result				
Segment result before goodwill impairment (EBITA)	**33,009**	**4,515**		**37,524**
Amortisation, depreciation and impairment of non-current assets	957	434		1,391
thereof of right-of-use assets in lease accounting	0	0		0
Impairment of goodwill	0	0		0
Segment assets	67,980	14,941		82,921
Investments	2,698	607		3,305
Finance costs	0	307		307
Finance income	4	5		9
Income taxes	10,741	650	0	11,391

*) Revenue between segments of EUR k 0 (prior year: EUR k 7) and EUR k 18 (prior year: EUR k 22) was not consolidated.

Other notes

34. Financial risk management objectives and policies

The main financial liabilities used by the Group comprise trade payables, liabilities to non-controlling interests and other liabilities. The main purpose of these financial liabilities is to fund the Group's operations. The Group has various financial assets such as trade receivables, cash and cash equivalents which arise directly from its operations.

The Group does not have any derivative financial instruments and no trading with derivatives took place in fiscal years 2019 and 2018.

Interest-related cash flow risks as well as liquidity and credit risks may result from financial instruments; these risks are subject to constant monitoring by the Company's management. The following sections describe how management currently evaluates these risks and their effects.

Interest rate risk
The potential settlement obligation for the non-controlling interests in Steuer-Fachschule Dr. Endriss is recognized in the non-current liabilities to non-controlling interests. The resulting obligations were measured at their present value as of the reporting date. There is no significant interest rate risk from these non-current liabilities.

The Group also generates finance income from its balances at various banks. In addition, there are current financial liabilities, which give rise to finance costs. The table below shows the sensitivity of the Group's profit or loss before taxes to a reasonably possible change in interest rates:

	Increase/decrease in basis points	Effect on profit or loss before taxes (EUR k)
2019	+50	239
	-50	-240
2018	+50	231
	-50	-231

Currency risk
The Group operates in Germany. There is no currency risk.

Credit risk
The Group trades only with third parties of good credit standing. All customers intending to enter into transactions with the Group on a credit basis undergo a credit check. Management has set guidelines for reviewing creditworthiness and dunning. In addition, receivable balances are monitored on an ongoing basis. As a result, the Group's exposure to bad debts is not significant. The maximum credit risk is limited to the carrying amount reported in note 19.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, the maximum credit risk in the event of default by a counterparty is the carrying amount of these instruments.

Liquidity risk
The Group has adequate cash and cash equivalents to cover all its payment obligations. No liquidity risk exists for the Group at present.

Capital management
The Group's capital management activities are primarily aimed at maintaining a good equity ratio and a sustained return on capital employed in order to support its operations and maximize its shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can alter its dividend payments to shareholders or issue new shares.

The Group's equity ratio was 15.8% as of the reporting date (prior year: 61.0%). The decrease on the prior year is primarily attributable to the increase in total assets as a result of the initial consolidation of the Comcave Group. The return on equity amounted to 49.9% (prior year: 53.9%). The return on equity was calculated on the basis of weighted monthly values.

35. Contingent liabilities

The Company has issued rental payment guarantees of EUR 1,704k to lessors. No other contingent liabilities subject to compulsory disclosure exist.

36. Other financial obligations

Amounts stated in EUR k	31.12.2019	31.12.2018
Less than 1 year	5,664	5,778
1 to 5 years	11,563	18,019
More than 5 years	4,203	7,476
	21,430	**31,273**

Other financial obligations mainly comprise service charges in connection with leased office space and the maintenance components of vehicle lease agreements. In the prior year, this item included payments for leased office space. In accordance with IFRS 16, these payments are recognized as lease liabilities in the balance sheet in the reporting year.

37. Related party relationships

There were no related party relationships in the fiscal year.

The consolidated financial statements include Amadeus FiRe AG and the subsidiaries listed in the following table (Amadeus FiRe Group):

	Share in equity in %	
	31.12.2019	**31.12.2018**
Direct equity investments/ financial assets		
Amadeus FiRe Services	100	100
Steuer-Fachschule Dr. Endriss	60	60
Endriss GmbH	60	60
Amadeus FiRe Personalvermittlung	100	100
Comcave Holding	100	–
Indirect equity investments/ financial assets		
Akademie für Internationale Rechnungslegung	60	60
TaxMaster GmbH	48	48
Endriss Service GmbH	60	60
Comcave College	100	–
COMCAVE RECRUITMENT SERVICES	100	–
Cpi consulting + training	100	–
Academy 2.0 GmbH	100	–

Amadeus FiRe AG indirectly holds 80% of the shares in TaxMaster GmbH through Steuer-Fachschule Dr. Endriss. Amadeus FiRe AG indirectly holds 100% of the shares in Endriss Service GmbH and Akademie für Internationale Rechnungslegung via Steuer-Fachschule Dr. Endriss. In addition, Amadeus FiRe AG indirectly holds all of the shares in Comcave College, COMCAVE RECRUITMENT SERVICES, Cpi consulting + training and Academy 2.0 GmbH via Comcave Holding GmbH.

Due to its size and influence on the Group, Steuer-Fachschule Dr. Endriss, Cologne, was identified as a material subsidiary that has non-controlling interests.

The following tables summarize the statement of comprehensive income and other financial information regarding non-controlling interests in the entity.

The stated amounts are prior to consolidation.

Statement of comprehensive income for non-controlling interests Amounts stated in EUR k	**01.01.–31.12. 2019**	**01.01.–31.12. 2018**
Revenue	21,296	19,666
Profit for the period	3,619	3,411
Total comprehensive income for the period	**3,619**	**3,411**
Total comprehensive income attributable to non-controlling interests	1,448	1,365
Dividends paid (to non-controlling interests)	1,165	1,282

Further financial information for non-controlling interests Amounts stated in EUR k	**31.12.2019**	**31.12.2018**
Assets	**9,860**	**8,844**
Non-current assets	2,538	2,371
Current assets	7,322	6,473
Equity and liabilities	**9,860**	**8,844**
Equity	3,640	3,433
Non-current liabilities	309	103
Current liabilities	5,911	5,308

Management board

In fiscal year 2019, Mr. Robert von Wülfing (business administration graduate), Königstein, spokesman of the management board, and Mr. Dennis Gerlitzki (business administration graduate), Frankfurt am Main, member of the management board, were the incumbent members of the management board with authorization to represent the Company on their own. They are entitled to conclude legal transactions on behalf of the Company with themselves acting as agents of third parties.

In fiscal year 2019, the following responsibilities were allocated to the members of the management board according to the distribution-of-business plan drawn up by the supervisory board:

Mr. Robert von Wülfing, spokesman of the management board:
Corporate strategy, investor relations, acquisitions and investments, training segment, finance and accounting, financial control, personnel administration, IT, legal and internal audit

Mr. Dennis Gerlitzki, member of the management board:
Personnel services segment, personnel development, marketing and public relations

Supervisory board

In fiscal year 2019, the supervisory board of Amadeus FiRe AG comprised six members representing the shareholders and six members representing the employees pursuant to the MitbestG [”Mitbestimmungsgesetz”: German Codetermination Act] and in accordance with Art. 9 (1) of its articles of incorporation and bylaws. These are:

- Mr. Christoph Gross, Mainz,
  auditor, Chairman
- Mr. Michael C. Wisser, Neu-Isenburg,
  business administration graduate, member of the management board of Aveco AG, Frankfurt am Main, Deputy Chairman
- Mr. Knuth Henneke, Neustadt,
  independent business consultant
- Ms. Annett Martin, Wiesbaden,
  German public auditor/tax advisor
- Dr. Ulrike Schweibert, Bad Vilbel,
  lawyer and partner of the law firm Schweibert Lessmann & Partner, Frankfurt am Main
- Mr. Hartmut van der Straeten, Wehrheim,
  independent business consultant
- Ms. Ulrike Bert, Grossostheim-Ringheim,
  financial accountant at Amadeus FiRe AG,employee representative
- Ms. Angelika Kappe, Hauneck,
  trade union secretary, employee representative
- Mr. Elmar Roth, Alzenau,
  IT executive, employee representative
- Mr. Andreas Setzwein, Obertshausen,
  lawyer, employee representative
- Ms. Urike Sommer, Mühlheim,
  personnel clerk, Amadeus FiRe AG, employee representative
- Mr. Mathias Venema, Mainz,
  trade union secretary, employee representative

The supervisory board set up the following committees:

Accounting and audit committee

Chairman:	Mr. Hartmut van der Straeten
Other members:	Mr. Michael C. Wisser
	Ms. Ulrike Bert
	Mr. Andreas Setzwein

Personnel committee

Chairman:	Mr. Christoph Gross
Other members:	Mr. Michael C. Wisser
	Mr. Knuth Henneke
	Ms. Ulrike Sommer

38. Disclosure of membership on supervisory or advisory boards

- Mr. Christoph Gross
  Chairman of the supervisory board of Aveco Holding AG, Frankfurt am Main
  Member of the supervisory board of IC Immobilien Holding AG, Frankfurt am Main

- Mr. Michael C. Wisser
  Chairman of the supervisory board of Lang & Cie. Real Estate AG, Frankfurt am Main

- Mr. Mathias Venema
  Member of the supervisory board of Frasec Fraport Security Services GmbH, Frankfurt am Main

Remuneration of the management board and supervisory board

The remuneration of the management board in the fiscal year amounted to EUR 1,772k (prior year: EUR 4,212k). EUR 1,411k of management board remuneration is payable in the short term after the approval of the financial statements. EUR 360k is part of a long-term compensation plan and only payable after the end of the individual management board contracts. The remuneration paid to the supervisory board in the fiscal year came to EUR 327k (prior year: EUR 315k). For an individual breakdown and for further details on the remuneration of the members of the management board and supervisory board, please refer to the explanations given in the section on the compensation of governing bodies in the management report of the Company and the Group.

Shares held by board members

The table below shows the shares held by individual board members.

Board member	**Board position**	**Number of shares**
Christoph Gross	Chairman of the supervisory board	5,200
Ulrike Bert	Member of the supervisory board, employee representative	500

Security transactions of members of the management board and supervisory board

In fiscal year 2019 and in the prior year, 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.

39. Auditor’s fees

The total auditor’s fees in the fiscal year came to EUR 434k (prior year: EUR 241k) and break down as follows:

Amounts stated in EUR k	**2019**	**2018**
Audit services	295	165
Other services	139	76
Total	**434**	**241**

40. Significant events after the reporting date

Please refer to the management report for information on the effects the further spread of the coronavirus may have on the Group’s assets, liabilities, financial position and financial performance.

41. Corporate governance

The declaration of compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG was made by the management board and the supervisory board on 5 November 2019; it was made permanently available to shareholders on the Company's website (https://www.amadeus-fire.de/1/investor-relations/corporate-governance/entsprechenserklaerung/).

42. Disclosures pursuant to Secs. 264 (3) and 264b HGB

The subsidiaries Amadeus FiRe Personalvermittlung, Amadeus FiRe Services, Comcave College, COMCAVE RECRUITMENT SERVICES, Cpi consulting + training and Academy 2.0 GmbH make use of the exemption pursuant to Sec. 264 (3) HGB ["Handelsgesetzbuch": German Commercial Code], and Steuer-Fachschule Dr. Endriss applies Sec. 264b HGB with respect to disclosure obligations.

Frankfurt am Main, 19 March 2020

Robert v. Wülfing

Robert von Wülfing
Spokesman of the management board

Dennis Gerlitzki

Dennis Gerlitzki
Member of the management board

Audit opinion

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 2019, and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from 1 January to 31 December 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group of Amadeus FiRe AG for the fiscal year from 1 January to 31 December 2019. We have not audited the content of the parts of the management report of the Company and the Group specified in the exhibit to the auditor's report and the information stated therein outside the annual report referred to in the management report of the Company and the Group.

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 2019, and of its financial performance for the fiscal year from 1 January to 31 December 2019, and

- the accompanying management report of the Company and the Group as a whole provides an appropriate view of the Group's position. In all material respects, this management report of the Company and the Group 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 management report of the Company and the Group does not cover the parts of the management report of the Company and the Group specified in the exhibit to the auditor's report, the content of which was not audited.

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 management report of the Company and the Group.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the management report of the Company and the Group 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 management report of the Company and the Group" 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 management report of the Company and the Group.

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 2019. 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 a key audit matter:

1. Acquisition of Comcave Holding GmbH

Reasons why the matter was determined to be a key audit matter

Under an agreement dated 19 December 2019, 100% of the shares in the Comcave Group were acquired for a price of EUR 124,595,000.00. 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 in the and the accounting for the initial consolidation of the Comcave Group in the consolidation system. In addition, we assessed the information in the notes to the consolidated financial statements about the acquisition of the Comcave 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 Comcave Holding GmbH.

Reference to related disclosures:

The Company's information on the purchase price allocation in connection with the acquisition of the Comcave Group and the related use of judgment is contained in the "Mergers in the reporting year" chapter of the notes to the consolidated financial statements (exhibit 5).

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. Additional disclosures on goodwill made by the Company are included under the heading "14. Intangible assets" in the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the parts of the management report of the Company and the Group specified in the exhibit. In addition, the other information comprises the following sections of the annual report that we expect to be provided to us after we have issued our auditor's report, especially the supervisory board report pursuant to Sec. 171 (2) AktG ["Aktiengesetz": German Stock Corporation Act], the letter from the CEO to shareholders and a multi-year presentation of business development.

Our opinions on the consolidated financial statements and on the management report of the Company and the Group 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 management report of the Company and the Group or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the management report of the Company and the Group

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 management report of the Company and the Group 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 management report of the Company and the Group 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 management report of the Company and the Group.

Auditor's responsibilities for the audit of the consolidated financial statements and of the management report of the Company and the Group

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 management report of the Company and the Group.

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 management report of the Company and the Group.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the management report of the Company and the Group, 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 management report of the Company and the Group 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 management report of the Company and the Group 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 management report of the Company and the Group. 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 management report of the Company and the Group 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 management report of the Company and the Group. 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

We were elected as group auditor by the shareholder meeting on 23 May 2019. We were engaged by the supervisory board on 11 June 2019. 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 management report of the Company and the Group:

Other services:
- Translation of the supervisory board report, the letter from the CEO and the image section
- Legal consulting services
- Consulting services on selected remuneration system issues
- Audit of IT migration procedures with a post-implementation review

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christoph von Seidel."

Eschborn/Frankfurt am Main, 19 March 2020
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

von Seidel	Rücker
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Appendix to the auditor's report:

1. Parts of the management report not included in the audit of content

We did not audit the content of the following parts of the management report that are considered "other information":

- "Industry performance" chapter, "Permanent placement" section, paragraph 3
- "Industry performance" chapter, "Training" section, paragraph 3
- "Development of the segments" chapter, paragraph 9
- "Assets, liabilities and financial position of the Amadeus FiRe Group" chapter, under "The management board's summary assessment of business developments in the reporting year," paragraph 5
- "Risks" chapter, section "Risk areas – Industry risks," paragraph 2
- The statement on corporate governance contained in section 8 of the management report and the policies promoting the participation of women described therein
- The reference to the sustainability report in section 9 of the management report
- The non-financial statement pursuant to Sec. 289b and Sec. 315b HGB on the Company's website
- The responsibility statement contained in section 15 of the management report

Furthermore, we did not audit the content of the following information that is considered "other information" and is not typical or required for a management report. This relates to any information whose disclosure in the management report is not required pursuant to Secs. 289 to 289f HGB nor pursuant to GAS 20.

- Chapter 6 "Our employees," paragraph 1

2. Other information

The "other information" includes the following parts of the annual report:

- The supervisory board report pursuant to Sec. 171 AktG
- The letter from the management board to shareholders
- Multi-year presentation of business development

Overview of the past several years

Amounts stated in EUR k	2013	2014	2015	2016	2017	2018	2019
Revenues	**142,057**	**161,057**	**169,726**	**173,295**	**184,525**	**205,836**	**233,124**
Change to prior year	3.7%	13.4%	5.4%	2.1%	6.5%	11.5%	13.3%
Temporary staffing	103,307	118,738	122,730	121,345	124,218	133,811	153,035
Permanent placement	13,984	15,698	18,332	21,651	28,963	37,472	40,494
Interim and project management	8,033	9,193	9,532	9,580	9,204	10,308	13,599
Training	16,733	17,428	19,132	20,719	22,139	24,245	25,996
Gross profit	**61,011**	**68,732**	**73,769**	**77,154**	**85,529**	**99,252**	**110,608**
in %	42.9%	42.7%	43.5%	44.5%	46.4%	48.2%	47.4%
Change to prior year	3.1%	12.7%	7.3%	4.6%	10.9%	16.0%	11.4%
EBITDA	**24,112**	**27,598**	**29,467**	**30,890**	**33,352**	**38,915**	**45,805**
in %	17.0%	17.1%	17.4%	17.8%	18.1%	18.9%	19.6%
EBITA	**23,270**	**26,789**	**28,681**	**30,038**	**32,319**	**37,524**	**38,721**
in %	16.4%	16.6%	16.9%	17.3%	17.5%	18.2%	16.6%
Change to prior year	2.5%	15.1%	7.1%	4.7%	7.6%	16.1%	3.2%
Gross profit conversion (EBITA / gross profit)	**38.1%**	**39.0%**	**38.9%**	**38.9%**	**37.8%**	**37.8%**	**35.0%**
EBIT	**23,270**	**26,789**	**28,681**	**30,038**	**32,319**	**37,524**	**38,721**
in %	16.4%	16.6%	16.9%	17.3%	17.5%	18.2%	16.6%
Change to prior yearr	18.6%	15.1%	7.1%	4.7%	7.6%	16.1%	3.2%
Profit before tax	**22,708**	**26,680**	**28,164**	**29,451**	**31,677**	**37,226**	**38,285**
Tax	-6,977	-8,146	-8,601	-8,990	-9,612	-11,391	-12,537
Profit after tax	**15,731**	**18,534**	**19,563**	**20,461**	**22,065**	**25,835**	**25,748**
Profit attributable to non-controlling interests disclosed under liabilities	-880	-852	-1,222	-1,320	-1,282	-1,365	-1,432
Profit for the period	**14,851**	**17,682**	**18,341**	**19,141**	**20,783**	**24,470**	**24,316**
in %	10.5%	11.0%	10.8%	11.0%	11.3%	11.9%	10.4%
- dallocated to shareholders	14,699	17,508	18,361	19,002	20,570	24,225	24,012
Change to prior year	8.9%	19.1%	4.9%	3.5%	8.3%	17.8%	-0.9%
Earnings per share (in €)	2.83	3.37	3.53	3.66	3.96	4.66	4.62
Average number of employees	**2,427**	**2,676**	**2,691**	**2,655**	**2,723**	**2,832**	**3,108**
Employees on customer assignment	2,054	2,285	2,288	2,226	2,242	2,294	2,508
Sales staff (internal staff)	333	349	361	387	441	496	551
Administrative staff	40	42	42	42	40	43	49

Amounts stated in EUR k	2013	2014	2015	2016	2017	2018	2019
Balance sheet total	61,107*	67,528*	71,296*	72,130*	77,401*	82,921*	321,935
Stockholders' equity	40,823	43,794	44,617	45,391	47,125	50,967	50,959
Equity ratio	66.8%*	64.9%*	62.6%*	62.9%*	60.9%*	61.5%*	15.8%
Return on equity	37.7%	44.3%	44.6%	45.4%	47.7%	53.9%	49.9%
Cash and cash equivalents	37,564	41,651	42,046	40,448	43,403	44,559	20,465
Net cash from operating activities	18,192	20,921	21,144	19,503	25,493	26,350	36,692
Net cash from operating activities per share	3.50	4.02	4.07	3.75	4.90	5.07	7.06
Net cash from investing activities	-626	-1,320	-2,139	-1,752	-2,170	-3,283	-202,987
Net cash from financing activities	-15,335	-15,514	-18,610	-19,349	-20,368	-21,911	142,192
Share price 31.12. (in EUR)	54.60	62.40	74.99	73.42	77.21	80.40	147.00
Number of shares (in thousands of units)	5,198	5,198	5,198	5,198	5,198	5,198	5,198
Stock market capitalization 31.12. (in EUR m)	283.8	324.4	389.8	381.7	401.4	417.9	764.1
Dividend per share (in EUR)	2.83	3.37	3.53	3.66	3.96	4.66	0.0**
Change to prior year	-4.1%	19.1%	4.7%	3.7%	8.2%	17.7%	-100.0%
Total dividend	14,711	17,518	18,350	19,026	20,585	24,224	0
Payout ratio	100%	100%	100%	100%	100%	100%	0%

*) Prior-year figures partially adjusted. For further explanations, please refer to the section "Change in method of reporting deferred taxes" in the notes to the consolidated financial statements.

**) Due to the liquidity requirements for the acquisition of Comcave Holding GmbH and in order to protect the company, all employees and all shareholders from possible effects of the Corona crisis, it is planned not to pay a dividend after the 2020 Annual General Meeting. As soon as the general situation has been clarified, Amadeus FiRe will return to a steady dividend policy.

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