

Applus Services, S.A.
Financial Statements
for the year ended 31 December 2018
and Directors' Report, together with
Auditors' Report

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.



Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Applus Services, S.A.,

Report on the Financial Statements

Opinion

We have audited the financial statements of Applus Services, S.A. (the Company), which comprise the balance sheet as at 31 December 2018, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2018, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of ownership interests in, and loans to, Group companies and associates

Description

The Company has direct and indirect ownership interests in the share capital of Group companies and associates that are not listed on regulated markets, and has granted loans thereto (see Notes 4.1, 5.1, 5.2 and 10.2).

The measurement of the recoverable amount of those ownership interests and loans requires the use of significant estimates and judgements by management, both when choosing the valuation method and discounting future cash flows and when taking into consideration the key operating assumptions used for each method in question. As a result of the foregoing, as well as the significance of the investments held and loans granted, which amounted to EUR 1,440 million and EUR 390 million, respectively, at 2018 year-end, this matter was determined to be a key matter in our audit.

Procedures applied in the audit

Our audit procedures consisted, among others, of the evaluation of the measurement of the recoverable amount of the aforementioned ownership interests and loans performed by Company management, verifying both the appropriateness of the valuation method used in relation to the investment held and the clerical accuracy of the calculations made. We also assessed the reasonableness of the cash flow projections and the discount rates by conducting a critical analysis of the key assumptions of the models used. In particular, we compared the revenue growth rates with the latest approved strategic plans and budgets, reviewing them for consistency with the historical information on the market situation, and we also assessed management's historical accuracy in the estimation process.

We also assessed the reasonableness of the discount rates applied, taking into consideration the cost of capital of comparable organisations, as well as perpetuity growth rates, among others.

We involved internal business valuation specialists to assess the reasonableness of the models and key assumptions used by the Company.

Lastly, we evaluated whether the disclosures included in Notes 4.1, 5.1, 5.2 and 10.2 to the accompanying financial statements in connection with this matter are in conformity with those required by the applicable regulatory framework.

Recovery of deferred tax assets

Description

Notes 8.1 and 8.5 detail the deferred tax assets amounting to EUR 31 million that are recognised in the balance sheet at 2018 year-end, corresponding to tax losses, tax credits and temporary differences amounting to EUR 26.1 million, EUR 4.4 million and EUR 0.5 million, respectively. The Company belongs to the Spanish tax group described in Note 4.3.

In addition, as indicated in Note 8.6, the Company has unrecognised deferred tax assets corresponding to tax losses and tax credits.

At the end of each reporting period, Company management assesses the recoverability of the tax assets recognised based on the projections of future taxable profits used to analyse the recovery of tax losses in a timeframe of no more than ten years, taking into account current legislation and the most recent business plans approved. We identified this matter as key in our audit, since the assessment of the recoverability of these assets requires a significant level of judgement, largely in connection with the projections of business performance.

Procedures applied in the audit

Our audit procedures to address this matter included, among others:

Evaluation of the methodology and assumptions applied by the Company and, in particular, those related to the growth of sales and expenses that determine the projection of future taxable profits.

Verification of the consistency of the assumptions taking into account both historical information and the market situation and the applicable tax legislation, which was verified with the assistance of internal tax experts. We also reviewed the consistency of the models with the financial information used by Company management in performing its impairment tests on ownership interests in, and loans to, Group companies, stressing those assumptions that have the greatest effect on determining the recoverable amount of the tax assets.

We also analysed the historical accuracy of management in the process of preparing projections of future taxable profits for the purpose of analysing the recovery of tax losses, comparing the actual figures for the year with the projections made in the preceding year.

Lastly, we also verified that the disclosures required by the applicable accounting regulations are included in the notes to the accompanying financial statements. The disclosures on this matter can be found in Notes 4.3 and 8 to the financial statements.

Other Information: Directors' Report

The other information comprises only the directors' report for 2018, the preparation of which is the responsibility of the Company's directors and which does not form part of the financial statements.

Our audit opinion on the financial statements does not cover the directors' report. Our responsibility relating to the information contained in the directors' report is defined in the audit regulations in force, which establish two distinct levels thereof:

- a) A specific level that applies to certain information included in the Annual Corporate Governance Report, as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the directors' report and, if this is not the case, reporting this fact.
- b) A general level applicable to the other information included in the directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the financial statements, based on the knowledge of the entity obtained in the audit of those financial statements and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this section of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have checked that the information described in section a) above is provided in the directors' report and that the other information in the directors' report is consistent with that contained in the financial statements for 2018 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit Committee for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in Appendix I to this auditor's report. This description, which is on pages 6 and 7 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit committee dated 22 February 2019.

Engagement Period

The Annual General Meeting held on 31 May 2018 appointed us as auditors for a period of one year from the year ended 31 December 2017, i.e. for 2018.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the financial statements uninterrupted since the year ended 31 December 2007 and, therefore, since the year ended 31 December 2014, the year in which the Company became a Public Interest Entity.

DELOITTE, S.L.
Registered in ROAC under no. S0692



Ana Torrens Borrás
Registered in ROAC under no. 17762

22 February 2019

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 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 the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the use by the directors 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit committee 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 the entity's audit committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the entity's audit committee, we determine those matters that were of most significance in the audit of the 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.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

(Thousands of Euros)

ASSETS	Notes	31.12.18	31.12.17	EQUITY AND LIABILITIES	Notes	31.12.18	31.12.17
NON-CURRENT ASSETS:		1,561,857	1,675,455	EQUITY:		1,192,963	1,181,822
Non-current investments in Group companies and associates-		1,530,840	1,639,224	SHAREHOLDERS' EQUITY-		1,192,963	1,181,822
Equity instruments	5.1	1,439,765	1,330,583	Share capital	6.1	14,302	14,302
Loans to companies	5.1 & 10.2	91,075	308,641	Share premium	6.2	449,391	449,391
Deferred tax assets	8.1	31,017	36,231	Reserves	6.2	700,678	688,256
				Treasury shares	6.3	(3,405)	(1,186)
				Profit for the year		31,997	31,059
				NON-CURRENT LIABILITIES:		457,834	496,740
				Non-current payables	7	419,100	461,061
				Non-current payables to Group companies and associates	10.2	35,807	35,679
				Deferred tax liabilities	8.1	2,927	-
CURRENT ASSETS:		311,978	378,282	CURRENT LIABILITIES:		223,038	375,175
Trade and other receivables-		13,305	10,025	Current payables-		3,106	16,460
Receivable from Group companies and associates	10.2	1,575	1,351	Bank borrowings	7	3,106	16,460
Other receivables		105	-	Current payables to Group companies and associates	10.2	215,149	354,790
Corporate income tax receivables	8.1	11,625	8,674	Trade and other payables-		4,783	3,925
Current investments in Group companies and associates-	5.2 & 10.2	298,429	365,580	Sundry accounts payable		1,104	783
Short-term loans to Group companies and associates		298,321	365,472	Remuneration payable		2,123	1,430
Other financial assets		108	108	Tax payables	8.1	1,556	1,712
Cash and cash equivalents	5.3	244	2,677				
TOTAL ASSETS		1,873,835	2,053,737	TOTAL EQUITY AND LIABILITIES		1,873,835	2,053,737

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of financial position as at 31 December 2018.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENT OF PROFIT OR LOSS FOR 2018
(Thousands of Euros)

	Notes	2018	2017
CONTINUING OPERATIONS:			
Revenue-	9.1 & 10.1	58,421	69,831
Services		3,530	3,373
Dividend revenue		36,743	39,027
Finance revenue to Group companies and associates		18,148	27,431
Staff costs-	9.2	(3,375)	(6,016)
Wages, salaries and similar expenses		(3,169)	(5,841)
Employee benefit costs		(206)	(175)
Other operating expenses-		(2,615)	(2,381)
Outside services		(2,190)	(2,142)
Taxes other than income tax		(425)	(239)
PROFIT FROM OPERATIONS		52,431	61,434
Finance income-		93	49
From marketable securities and other financial instruments of third parties		93	49
Finance costs-		(24,187)	(30,741)
On debts to Group companies and associates	10.1	(11,091)	(19,209)
On debts to third parties		(13,096)	(11,532)
Exchange differences		(592)	(5,828)
FINANCIAL LOSS		(24,686)	(36,520)
PROFIT BEFORE TAX		27,745	24,914
Corporate income tax	8	4,252	6,145
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		31,997	31,059
DISCONTINUED OPERATIONS:			
Profit for the year from discontinued operations net of tax		-	-
PROFIT FOR THE YEAR		31,997	31,059

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2018.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2018

B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of Euros)

	2018	2017
PROFIT PER INCOME STATEMENT (I)	31,997	31,059
Income and expense recognised directly in equity: Total income and expense recognised directly in equity (II)	-	-
Transfers to profit or loss: Total transfers to profit or loss (III)	-	-
Total recognised income and expense (I+II+III)	31,997	31,059

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2018.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2018

B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of Euros)

	Share capital	Share premium	Reserves	Treasury shares	Profit (Loss) for the year	Total
2016 ENDING BALANCE	13,002	313,525	677,733	(2,837)	26,737	1,028,160
Total recognised income and expense	-	-	-	-	31,059	31,059
Allocation of 2016 profit	-	-	9,835	-	(26,737)	(16,902)
Transactions with shareholders						
- Capital increase (Note 6.1)	1,300	135,866	(1,717)	-	-	135,449
- Transactions with treasury shares	-	-	2,405	1,651	-	4,056
2017 ENDING BALANCE	14,302	449,391	688,256	(1,186)	31,059	1,181,822
Total recognised income and expense	-	-	-	-	31,997	31,997
Allocation of 2017 profit	-	-	12,467	-	(31,059)	(18,592)
- Transactions with treasury shares	-	-	(45)	(2,219)	-	(2,264)
2018 ENDING BALANCE	14,302	449,391	700,678	(3,405)	31,997	1,192,963

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2018.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENT OF CASH FLOWS FOR 2018

(Thousands of Euros)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES (I):		32,407	43,799
Profit for the year before tax		27,745	24,914
Adjustments for-			
Dividend revenue	10.1	(36,743)	(39,027)
Finance income		(18,241)	(27,480)
Finance costs		24,187	30,741
Exchange differences		592	5,828
Changes in working capital-			
Trade and other receivables		823	1,694
Trade and other payables		321	78
Other current assets		(1,249)	
Other current liabilities		947	7,920
Other cash flows from operating activities-			
Dividends received	10.1	36,743	44,309
Interest paid		(20,194)	(29,074)
Interest received		18,651	32,042
Corporate Income tax paid		(907)	(1,718)
Other receivables and payables		(268)	(6,428)
		38,214	(197,233)
CASH FLOWS FROM INVESTING ACTIVITIES (II):			
Proceeds from disposal-			
Group companies and associates		389,910	83,433
Payments due to investment-			
Loans to Group companies and associates		(109,182)	(219,193)
Credits to Group companies and associates		(242,514)	(61,473)
		(72,473)	117,063
CASH FLOWS FROM FINANCING ACTIVITIES (III):			
Receipts and payments for equity instruments-			
Equity instruments issued	6	-	137,166
Equity instruments issuing costs		-	(2,234)
Proceeds and payments relating to financial liability instruments-			
Proceeds from issue of bank borrowings		542,029	16,253
Proceeds from issue of borrowings from Group companies and associates		45,246	47,161
Repayment of bank borrowings		(604,465)	-
Repayment and amortisation of borrowings with Group companies and associates		(33,132)	(60,003)
Other payments		(3,559)	(4,378)
Dividend payments and remuneration of other equity instruments-			
- Dividends		(18,592)	(16,902)
		(581)	3,248
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV):			
		(2,433)	(33,123)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)			
Cash and cash equivalents at beginning of year		2,677	35,800
Cash and cash equivalents at end of year		244	2,677

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2018.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

Applus Services, S.A.

Notes to the financial statements
for the year ended
31 December 2018

1. Company activities

Applus Services, S.A. (formerly Applus Technologies Holding, S.L., hereinafter “the Parent” or “the Company”) has been since 29 November 2007 the Parent of the Applus Group (“the Applus Group” or “the Group”). The Company has its registered office in calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, in Madrid.

The Company purpose is as follows:

- To provide services in relation to the transport sector and vehicle and highway safety (engineering processes, design, testing, approval and certification of used cars), as well as technical inspections in sectors other than the automotive sector, with a blanket exclusion of activities that are covered by special legislation.
- The technical audits of all types of installations for technical inspection or control of vehicles located anywhere in Spain or abroad, as well as any other type of technical inspection other than vehicles.
- The production and execution of studies and projects in relation to the previously mentioned activities: economic, industrial, property, information technology, market surveys and research, as well as the supervision, direction and provision of services and advice in the execution thereof. Provision of services, advice, administration, operation and management, whether technical, fiscal, legal or commercial.
- Business intermediation services, both locally and abroad.
- To provide all types of inspection services and quality and quantity control, regulatory inspection, collaboration with administration, consultancy, audit, certification, approval, personnel training and qualification, and technical assistance in general in order to improve the organization and management of quality, safety and environmental aspects.
- To carry out studies, works, measurements, tests, analyses and controls, in laboratories or in situ, and such other professional methods and actions considered necessary or advisable, in particular those related to manufacturing materials, equipment, products and installations, in the fields of mechanics, electricity, electronics and information technology, transport and communications, administrative organization and office automation, mining, food, environment, construction and civil works, performed during the stages of design, planning, manufacturing, construction and assembly and commissioning, maintenance and production for all types of companies and entities, both public and private, as well as before the Central State Administration, the Administrations of Autonomous Communities, Provinces and Municipalities, and all types of agencies, institutions and users, whether within the country or abroad.

- The purchase, holding and administration, whether direct or indirect, of shares, corporate interests, quota shares and any other form of holding or interest in the capital and/or securities granting right to the obtaining of shares, corporate interests, quota shares, or other holdings or interests in companies of any type, with or without legal personality, established in accordance with Spanish law or any other applicable legislation, in accordance with Article 108 of the Law 27/2014, of 27 November 2014, of the Corporate Income Tax Law, or by such legislation as may replace it, as well as the administration, management and guidance of such companies and entities, whether directly or indirectly, by means of the membership, attendance and holding of positions on any governing and management bodies of such companies or entities, carrying out the described advisory, management and guidance services making use of the corresponding organization of material and personnel means. An exception is made for those activities expressly reserved by law for Collective Investment Institutions, as well as for that expressly reserved by the Securities Market Act for investment service companies.

The activities may be carried out either directly by the Company or through the ownership of shares or equity interest in other companies with an identical or related purpose, including the carrying out of all its activities in an indirect manner, therefore acting solely as a holding company.

All activities for which the law establishes special requirements that cannot be carried out by the Company are excluded from the corporate purpose. Should legal provisions require a professional qualification, administrative authorization, or registration with a public registry to be able to perform any of the activities included in the corporate purpose, such activities must be performed by persons who hold such professional qualifications, and such tasks shall not be able to commence until the administrative requirements have been met.

Since 9 May 2014 the shares of the Company have been listed on the stock exchange.

The subsidiaries and associates directly and indirectly owned by the Company are shown in Appendix I.

In view of the business activities carried out on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in the notes to the financial statements.

2. Basis of presentation of the financial statements

2.1. Regulatory financial reporting framework applicable to the Company

The present financial statements for 2018 were authorised for issue by the Company's Directors at the Board of Directors Meeting held on 20 February 2019. The present financial statements were formally prepared in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- a) The Spanish Commercial Code and all other Spanish corporate law.
- b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations.
- c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- d) All other applicable Spanish accounting legislation.

This document is a translation of the Financial Statements originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

2.2. Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2018.

These financial statements, which were formulated by the Company's Directors, will be submitted for approval at the Annual General Meeting, that will be held on 30 May 2019 and it is considered that they will be approved without any changes.

The financial statements for 2017 were approved at the Annual General Meeting held on 31 May 2018.

2.3. *Non-obligatory accounting principles applied*

No non-obligatory accounting principles were applied. Also, the Directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon.

All obligatory accounting principles were applied.

2.4. *Key issues in relation to the measurement and estimation of uncertainty*

In preparing the accompanying financial statements, estimates were made by the Company's Directors in order to measure certain assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Note 4.1).
- The fair value of certain financial instruments (see Note 4.1).
- The calculation of certain provisions (see Note 4.5).
- The recovery of deferred tax assets (see Note 8.5).
- Corporate income tax (see Note 8).

Although these estimates were made on the basis of the best information available at 2018 year-end, events that take place in the future might make it necessary to change them (upwards or downwards) in the coming years. Changes in accounting estimates would be applied prospectively.

2.5. *Comparative information*

The information relating to 2018 contained in these notes to the financial statements is presented, for comparison purposes, with information relating to 2017.

2.6. *Grouping of items*

Certain items in the statement of financial position, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

2.7. *Changes in accounting policies*

In 2018 there were no changes in accounting policies with respect to those applied in 2017.

2.8. *Correction of errors*

In preparing the accompanying financial statements no errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2017.

3. Proposal of allocation of profit

The proposed allocation of the Company's net profit, formulated by the Board of Directors and presented at the next Company's Annual General Meeting of the Shareholders, for 2018 is as follows:

	Thousands of Euros
Basis of distribution:	
Profit of the year	31,997
	31,997
Allocation of the profit:	
To dividends	21,453
To unrestricted reserves	10,544
Total	31,997

The Company's Board of Directors will present a proposal at the next Shareholders Annual General Meeting, to distribute ordinary dividends allocated from the 2018 profit, amounting to EUR 21,453 thousand and corresponding to a gross dividend of EUR 0.15 per share.

4. Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2018 and 2017, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1. Financial instruments

Financial assets

The financial assets held by the Company are classified in the following categories:

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- b) Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Loans, receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including goodwill, if applicable).

The Company has majority ownership interests in the share capital of certain companies. The financial statements do not reflect the increases or decreases in the value of the Company's ownership interests which would arise from the application of consolidation methods. It should also be noted that the Company will prepare consolidated financial statements separately under International Financial Reporting Standards ("IFRS"). These consolidated financial statements have been authorised for issue by the Board of Director's on the meeting held on 20 February 2019.

	Thousands of euros	
	2018	2017
Total Assets	1,997,470	2,004,055
Equity attributable to the shareholders of the parent	756,203	743,606
Revenue of the consolidated operations	1,675,942	1,583,094
Net profit (loss) attributable to the parent	41,208	35,582

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales or factoring of trade receivables in which the Company does not retain any credit or interest rate risk.

Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classified as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations given cease to exist.

At 31 December 2018 the Company does not hold any financial derivative products.

Impairment of financial assets

The Company tests financial assets not measured at fair value. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the statement of profit or loss.

Recoverable amount is the higher of fair value less costs to sell and value in use.

Management updates annually its subsidiaries business plan which is prepared according to the Group strategic plan by sector and geography, considering the specific characteristics of each company regarding to its customers, projects and services. The main components of this plan are: projections on operating income and expense, investment and working capital. The business plan prepared by the management includes the budget for 2019 together with the projections for 2020-2023.

In order to calculate the recoverable amount of each asset the present value of its cash flows was determined by using the business plan prepared by the management. As a general rule, indefinite useful life projections for a projected period of five years and a perpetuity rate of return from the sixth year onwards were used. An exception is made for the businesses with a finite useful life, in which the projected period is adjusted to the actual term of the agreement, and the probability of renewal is not taken into account. From the sixth year onwards it was considered that the cash flows generated by each asset grow at a rate equal to the growth of each industry in the geographical area in which it operates.

The projections were prepared on the basis of past experience and of the best estimates available at the date on which the impairment tests were carried out. Changes in the current perimeter were not considered in the projections and impairment tests.

As a general rule, for the assets for which the need to perform an impairment test was not detected, a sensitivity analysis was carried out on the main aggregates to verify that there are no indications of the need to perform such tests. This analysis consisted of measuring the impact of the increases expected in income and operating profit before depreciation, amortisation, interests, taxes and other results (hereinafter -EBITDA-), increasing the discount rate up to one percentage point and reducing the perpetuity growth rate up to 0.8%. Applying these changes to the assumptions similarly does not disclose any need to recognise impairment losses on the financial assets.

The main average discount rates after tax used in each of the Company's geographical areas were as follows:

Country/geographical area	2018	2017
Spain	7.5% - 8.7%	7.4% - 8.1%
Rest of Europe	6.3% - 7.5%	5.7% - 7.0%
US and Canada	7.6% - 8.2%	6.5% - 7.6%
Latin America	11.6% - 14.0%	11.1%

4.2. Foreign currency transactions

The Company's functional currency is the Euro. Therefore, transactions in currencies other than the Euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the statement of profit or loss in the year in which they arise.

4.3. Corporate income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current corporate income tax expense is the amount payable by the Company as a result of corporate income tax settlements for a given year. Tax credits and other tax rebates on the tax payable, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current corporate income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are recognised by applying to the temporary difference or tax asset that are expected to apply at the corporate tax rates in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all temporary differences except for:

- a) Those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect neither the tax profit nor the accounting profit and is not a business combination.
- b) Those associated with investments in subsidiaries, branches and associates or interests in joint ventures, when the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, identified for temporary differences (tax credits for tax losses carryforwards and other tax credits), are only recognised if it is considered probable that the Company will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability.

The Company is the head of the Applus Group, which files consolidated tax returns as being the tax group number 238/08, and the tax base for the year is determined as if individual returns were being filed, net of such tax credits and tax relief as might be deductible under the consolidated tax regime. The Company manages the accounts receivable or payable that arise.

The Spanish consolidated tax group is comprised by the following companies:

Companies	
Applus Services, S.A.	LGAI Technological Center, S.A.
Applus Servicios Tecnológicos, S.L.U.	Applus Energy, S.L.U.
IDIADA Automotive Technology, S.A.	Ringal Invest, S.L.U.
Applus Norcontrol, S.L.U.	Autoservices Online, S.L.U.
Novotec Consultores, S.A.U.	Applus Iteuve Technology, S.L.U.
Applus Iteuve Galicia, S.L.U.	Tunnel Safety Testing, S.A.
Supervisión y Control, S.A.U.	Inversiones Finisterre, S.L.

4.4. Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided that the outcome of the transaction could be estimated reliably.

Interest revenue from financial assets is recognised using the effective interest method and dividend revenue is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as revenue in the profit or loss statement.

According to BOICAC's 79, question 2, due to the Company's holding activity, both the dividend revenue and the finance revenue of the loans from its subsidiaries are recorded under the heading "Revenue".

4.5. Provisions and contingencies

When preparing the financial statements, the Company's Directors made a distinction between:

1. Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources of economic benefits whose amount and/or timing are not known with certainty but can be reasonably reliably estimated.
2. Contingent liabilities: possible obligations that arise from past events and whose existence and associated loss are estimated to be unlikely.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as financial cost on an accrual basis.

4.6. Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken and a valid expectation regarding termination is created on the part of third parties.

The accompanying financial statements do not include any significant provision in this connection, since no situations of this nature are expected to arise.

4.7. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

4.8. Transactions with Group companies, associates and related companies

For the purposes of the presentation of the financial statements, group companies are considered to be those entities over which the Company directly and indirectly controls the financial and operating policies, exercises power over the relevant activities, maintains exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns. This is generally because it holds more than 50% of the voting power.

Associates are companies over which the Company is in a position to exercise significant influence, but not control or joint control. Normally this capacity exists because the Group holds (directly or indirectly) 20% or more of the voting power of the subsidiary.

For the purposes of the information in this section, related parties are considered to be:

- The significant shareholders of the Company, understood to be shareholders holding directly or indirectly 3% or more of the shares, and shareholders which, without being significant, have exercised the power to propose the appointment of a member of the Board of Directors.
- The Directors and Senior Executives of any Applus Group company, as well as the relatives or related persons. "Director" means a member of the Board of Directors and "Senior Executives" means persons reporting directly to the Board or to the CEO of the Group.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's Directors consider that there are **no** material risks in this connection that might give rise to significant liabilities in the future.

4.9. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance leases

At 31 December 2018 and 2017, the Company did not have any finance leases.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless some other systematic basis of allocation is more representative of the time pattern of the benefits generated.

Leases do not have grace periods or compensation clauses giving rise to a future payment obligation that could have a significant impact on these financial statements.

The Company only holds certain vehicles under operating leases, and the related expense incurred in 2018 and 2017 amounted to EUR 26 thousand.

4.10. Current/Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

4.11. Employee benefit obligations

The Company has established, with its key personnel, specific remuneration plans, based on the following characteristics:

- a) Annual variable remuneration to certain personnel subject to the achievement of specific financial targets in 2018.
- b) Annual variable remuneration plan granted to certain executives and employees of the entity consisting of the delivery of RSUs (convertible into Parent's shares). This remuneration plan is approved annually. At 2018 year-end three plans have been approved and ratified (see Note 10.3).
- c) "Long-term incentive" plan granted to the Executive Director and Senior Executives comprising the delivery of Performance Stock Units (PSUs), in the case of the Executive Director, and the delivery of Restricted Stock Units (RSUs) and PSUs in the case of Senior Executives. Both PSUs and RSUs are convertible into Parent's shares within three years of the grant date. The first conversion of these shares will be in February 2019 (see Note 10.3).

4.12. Treasury shares

Acquisitions of treasury shares are recognised at acquisition cost, reducing equity until they are sold. The gains and losses obtained on the disposal of treasury shares are recognised in "Reserves" in the accompanying statement of financial position.

5. Financial assets (non-current and current)

5.1. Non-current investments in Group companies and associates

The changes in "Non-current investments in Group companies and associates" in the statement of financial position in 2018 and 2017 were as follows (in thousands of euros):

Categories	31/12/18	31/12/17
Equity investments in Group companies, jointly controlled entities and associates	1,439,765	1,330,583
Credits (loans) to Group companies (Note 10.2)	91,075	308,641
Total Non-current investments in Group companies and associates	1,530,840	1,639,224

Equity investments in Group companies, jointly controlled entities and associates

The changes in 2018 and 2017 in "Equity investments in Group companies, jointly controlled entities and associates" were as follows (in thousands of euros):

2018

Categories	01/01/18	Additions	31/12/18
Equity investments in Group companies, jointly controlled entities and associates	1,330,583	109,182	1,439,765
Total	1,330,583	109,182	1,439,765

2017

Categories	01/01/17	Additions	31/12/17
Equity investments in Group companies, jointly controlled entities and associates	1,111,168	219,415	1,330,583
Total	1,111,168	219,415	1,330,583

The value of direct shareholdings at 31 December 2018 and 2017 are as follows (in thousands of euros):

Subsidiary	31/12/18	31/12/17
Applus Servicios Tecnológicos, S.L.U.	1,337,553	1,228,371
Azul Holding 2 S.à.r.l.	102,212	102,212
Total equity investments in group companies, joint ventures and associates	1,439,765	1,330,583

The most significant information in relation to subsidiaries in which the Company had a direct ownership interest at 2018 year-end is as follows:

Name / Registered office	% of ownership	Thousands of euros					Total equity	Carrying amount Gross Cost
		Share capital	Profit (Loss)		Other equity items			
			From operations	Net				
Applus Servicios Tecnológicos, S.L.U.	100%	134,487	40,461	31,758	552,712	718,957	1,337,553	
Azul Holding 2, S.à.r.l.	100%	13	(20)	(33)	101,558	101,538	102,212	
Total		134,500	40,441	31,725	654,270	820,495	1,439,765	

The subsidiaries and associates directly and indirectly owned by the Company are shown in Appendix I. None of the subsidiaries are listed on the stock market.

5.2. Current investments in Group companies and associates

The detail of the balances of "Current Investments in Group Companies and Associates" at 31 December 2018 and 2017 is as follows (in thousands of euros):

Categories	31/12/18	31/12/17
Credits (loans) and receivables from Group companies	289,517	339,891
Short-term interest receivable from Group companies	8,804	25,581
Account receivable relating to dividends	108	108
Total current investments in Group companies and associates (Note 10.2)	298,429	365,580

5.3. Cash and cash equivalents

"Cash and Cash Equivalents" includes all cash recognised in current accounts, which amounted to EUR 159 thousand. The total balance on 31 December 2017 was EUR 822 thousand.

"Cash and Cash Equivalents" also includes balances receivable recognised as a result of a banking product arranged in 2015, the "Multi Currency Notional Pooling", which allows the Company to obtain liquidity in eight different currencies and which amounted to EUR 85 thousand at 31 December 2018 (31 December 2017: EUR 1,855 thousand).

At the end of 2018 the Company had credit facilities with a balance of EUR 1,190 thousand due by the Company (Note 7). Also, in 2017 the Company had credit facilities with a balance of EUR 16,253 thousand which are classified under "current bank borrowing" in the accompanying statement of financial position.

At 31 December 2018 and 2017, no amount recognised under "Cash and Cash Equivalents" had been pledged.

5.4. Information on the nature and level of risk of financial instruments

The Company's financial risk management is centralised in the Financial Department of the Applus Group, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The accounts receivable at 31 December 2018 and 2017 relate mainly to balances with Group companies for services provided by the Company.

The Company Directors consider that there was no significant credit risk at 31 December 2018 and 2017.

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its statement of financial position, together with credit and financing facilities.

The Company manages liquidity risk prudently by maintaining sufficient cash, the availability of financing in the form of committed credit facilities and through the sufficient capacity to settle market positions.

c) Market risk:

Both the Company's cash and part of its bank borrowings are exposed to interest rate risk, which variations could have an effect on financial profit or loss and cash flows. In addition in order to follow Group's strategy of minimizing risks, part of the new debt has been secured at a fixed interest rate. Private placement debt represents at 31 December 2018 a 55% of total debt drawn.

In 2018 the Company's Directors decided not to arrange interest rate hedges, although this is considered to be a significant risk that Company's management should monitor closely on a continuous basis.

In addition, a portion of the financial debt and of some of the balances with Group companies are in foreign currencies.

Therefore, the main market risks to which the Company is exposed are interest rate and foreign currency risk.

c.1) Interest rate risk:

The detail of the average interest rate and of the average financial debt drawn is as follows:

	2018	2017
Average interest rate	1.78%	1.94%
Average financial debt drawn (thousands of euros)	469,317	466,809

On the basis of the financial debt drawn, the impact on borrowing costs of a change of half a point in the average interest rate would be as follows:

	2018	2017
Change in interest rate +0.50%		
Change in borrowing costs (thousands of euros)	1,802	2,334

c.2) Foreign currency risk:

At 31 December 2018, there is no financial debt disposed in foreign currency so the Company is not exposed to foreign currency risk. At 31 December 2017 the financial debt drawn in a foreign currency was in sterling pounds:

	Thousands of Euros	
	2018	2017
Financial debt subject to foreign currency risk	-	22,699
Average financial debt drawn subject to foreign currency risk	11,445	22,918

On the basis of the financial debt in foreign currency, the impact on borrowing costs of a change of half a point in the average exchange rate would be as follows:

	2018		2017	
	+0.50%	-0.50%	+0.50%	-0.50%
Change in exchange rate				
Change in borrowing costs (thousands of euros)	57	(57)	115	(115)

6. Equity and shareholders' equity

6.1. Share capital

At 31 December 2016, the Company's share capital was represented by 130,016,755 fully subscribed and paid-up common shares of EUR 0.10 par value each.

On 28 September 2017, the Company's capital was increased by EUR 1,300 thousand through the creation of 13,001,675 new shares of EUR 0.10 par value each and with a share premium of EUR 135,866 thousand at EUR 10.45 per share. The capital increase was carried out by means of monetary contributions for the full amount which totalled EUR 137,166 thousand.

The expenses incurred in relation to the capital increase carried out in 2017 amounted to EUR 1,717 thousand net of the tax effect, and were recognised with a charge to reserves.

Therefore, at 31 December 2018 and 2017, the share capital is represented by 143,018,430 fully subscribed and paid-up common shares of EUR 0.10 par value each.

Per the notifications of the number of shares submitted to the Spanish National Securities Market Commission (CNMV), the following shareholders owned significant direct and indirect interests in the Company's share capital, more than 3% of share capital, at 31 December 2018:

	% share
Southeastern Concentrated Value Limited	5.073%
River & Mercantile Group P.L.C	5.048%
Threadneedle Asset Management Limited	4.993%
Norges Bank	4.983%
Eleva Capital SAS	3.018%
DWS Investment GmbH	3.017%

The Company's Directors are not aware of any other ownership interests of 3% or more of the share capital or voting rights of the Company, or of any lower ownership interests that might permit the holder to exercise a significant influence over the Company.

6.2. Reserves and Share premium

Under the Spanish Companies Act, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At the end of 2018 the balance of this reserve amount to EUR 2,860 thousand and it had reached the legally minimum required (EUR 2,600 thousand at the end of 2017).

At 31 December 2018 and 2017, the share premium reserves amounted to EUR 449,391 thousand and it is fully available.

Spanish Companies Act allows to use the share premium reserves balance to increase capital and it does not establishes specific restrictions about the availability of that balance.

6.3. Treasury shares

At 31 December 2018, the Company holds a total of 283,400 treasury shares at an average cost of EUR 12.01 per share. The value of these treasury shares totalled EUR 3,405 thousand, which is recognised under "Treasury Shares" in the accompanying statement of financial position as at 31 December 2018 (see Note 4.12).

At 31 December 2017, the Company held a total of 112,744 treasury shares at an average cost of EUR 10.52 per share. The value of these treasury shares totalled EUR 1,186 thousand, which is recognised under "Treasury Shares" in the accompanying statement of financial position as at 31 December 2017 (see Note 4.12).

7. Non-current and current payables

The detail of "Non-Current Payables" and "Current Payables" is as follows (in thousands of euros):

	31/12/18	31/12/17
Facilities Agreement	191,941	461,061
US Private Placement lenders	230,000	-
Debt Arrangement fees	(2,841)	-
Total non-current payables	419,100	461,061
Accrued interests	2,625	207
Debt Arrangement fees	(709)	-
Credit facilities	1,190	16,253
Total current payables	3,106	16,460
Total bank borrowings	422,206	477,521

On 11 July 2018, the Applus Group repaid the syndicated loan existing at the time early and entered into a new loan agreement with a new syndicate of nine banks and into a private placement with two US institutional investors. As a result, the Group improved the terms and conditions of the previous syndicated loan by changing, inter alia, the currencies, interest rates, maturities and lenders. These new debt contracts do not include any pledge on shares of any of the Group companies, and all previously granted share pledges have been cancelled.

In accordance with the law, the Company has therefore cancelled the original liabilities, recognised the new financial liability at amortised cost, and charged the arrangement expenses of the previous debt in the attached consolidated profit and loss account amounting EUR 2,782 thousand.

The consolidated Group's debt structure is composed of a portion of bank borrowings and a placement of private debt with institutional investors. The bank borrowings, supplied by nine international banks, consist of a multi-currency syndicated loan of EUR 600 million, which comprises of a Facility A "Term Loan" of EUR 200 million and a Facility B "Revolving Credit Facility" of EUR 400 million. The total amount of the private debt is EUR 230 million.

a) Syndicated loan and private placement debt

The syndicated loan bears interest at Euribor for tranches in Euros and at Libor for tranches in foreign currency (currently not drawn) plus a spread based on the level of debt; on 31 December 2018, 1.10% for Facility A and 1.0% for Facility B.

All the tranches have a single maturity on 27 June 2023, which may be extended for a total of two additional years at the end of the first and second years.

The private placement debt is placed from two US institutional investors. The structure includes a tranche of EUR 150 million maturing at 27 June 2025 and a tranche of EUR 80 million maturing at 27 June 2028. The blended average fixed interest rate of the private placement debt is 2.03%.

The structure of the financial debt in 2018 and 2017 is as follows:

2018

Tranche	Thousands of Euros			Maturity
	Limit	Drawn by the Company	Drawn by the Group	
Facility A "Term Loan "	200,000	11,941	200,000	27/06/2023
Facility B "Revolving Credit Facility"	400,000	180,000	180,000	27/06/2023
US Private Placement lenders - 7 years	150,000	150,000	150,000	27/06/2025
US Private Placement lenders - 10 years	80,000	80,000	80,000	27/06/2028
Accrued interests	-	2,625	3,096	
Debt arrangement expenses	-	(3,550)	(4,734)	
Total	830,000	421,016	608,362	

The amount drawn by the Company in 2018 is as follows:

- "Facility A" tranche amounts EUR 12 million.
- "Facility B" tranche amounts EUR 180 million.
- The private placement debt has been drawn down in full; EUR 230 million.

2017

Tranche	Thousands of Euros			Maturity
	Limit	Drawn by the Company	Drawn by the Group	
Facility A1	478,903	441,866	478,903	26/06/2020
Facility A2	84,668	-	84,668	26/06/2020
Facility A3	24,458	24,458	24,458	26/06/2020
Facility B	150,000	-	-	26/06/2020
Effect of exchange rate changes	-	(1,759)	13,182	
Accrued interest	-	207	250	
Debt arrangement expenses	-	(3,504)	(4,968)	
Total	738,029	461,268	596,493	

a.1) Obligations and restrictions relating to the syndicated loan and private debt

Both the new syndicated loan and the private placement debt are subject to the achievement of certain financial ratios, being the main one the ratio of net consolidated debt to consolidated EBITDA of less than 4.0x, evaluated every six months, at 30 June and 31 December.

At 31 December 2018, the ratio, calculated on the basis of the contractually established definitions of net consolidated debt and consolidated EBITDA, was 2.3x.

The Directors expect the financial leverage ratio covenant to be met.

The Group also has to fulfil certain obligations under the syndicated loan and the private placement agreement which relate mainly to disclosure requirements concerning its financial statements and negative undertakings to not perform certain transactions without the lender's consent, such as certain mergers or changes of business activity.

a.2) Guarantees given

None of Applus Group subsidiaries have their shares pledged to secure the debt.

The detail, by maturity, of “Non-Current Payables” and “Current Payables” is as follows (in thousands of euros):

2018

	Short Term	2020	2021	2022	2023 onwards	Long Term
Facility A “Term Loan”	-	-	-	-	11,941	11,941
Facility B “Revolving Credit Facility”	-	-	-	-	180,000	180,000
US Private Placement lenders	-	-	-	-	230,000	230,000
Accrued interest	2,625	-	-	-	-	-
Debt Arrangement expenses	(709)	(711)	(709)	(709)	(712)	(2,841)
Credit Facilities	1,190	-	-	-	-	-
Total	3,106	(711)	(709)	(709)	421,229	419,100

2017

	2018	2019	2020	Total
Bank borrowings	16,253	-	461,061	477,314
Short-term interest	207	-	-	207
Total	16,460	-	461,061	477,521

8. Tax

8.1. Tax assets and tax liabilities

The detail of the current and non-current tax assets and tax liabilities at the end of 2018 and 2017 is as follows (in thousands of euros):

2018

	Tax assets	Tax liabilities
Non-current balances:		
Deferred tax assets	471	2,927
Tax credits for tax loss carryforwards (Note 8.5)	26,166	-
Withholding taxes and other tax credits	4,380	-
Total non-current balances	31,017	2,927
Current balances:		
Accrued social security taxes payable	-	9
VAT payable	-	1,454
Personal income tax withholdings payable	-	93
VAT receivable	1,250	-
Income tax withholdings receivables	10,375	-
Total current balances	11,625	1,556

2017

	Tax assets	Tax liabilities
Non-current balances		
Deferred tax assets	3,848	-
Tax credits for tax loss carryforwards (Note 8.5):	28,003	-
Withholding taxes and other tax credits	4,380	-
Total non-current balances	36,231	-
Current balances:		
Accrued social security taxes payable	-	11
VAT payable	-	1,600
Personal income tax withholdings payable	-	101
Income tax withholdings receivables	8,674	-
Total current balances	8,674	1,712

8.2. Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit (loss) to the taxable profit (tax loss) for corporate income tax purposes is as follows (in thousands of euros):

	2018	2017
Accounting profit before tax	27,745	24,914
Permanent differences	(36,743)	(38,186)
Temporary differences	(24,502)	(18,182)
Tax loss	(33,500)	(31,454)
Tax profits from subsidiaries	88,808	66,754
Tax losses from subsidiaries	(6,612)	(6,010)
Tax base before tax consolidation adjustments	48,696	29,290
Offset of tax losses	(12,174)	(7,322)
Taxable profit	36,522	21,968
Tax charge	9,130	5,492
Offset of tax credits	(6,934)	(4,211)
Tax withholdings and prepayments	(12,571)	(6,181)
Corporate Income tax refundable (-) / payable(+)	(10,375)	(4,900)

The permanent differences in 2018 relate mainly to the application of transitory rule 23 of the Spanish Income Tax Law (inspired by the former Article 30.6 of the Consolidated Spanish Income Tax Law), permitting the non-inclusion in the tax base of dividends received from the Spanish subsidiaries (and, therefore, their consideration as a reduction of the tax base of the ownership interest) and the claim for a double taxation tax credit, provided that there is evidence that the seller has effectively been taxed on an amount equal to the dividend received.

Pursuant to this rule, a portion of the dividend, was adjusted downwards, EUR 26,262 thousand, paid by the subsidiary Applus Servicios Tecnológicos, S.L.U, also included the remaining amount of the dividend of EUR 10,481 thousand, of a total of EUR 36,743 thousand, which is exempt based on article 21 on Spanish Income Tax Law (see Note 10.1). It should also be noted that the Company has opted to apply the tax regime for foreign-securities holding companies (ETVEs) envisaged in Articles 107 et seq. of the Spanish Income Tax Law.

During 2017 the permanent differences relate mainly to the application of transitory rule 23 of the Spanish Income Tax Law (inspired by the former Article 30.6 of the Consolidated Spanish Income Tax Law), permitting the non-inclusion in the tax base of dividends received from Spanish subsidiaries (and, therefore, their consideration as a reduction of the tax base of the ownership interest) and the claim for a double taxation tax credit, provided that there was evidence that the seller has effectively been taxed on an amount equal to the dividend received. Pursuant to this rule, a portion of the dividend, EUR 27,895 thousand, paid by the subsidiary Applus Servicios Tecnológicos, S.L.U., totalling EUR 39,027 thousand (see Note 10.1), was adjusted downwards. In addition, permanent differences also included the remaining amount of the dividend of EUR 11,132 thousand, which is exempt based on article 21 on Spanish Income Tax Law, and other non-deductible expenses, amounting to EUR 841 thousand. It should also be noted that the Company opted to apply the tax regime for foreign-securities holding companies (ETVEs) envisaged in Articles 107 et seq. of the Spanish Income Tax Law.

The temporary differences for 2018 relate mainly, to the amount of prior years' deductible borrowing costs amounting to EUR 25,142 thousand recognised in 2018 pursuant to Article 16 of the Spanish Income Tax Law, and to the reversal of provisions considered non-deductible for tax purposes, amounting EUR 640 thousand.

For 2017, temporary differences relate mainly to the amount of prior years' deductible borrowing costs amounting to EUR 11,180 thousand recognised in 2017 pursuant to Article 16 of the Spanish Income Tax Law, and to the reversal of provisions considered non-deductible for tax purposes, amounting to EUR 4,713 thousand, and to capital increase expenses amounting to EUR 2,241 thousand.

8.3. Reconciliation of the accounting profit to the corporate income tax expense (benefit)

The reconciliation of the accounting profit to the corporate income tax expense (benefit) for 2018 and 2017 is as follows (in thousands of euros):

	2018	2017
Accounting profit before tax	27,745	24,914
Permanent differences	(36,743)	(38,186)
Taxable accounting loss	(8,998)	(13,272)
Tax charge	(2,250)	(3,318)
Adjustments and recognitions/derecognition of tax credits and others	3,551	39
Deduction of unrecognised tax assets	(5,553)	(2,866)
Total corporate income tax expense (benefit) recognised in profit or loss	(4,252)	(6,145)

The unrecognised tax deductions applied during 2018 and 2017 financial years mainly correspond to the internal double taxation deduction.

8.4. Breakdown of corporate income tax benefit (expense)

The breakdown of the corporate income tax (benefit) expense is as follows:

	Thousands of Euros	
	2018	2017
Current tax:		
Continuing operations	(12,393)	(4,187)
Discontinued operations	-	-
Deferred tax:		
Continuing operations	8,141	(1,958)
Discontinued operations	-	-
Total tax expense (benefit)	(4,252)	(6,145)

8.5. Deferred tax assets recognised

Royal Decree-Law 3/2016, of 2 December, adopting tax measures aimed at consolidating public finances and other urgent social measures, was published in the Spanish Official State Gazette on 3 December 2016.

As a result of the Royal Decree-Law, at 2016 year-end the Spanish consolidated tax group recognised a tax expense amounting to EUR 11,363 thousand (EUR 2,273 thousand in current tax and EUR 9,090 thousand in deferred tax), since it was considered that there are very severe restrictions on the transfer of certain securities representing investments in the share capital, or equity of some subsidiaries before the five-year period expires, due to legal, contractual or other reasons, in relation to the sale or settlement of the investments concerned, and to the circumstances specifically affecting them. This amount covers the impairment losses to be reversed and included in the tax base in the five year period from 2016 to 2020.

At 31 December 2018 and 2017, the prior year's tax loss carryforwards of the company recognised in the accompanying statement of financial position were as follows:

2018

	Thousands of Euros	
	Tax loss carryforwards	Tax asset recognised (Note 8.1)
2009	18,720	4,680
2010	51,715	12,929
2011	34,230	8,557
Total	104,665	26,166

2017

	Thousands of Euros	
	Tax loss carryforwards	Tax asset recognised (Note 8.1)
2009	26,067	6,516
2010	51,715	12,929
2011	34,230	8,558
Total	112,012	28,003

Additionally, "Deferred Tax Assets" of the accompanying statement of financial position as at 31 December 2018 includes the deferred tax assets amounting to EUR 106 thousand (31 December 2017: EUR 3,631 thousand) relating to finance costs that were not tax-deductible, according to applicable tax policies. This heading also includes other positive temporary differences amounting to EUR 364 thousand in 2018 and EUR 217 thousand in 2017.

Finally, "Deferred Tax Assets" includes EUR 4,380 thousand corresponding to the recognition of withholding taxes for domestic double taxation (same amount in 2017).

At the end of each year the Company's Directors analyse the recoverability of the deferred tax assets and only recognise those that they consider will probably be recovered in 10 years maximum.

The factors taken into consideration by the Company's Directors to recognise as a deferred tax asset, including tax credit for tax loss carryforwards, withholding taxes and tax credits for temporary differences at 31 December 2018, which support their future recoverability, are as follows:

- In 2018 and 2017 the consolidated tax group in Spain obtained taxable income of EUR 48,696 and EUR 29,290 thousand which enabled it to use unrecognised tax losses from prior years amounting to EUR 2,540 and EUR 2,306 thousand, respectively.

8.6. Deferred tax assets not recognised

The detail of the tax losses not recognised in the accompanying statement of financial position as at 31 December 2018 and 2017 is as follows:

	Thousands of Euros	
	Tax Loss carryforwards	Tax credit not recognised
2007	5,077	1,269
Total	5,077	1,269

The detail of the withholding taxes and other tax credits not recognised in the accompanying statement of financial positions at 31 December 2018 and 2017 is as follows (in thousands of euros):

Year	Description	31/12/18	31/12/17
2013	Domestic double taxation tax credit	23,774	21,656
2014	Domestic double taxation tax credit	4,313	4,313
2015	Domestic double taxation tax credit	4,227	4,227
2016	Domestic double taxation tax credit	3,996	3,996
2017	Domestic double taxation tax credit	5,021	5,021
2018	Domestic double taxation tax credit	4,727	-
	Total	46,058	39,213

Additionally, the detail of the tax credits generated by Idiada Automotive Technology S.A. is as follows (in thousands of euros):

Year	Description	31/12/18	31/12/17
2009	Specific activities taxation tax credit	-	868
2010	Specific activities taxation tax credit	1,033	1,033
2011	Specific activities taxation tax credit	1,118	1,118
2012	Specific activities taxation tax credit	1,600	1,600
2013	Specific activities taxation tax credit	1,161	1,161
2014	Specific activities taxation tax credit	1,477	1,477
2015	Specific activities taxation tax credit	1,138	1,138
2016	Specific activities taxation tax credit	1,153	1,153
2017	Specific activities taxation tax credit	868	-
	Total	9,548	9,548

8.7. Open years for review and tax audits

Under current Spanish legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2018 year-end the Company has 2012, 2014, and subsequent years open for review by the tax authorities for income tax, and 2015 and subsequent years open for review by the tax authorities for the rest of applicable taxes.

The Company's Directors, in agreement with their tax advisers, consider that the tax returns have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

These notes to the financial statements do not include the information referred to the Article 42 bis of Royal Decree 1065/2007 related to persons resident in Spain, whether legal entities that are beneficiaries or holders of accounts abroad or individuals from the Company who are authorised representatives for accounts abroad held by a Company subsidiary non-resident in Spain, since such information is duly recorded and detailed in the Company's accounting records pursuant to Article 42 bis 4.b of Royal Decree 1065/2007.

9. Income and expenses

9.1. Revenue

The Company's revenue relates in full to transactions carried out with Group companies (see Note 10.1).

The detail of the revenue for 2018 and 2017 is as follows (in thousands of euros):

	2018	2017
Dividend revenue	36,743	39,027
Finance revenue	18,148	27,431
Management fee revenue	3,530	3,373
Total	58,421	69,831

9.2. Staff costs

The detail of "Staff Costs" in the statement of profit or loss for 2018 and 2017 is as follows (in thousands of euros):

	2018	2017
Wages and salaries	3,094	5,841
Termination benefits	75	-
Employer social security costs	94	107
Other employee benefit costs	112	68
Total	3,375	6,016

During 2017, EUR 2,620 thousand were included in wages and salaries related to group's initial public offering incentive economic plans.

The average number of employees in 2018 and 2017, by category and gender, is as follows:

2018

Category	Men	Women	Total
Top management	5	-	5
Middle management	1	-	1
Supervisors	-	1	1
Total	6	1	7

2017

Category	Men	Women	Total
Top management	6	-	6
Middle management	1	-	1
Supervisors	-	1	1
Total	7	1	8

Also, the breakdown of the workforce, by gender and category, at the end of 2018 and 2017 is as follows:

2018

Category	Men	Women	Total
Top management	5	-	5
Middle management	1	-	1
Supervisors	-	1	1
Total	6	1	7

2017

Category	Men	Women	Total
Top management	6	-	6
Middle management	1	-	1
Supervisors	-	1	1
Total	7	1	8

In 2018 and 2017, Applus Services, S.A. has no employees with a disability equal to or greater than 33%.

10. Transactions and balances with Group and related companies

10.1. Transactions with Group and related companies

The detail of the transactions with Group and related companies in 2018 and 2017 is as follows:

2018

	Thousands of Euros			
	Dividend revenue	Finance income	Finance cost	Services rendered
Applus Servicios Tecnológicos, S.L.U.	36,743	3,852	873	3,530
Applus Iteuve Technology, S.L.U.	-	2,486	863	-
Arctosa Holding, B.V.	-	1,947	19	-
Röntgen Technische Dienst Holding, B.V.	-	1,777	1,753	-
Libertytown Usa 1, Inc.	-	1,191	-	-
Ringal Invest, S.L.U.	-	1,100	-	-
Libertytown Usa Finco, Inc.	-	1,029	-	-
Libertytown Australia Pty, Ltd.	-	722	-	-
Velosi Europe Ltd.	-	610	324	-
Velosi Industries Sdn Bhd.	-	598	-	-
Libertytown Applus Rtd Germany, GmbH.	-	531	-	-
Röntgen Technische Dienst, B.V.	-	394	483	-
John Davidson & Associates Pty, Ltd.	-	234	-	-
Applus RTD Norway, As.	-	208	-	-
Applus Pty Ltd.	-	176	6	-
Applus Norcontrol Guatemala, S.A.	-	159	-	-
LGAI Technological Center, S.A.	-	158	1,236	-
Velosi Certification Services L.L.C (Abu Dhabi)	-	146	121	-
Applus Energy, S.L.U.	-	135	-	-
Rtd Quality Services, Inc. (Canada)	-	99	206	-
Applus Norcontrol, S.L.U.	-	-	2,182	-
Applus Car Testing Service, Ltd.	-	-	1,058	-
Applus Iteuve Euskadi, S.A.U.	-	-	566	-
Novotec Consultores, S.A.U.	-	-	259	-
Applus Technologies, Inc.	-	-	214	-
RTD Holding Deutschland, GmbH.	-	-	188	-
Others	-	596	740	-
Total	36,743	18,148	11,091	3,530

2017

	Thousands of Euros			
	Dividend revenue	Finance income	Finance cost	Services rendered
Applus Servicios Tecnológicos, S.L.U.	39,027	4,033	923	3,373
Azul Holding 2, S.à.r.l.	-	7	-	-
Applus Iteuve Technology, S.L.U.	-	10,122	4,619	-
Arctosa Holding, B.V.	-	3,647	31	-
Röntgen Technische Dienst Holding, B.V.	-	2,287	5,183	-
Libertytown USA Finco, Inc.	-	1,924	-	-
Ringal Invest, S.L.U.	-	1,091	-	-
Libertytown Australia, PTY, Ltd.	-	780	-	-
SAST International, Ltd.	-	387	-	-
Velosi Europe, Ltd.	-	527	348	-
Velosi Industries Sdn Bhd.	-	398	-	-
Libertytown Applus Rtd Germany, Gmbh.	-	408	-	-
Applus Pty, Ltd.	-	302	-	-
Röntgen Technische Dienst, B.V.	-	274	643	-
Applus RTD Norway, As.	-	192	-	-
LGAI Technological Center, S.A.	-	74	1,678	-
Applus Norcontrol, S.L.U.	-	-	2,659	-
Applus Car Testing Services, Ltd.	-	-	1,024	-
Applus Iteuve Euskadi, S.A.U.	-	-	555	-
Novotec Consultores, S.A.U.	-	-	289	-
RTD Holding Deutschland, Gmbh.	-	-	188	-
Applus Technologies, Inc.	-	-	179	-
John Davidson & Associates Pty, Ltd.	-	232	-	-
Applus Energy, S.L.U.	-	121	-	-
Velosi Certification Services L.L.C.	-	110	233	-
Others	-	515	657	-
Total	39,027	27,431	19,209	3,373

On 30 June 2018, the subsidiary Applus Servicios Tecnológicos, S.L.U. approved the distribution of a dividend amounting to EUR 10,743 thousand out of profit for 2017. Subsequently, on 21 December 2018, the same subsidiary approved an interim dividend amounting EUR 26,000 thousand with charge to its profit for the year.

On 29 June 2017, the subsidiary Applus Servicios Tecnológicos, S.L.U. declared a dividend totalling EUR 6,027 thousand with charge to its profit for 2016. Subsequently, on 19 December 2017, the same subsidiary approved an interim dividend totalling EUR 33,000 thousand with charge to its profit for 2017.

Also, the Company has a "Management fee" agreement with Applus Servicios Tecnológicos, S.L.U. under which the Company charges the management, analysis and business plan development services and, overheads, among others. The amount payable under this agreement was established on the basis of a report prepared by an independent expert and is in line with market prices.

Additionally, the Company holds loans and cash pooling agreements with its subsidiaries, which generate finance income and expenses. The amount of these agreements was set based on a professional valuer's report at market rates.



10.2. Balances with Group and related companies

The detail of the balances with related companies reflected in the statement of financial position as at 31 December 2018 and 2017 is as follows:

2018

	Thousands of Euros					
	Long-term credits (Note 5.1)	Short-term credits (Note 5.2)	Other financial assets (Note 5.2)	Long-term loans	Short-term loans	Trade receivables
Applus Servicios Tecnológicos, S.L.U.	-	102,253	-	-	22,710	1,213
Libertytown Usa 1, Inc.	55,219	744	-	-	-	-
Applus Iteuve Technology, S.L.U.	-	52,452	-	-	-	-
Ringal Invest, S.L.U.	-	20,299	-	-	499	-
Velosi Industries Sdn Bhd.	-	15,513	-	-	-	2
Libertytown Applus RTD Germany, Gmbh.	-	14,795	-	-	-	142
Libertytown Australia Pty, Ltd.	8,829	5,129	-	-	-	-
Röntgen Technische Dienst Holding, B.V.	23,527	10,001	-	-	26,769	-
Applus Iteuve Euskadi, S.A.U.	-	-	-	-	14,634	-
LGAI Technological Center, S.A.	-	7,721	-	24,724	297	-
Supervisión y Control, S.A.U.	-	4,380	-	-	25,105	-
Applus Car Testing Service, Ltd.	-	-	-	9,930	14,606	14
Applus Norcontrol, S.L.U.	-	250	-	-	55,349	-
Idiada Automotive Technology, S.A.	3,500	6,548	-	-	3,621	-
Applus RTD Norway, As.	-	5,774	-	-	-	-
Röntgen Technische Dienst, B.V.	-	7,633	-	-	6,334	35
Applus Norcontrol Guatemala, S.A.	-	5,471	-	-	-	8
Arctosa Holding, B.V.	-	4,433	-	-	-	-
John Davidson & Associates Pty, Ltd.	-	4,171	-	-	-	-
Applus Iteuve Galicia, S.L.U.	-	3,977	-	-	35	-
Applus Energy, S.L.U.	-	3,764	-	-	138	-
Applus Pty Ltd.	-	3,384	-	-	2	-
Velosi Certification Services L.L.C (Abu Dhabi)	-	2,988	-	-	-	1
Applus Deutschland inspektions-Gesellschaft, Gmbh	-	1,700	-	-	-	-
Libertytown Usa Finco, Inc.	-	1,485	-	-	-	-
Applus Norcontrol Panamá, S.A.	-	1,318	-	-	-	-
Applus RTD UK, Ltd.	-	1,279	-	-	-	-
Applus Velosi Canada Ltd.	-	1,504	-	-	2,130	-
K2 Specialist Services Pte Ltd.	-	1,013	-	-	1,754	-
Applus Aerospace Uk, Ltd.	-	797	-	-	-	-
Applus Norcontrol Peru, S.A.C.	-	783	-	-	-	1
Velosi Europe Ltd.	-	953	-	-	482	-
Azul Holding, 2, S.à.r.l.	-	356	108	-	-	-
AC6 Metrología S.L.	-	-	-	-	860	-
Norcontrol Inspección S.A. (Mexico)	-	-	-	1,153	16	-
3C Test Limited	-	-	-	-	1,340	-
RTD Quality Services, Inc. (Canada)	-	2,537	-	-	4,166	-
Applus II Meio Ambiente Portugal, Lda.	-	-	-	-	2,455	-
Velosi (HK) Ltd.	-	-	-	-	3,516	-
K1 Kasastajat, OY	-	-	-	-	3,804	-
RTD Holding Deutschland, Gmbh.	-	-	-	-	4,777	-
Novotec Consultores, S.A.U.	-	1,416	-	-	7,835	-
Sast International Ltd.	-	-	-	-	9,973	-
Others	-	1,500	-	-	1,942	159
Total	91,075	298,321	108	35,807	215,149	1,575

	Thousands of Euros					
	Long-term credits (Note 5.1)	Short-term credits (Note 5.2)	Other financial assets (Note 5.2)	Long-term loans	Short-term loans	Trade receivables
Arctosa Holding, B.V.	188,059	1,858	-	-	1	-
Applus Iteuve Technology, S.L.U.	41,518	117,947	-	-	110,455	-
Röntgen Technische Dienst Holding, B.V.	23,995	9,777	-	-	48,663	-
Libertytown Usa Finco, Inc.	41,346	559	-	-	-	-
Libertytown Australia Pty, Ltd.	8,829	4,625	-	-	-	-
IDIADA Automotive Technology, S.A.	3,500	4,895	-	-	2,391	-
LGAI Technological Center, S.A.	1,394	1,062	-	24,724	16,022	-
Novotec Consultores, S.A.U.	-	690	-	-	5,069	-
Applus Norcontrol, S.L.U.	-	193	-	-	58,918	-
Applus Servicios Tecnológicos, S.L.U.	-	104,179	-	-	20,162	1,090
Ringal Invest, S.L.	-	26,287	-	-	240	-
Sast International Ltd.	-	8,662	-	-	-	-
Velosi Industries Sdn Bhd.	-	13,888	-	-	-	-
Velosi Europe Ltd.	-	13,011	-	-	9,129	4
Libertytown Applus RTD Germany, Gmbh.	-	11,487	-	-	-	142
Applus Pty Ltd.	-	4,845	-	-	-	1
Röntgen Technische Dienst, B.V.	-	6,232	-	-	17,104	35
Applus Energy, S.L.U.	-	3,299	-	-	20	-
Applus RTD Norway, As.	-	4,476	-	-	-	-
John Davidson & Ass. Pty Ltd.	-	5,608	-	-	-	-
Applus Norcontrol Guatemala, S.A.	-	2,354	-	-	-	5
Applus RTD Canada, Lp.	-	1,639	-	-	7,864	-
Azul Holding 2, S.à.r.l.	-	308	108	-	-	-
K1 Kasastajat, OY	-	-	-	-	3,354	-
RTD Holding Deutschland, Gmbh.	-	-	-	-	4,777	-
K1 Total, Oy	-	-	-	-	957	-
Applus Car Testing Service, Ltd.	-	-	-	9,931	13,176	5
Applus Iteuve Euskadi, S.A.U.	-	-	-	-	14,345	-
Applus Technologies, Inc.	-	-	-	-	4,272	-
Applus Norcontrol Panamá, S.A.	-	-	-	-	1,111	3
Applus RTD UK, Ltd.	-	-	-	-	1,898	-
Applus Velosi Canada Ltd.	-	1,383	-	-	2,312	-
Norcontrol Inspección, S.A. (Mexico)	-	-	-	1,024	248	-
Autoservices Online, S.L.	-	-	-	-	402	-
Velosi Certification Services LLC	-	3,211	-	-	4,711	32
PT Java Velosi Mandiri	-	3,210	-	-	-	-
K2 Specialist Services PTE Ltd.	-	1,209	-	-	3,360	-
Applus RTD PTE, Ltd. (Singapore)	-	-	-	-	2,048	2
Applus RTD Deutschland Inspektions-Gesellschaft, Gmbh.	-	3,120	-	-	-	-
Velosi Saudi Arabia Co Ltd.	-	2,239	-	-	-	-
Applus Euskadi Holding, S.L.U.	-	1,579	-	-	1	-
Others	-	1,640	-	-	1,780	32
Total	308,641	365,472	108	35,679	354,790	1,351

“Short-term credits from Group companies” and “Short-term loans to Group companies” include accounts receivable and accounts payable with various Group companies arising from the Company's inclusion as the head of the consolidated tax group, accounts receivable amounting at 31 December 2018 to EUR 30,294 thousand and accounts payable amounting to 7,875 EUR thousand (2017: accounts receivable EUR 14,311 thousand and accounts payable EUR 3,911 thousand included in Long-term credits from Group companies” and “Long-term loans to Group companies”) (see Note 4.3).

In addition, under "Current Receivables" and "Current Payables", amounts of EUR 180,045 thousand and EUR 162,483 thousand are recognised, respectively, in relation to the cash-pooling agreement maintained with the other Group companies (EUR 146,370 and EUR 337,200 thousand respectively in 2017).

“Long-term credits to Group companies” include loans with related parties, which have a maturity between 2020 and 2021.

Also, under “Other financial assets” there are recognised the dividends receivable at the end of 2018 and 2017 (see Note 5.2).

Group credits and loans generate an interest at market rates.

10.3. Disclosures on Directors and Senior Executive

Remuneration of and obligations to the Board of Directors

The detail of the remuneration (social benefits included) earned by the Executive Director and the Company's Directors at 2018 and 2017 year-end is as follows:

a) Annual remuneration:

	Thousands of Euros					
	31/12/18			31/12/17		
	Executive Director	Members of the Board of Directors	Total	Executive Director	Members of the Board of Directors	Total
Fixed remuneration	750	-	750	650	-	650
Variable remuneration	600	-	600	325	-	325
Other items	37	-	37	40	-	40
Non-executive Chairman and Independent Directors	-	588	588	-	560	560
Corporate Social Security Committee	-	50	50	-	50	50
Appointments & Compensation Committee	-	66	66	-	70	70
Audit Committee	-	70	70	-	70	70
Total	1,387	774	2,161	1,015	750	1,765

In 2018 the Group has accrued by EUR 38 thousand on pension plan contributions related to the Executive Director. During 2017 the Executive Director and the members of the Board of Directors did not earn or receive any pension plan contributions.

In 2018 and 2017 the Executive Director and the members of the Board of Directors did not earn or receive any termination benefits.

b) Long-term Incentive Plan ("LTI"):

On 22 June 2016 the Company's Shareholders General Meeting approved a long-term incentive plan ("LTI") whereby the Executive Director will receive annually PSUs (Performance Stock Units) convertible into shares of the Company within three years of the grant date. The first conversion is scheduled for February 2019 for the first incentive. In principle, the PSUs amount to 60% of their annual fixed remuneration; however, subject to the degree of achievement of the financial parameters, this amount may range from 0% to 120%. The financial parameters are Total Shareholder Return and Adjusted Earnings Per Share.

For the purposes of the statement of profit or loss, a degree of achievement of 60% of the Executive Director's fixed remuneration has been considered.

Executive Director	31/12/16	31/12/17	31/12/18	31/12/19	31/12/20	31/12/21	Total
Long-term incentive plans (PSUs):							
Number of PSUs delivered	44,931	36,449	39,805				121,185
PSU delivery date	July 16	February 17	February 18				
Share value on PSU delivery date (euros)	8.68	10.70	11.31				
Date of conversion into shares				February 19	February 20	February 21	
Number of PSUs convertible into shares				44,931	36,449	39,805	121,185

Impact on profit or loss	2016	2017	2018	2019	2020	Total
Active Plans	1	2	3	2	1	
Impact on profit or loss (thousands of euros)	130	260	410	280	150	1,230

At 31 December 2018, no loans or advances had been granted to the members of the Company's Board of Directors.

Lastly, Applus Services, S.A. took out a third-party liability insurance policy. The insureds under this policy are the directors and executives of the Group companies the Parent of which is Applus Services, S.A. The directors of Applus Services, S.A. are included among the insureds of this policy. The premium paid in 2018 for this insurance policy amounted to EUR 70 thousand (2017: EUR 46 thousand).

During 2018 two board members resigned. The remunerations received by them from the different committees have been included. These two positions are expected to be covered in 2019.

The Company's Board of Directors at 31 December 2018 is made up of 6 men and 1 woman and at 31 December 2017 was made up of 8 men and 1 woman.

Remuneration of and obligations to Senior Executives

Senior Executives are those who in 2017 were part of the Group's Executive Committee according to actual accounting legislation. The breakdown of the remuneration earned in 2018 and 2017 by the Company's Senior Executives is as follows:

a) Annual remuneration:

	Thousands of Euros	
	31/12/18	31/12/17
Fixed remuneration	645	630
Variable remuneration	229	226
Other items	80	80
Pension plans	17	17
Total	971	953

In 2018 and 2017 the Company's Senior Executives did not earn or receive any termination benefits.

In addition to the variable remuneration of EUR 229 thousand, Senior Executives are the beneficiary of a variable remuneration plan comprising the annual delivery of a fixed number of RSUs. The plan is approved annually by the Appointments and Compensation Committee and ratified by the Board of Directors. At 2018 year-end three plans had been approved and ratified, as follows:

On 23 February 2016, the delivery of 25 thousand RSUs to Senior Executives was approved and ratified. The related shares will be delivered in March 2017 (30%), 2018 (30%) and 2019 (40%).

On 22 February 2017, the delivery to Senior Executives of 21 thousand RSUs was approved and ratified. The related shares will be delivered in March 2018 (30%), 2019 (30%) and 2020 (40%). The aforementioned plan was awarded to management personnel in accordance with the new organizational structure.

On 20 February 2018, the delivery to Senior Executives of 20 thousand RSUs was approved and ratified. The related shares will be delivered in March 2019 (30%), 2020 (30%) and 2021 (40%).

The plan approved on 2015, was completed once the last delivery of RSUs in 9 March 2018.

Senior Executives	31/12/15	31/12/16	31/12/17	31/12/18	31/12/19	31/12/20	31/12/21	Total
Long-term incentive plans (RSUs)								
Number of RSUs delivered (*)	14,849	25,158	21,111	19,963				81,081
RSU delivery date	March 15	March 16	March 17	March 18				
Share value at RSU delivery date (euros)	10.18	7.13	10.70	11.31				
Date of conversion into shares		March 16	March 17	March 18	March 19	March 20	March 21	
Gross number of RSUs convertible into shares		4,455	12,002	19,820	22,385	14,433	7,986	81,081
Number of RSUs delivered (net of withholding tax) or cash equivalent (*)		2,958	11,248	17,395				31,601

(*) To Senior Executives, as defined in every moment.

Impact on profit or loss	2015	2016	2017	2018	2019	2020	2021	Total
Active Plans	1	2	3	4	3	2	1	
Impact on profit or loss (thousands of euros)	38	90	206	247	187	122	19	909

Based on the vesting schedule, Company Senior Executives received 17,395 shares in March 2018 (11,248 shares in March 2017). This quantity is the result of applying the withholding tax corresponding to the amount agreed with each executive.

b) Multiannual remuneration and Long-Term Incentive:

On 21 July 2016, the Board of Directors resolved to replace the Multiannual Incentive (in place until this date) with the Long-term incentive (LTI). The LTI comprises two share-based payment systems, the PSUs system and the RSUs system, both convertible into shares within a vesting period of three years from the grant date, the first conversion being scheduled for February 2019 for the first incentive granted. In particular, the PSU system determines that the number of shares to ultimately be delivered to the executive will depend on the following financial parameters the Total Shareholder Return and the Adjusted Earnings Per Share.

Senior Executives	31/12/16	31/12/17	31/12/18	31/12/19	31/12/20	31/12/21	Total
RSUs + PSUs-settled long-term incentive plans							
Number of RSUs + PSUs delivered	24,962	20,253	19,166				64,381
RSU + PSU delivery date	October 16	February 17	February 18				
Share value at RSU + PSU delivery date (euros)	8.68	10.70	11.31				
Date of conversion into shares				February 19	February 20	February 21	
Number of PSUs convertible into shares				24,962	20,253	19,166	64,381

Impact on profit or loss	2016	2017	2018	2019	2020	Total
Active Plans	1	2	3	2	1	
Impact on profit or loss (thousands of euros)	72	144	217	144	72	649

Life insurance policies have been taken out for certain Company's Senior Executives and such costs are classified under "Other Amounts" in the preceding tables.

At 31 December 2018 and 2017 the Company's Senior Executives are 3 men.

10.4. Information relating to conflict of interest on the part of the Directors

It is hereby stated that the Directors, their individual representatives and their related persons thereto, do not hold any investments in the share capital of companies engaging in identical, similar or complementary activities to those of the Company or hold positions or discharge duties thereat, other than those held or discharged at the Applus Group companies, that could give rise to a conflict of interest as established in Article 229 of the Spanish Companies Act.

11. Foreign currency balances and transactions

At 31 December 2018, the Company had granted loans to Group companies in currencies other than the euro amounting to EUR 143,588 thousand (31 December 2017: EUR 151,404 thousand) and had received foreign currency loans amounting to EUR 92,544 thousand (31 December 2017: EUR 129,659 thousand).

As a result of these balances, the Company's statement of profit or loss includes finance income in currencies other than the euro amounting to EUR 6,869 thousand at 31 December 2018 (31 December 2017: EUR 6,410 thousand) and finance costs in currencies other than the euro amounting to EUR 3,425 thousand (31 December 2017: EUR 3,330 thousand).

The loans granted to the Company relate mainly to loans with Group companies arranged basically in pounds sterling and US dollars.

12. Other disclosures

12.1. Fees paid to auditors

In 2018 and 2017, the fees billed for financial audit and other services provided by the auditor of the Company, Deloitte, S.L., and companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows (in thousands of euros):

	Services provided by the auditor and by related firms	
	2018	2017
Audit services	220	218
Other attest services	83	83
Total audit and related services	303	301
Tax counselling services	-	-
Other services	-	-
Total professional services	303	301

12.2. Obligations and other guarantees

The Company had contracted certain obligations and guarantees derived from the financing agreement described in Note 7. These obligations include reporting obligations relating to the Group's financial statements and business plans; the obligation to take certain measures such as guaranteeing accounting closes, refrain from performing certain transactions without the consent of the lender, such as mergers, changes of business activity, share redemptions, and the financial obligation to achieve certain financial ratios, among others.

At 31 December 2018 and 2017, the Company's shares had not been pledged.

At 31 December 2018 and 2017, no banks had provided the Company with guarantees to third parties.

12.3. Disclosures on the payment periods to suppliers

Detailed below is the information required by the Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), which was prepared in accordance to the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on information to be incorporated in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

	2018	2017
	Days	
Average payment period to suppliers	46	38
Ratio of transactions settled	47	40
Ratio of transactions not yet settled	28	7
	Amount (thousands of euros)	
Total payments made	3,409	3,823
Total payments outstanding	319	182

The data shown in the foregoing table in relation to payments to suppliers relate, pursuant to the ICAC Resolution, to commercial transactions relating to goods supplied and services provided since the entry into force of Law 31/2014, of 3 December.

Suppliers, solely for the purpose of disclosing the information provided for in this resolution, are considered to be trade creditors for the supply of goods and services and are included under "Current Liabilities - Trade and Other Payables" in the accompanying statement of financial position.

"Average Payment Period to Suppliers" is understood to be the period between the supply of the goods or the provision of the services on the supplier's account and the effective payment of the transaction.

The maximum payment period applicable to the Spanish consolidated companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions, is 30 days. This period may be extended by agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2017).

However, most of this pending payment at year end has been paid during the first two months of the year 2019.

12.4. Amendment or extinguishment of agreements

In 2018 no transactions outside the course of the Company's ordinary business operations arose which required the amendment or early extinguishment of any agreement between the Company and any of its directors or persons acting on their behalf.

13. Events after the reporting period

In 2019 and until the date of authorization for issue of these financial statements, no relevant events took place which must be included in the notes to the financial statements or that significantly change or have a material effect on these financial statements for 2018.

14. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2.1). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

These financial statements are a translation of the financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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

Applus Services, S.A.

Directors' Report for the year ended 31 December 2018

Formally prepared by the directors of Applus Services, S.A. in relation to the year ended 31 December 2018.

Dear Shareholders:

We are pleased to submit to you this report on the Company's performance in 2018 and on its progress up to the present date.

Company performance and earnings

Revenues for the year have decreased compared to 2017, mainly due to lower financial income from group companies. This reduction is a result of the cancellation of the credits held by the company with different subsidiaries regarding the old financial structured cancelled in July 2018.

Personnel expenses have been reduced compared to previous year due to the end in May 2017 of the Historical Management Incentive Plan related to the IPO, which ended in May 2017.

Financial result for the year has improved compared to 2017 due to the reduction on interests expense as for the new conditions of the new financial debt from July 2018. There's also a positive FX impact.

The Board will propose to shareholders at the Annual General Meeting a dividend of 15 cents per share (2017: 13 cents), an increase of 15.4% on the prior year. This is equivalent to EUR 21.4 million (2017: EUR 18.6 million).

Main risks

The main risks to which the Company is exposed are those typically faced by a holding company and the industry in which its subsidiaries operate.

The policy of the directors is to take the decisions that they may consider appropriate in order to mitigate any kind of risk related to the Company's activities.

Treasury share transactions

At 31 December 2018, the Company holds a total of 283,400 treasury shares at an average cost of EUR 12.01 per share. The value of these treasury shares amounts to EUR 3,405 thousand.

At 31 December 2017, the Company held a total of 112,744 treasury shares at an average cost of EUR 10.52 per share. The value of these treasury shares amounted to EUR 1,186 thousand.

Use of financial instruments

The Group policy establishes the use of financial derivatives to eliminate or significantly reduce certain interest rate and foreign currency risks relating to its assets if needed. The Company do not hold any derivative financial instruments at the end of 2018.

Significant events after the reporting period

No events have occurred since 31 December 2018 other than those described in the notes to the accompanying consolidated financial statements.

Disclosures on the payment periods to suppliers

Detailed below is the information required by the Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), which was prepared in accordance to the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on information to be incorporated in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

	2018	2017
	Days	
Average payment period to suppliers	46	38
Ratio of transactions settled	47	40
Ratio of transactions not yet settled	28	7
	Amount (thousands of Euros)	
Total payments made	3,409	3,823
Total payments outstanding	319	182

The data shown in the foregoing table in relation to payments to suppliers relate, pursuant to the ICAC Resolution, to commercial transactions relating to goods supplied and services provided since the entry into force of Law 31/2014, of 3 December.

Suppliers, solely for the purpose of disclosing the information provided for in this resolution, are considered to be trade creditors for the supply of goods and services and are included under "Current Liabilities - Trade and Other Payables" in the accompanying statement of financial position.

"Average Payment Period to Suppliers" is understood to be the period between the supply of the goods or the provision of the services on the supplier's account and the effective payment of the transaction.

The maximum payment period applicable to Company under Law 3/2004, of 29 December, on combating late payment in commercial transactions, is 30 days. This period may be extended by agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2017).

Annual Corporate Governance Report

The annual Corporate Governance report can be consulted in the in the Applus Group web page and in the "Comisión Nacional de Mercado de Valores (CNMV)".

www.cnmv.es

www.applus.com

Applus Services, S.A.

Preparation of the Financial Statements and Management report for the year ended 2018

In accordance with the provisions of article 253 of the Spanish Companies Act and article 34 of the Spanish Code of Commerce, the Board of Directors of Applus Services, S.A., in its meeting 20 February 2019, has drawn up the financial statements (comprising the balance sheet, the profit and loss account, the statement of changes in equity, the statement of cash flows and the explanatory notes) and the management report for year 2018, which are included in the documents preceding this signature page and their annexes, all of them correlatively ordered.

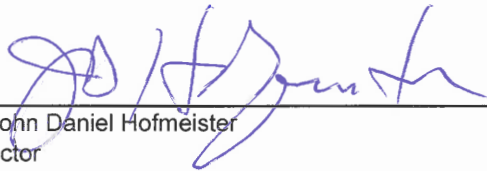
Barcelona, 20 February 2019



D. Christopher Cole
Chairman



D. Ernesto Gerardo Mata López
Director



D. John Daniel Hofmeister
Director



D. Fernando Basabe Armijo
Director



D. Richard Campbell Nelson
Director



D. Nicolás Villén Jiménez
Director



Dª. Maria Cristina Henríquez de Luna Basagoiti
Director

For identification purposes, all the pages of the financial statements and the management report for the year ended on 31 December 2018, as approved by the Board of Directors, are initialized by the Secretary of the Board of Directors, Mr. Vicente Conde Viñuelas.

Appendix I - Companies included in the scope of consolidation

Name	Applus Servicios Tecnológicos, S.L.U	Azul Holding 2, S.à.r.l.	Applus Iteuve Argentina, S.A.	Applus Santa Maria del Buen Ayre, S.A.	Applus Uruguay, S.A.	Revisiones Técnicas Applus del Ecuador Applusiteuve, S.A.	Applus Technologies, Inc.	Janx Holding, Inc
Registered office	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	7, rue Robert Stümper L-2557-Luxembourg (Luxembourg)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Jurisdicción de la Ciudad autónoma de Buenos Aires (Argentina)	Guayabos nº 1718, escritorio 505 Montevideo (Uruguay)	Avda Patria nºE4-41 Intersección Avda Amazonas edificio Patria Piso 10 Oficina 01, Pichincha, Quito (Ecuador)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)
Line of business	Holding company	Holding company	Vehicle roadworthiness testing	Right and compliance of the obligations corresponding to public services concessions relating to the obligatory Technical Verification of Vehicles	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Certification services through non-destructive testing
Ownership interest held by Group companies:								
Direct	100%	100%	-	-	-	-	-	-
Indirect	-	-	100%	100%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

18

Name	Libertytown USA 1, Inc.	Libertytown USA Finco, Inc.	Applus Iteuve Technology, S.L.U	IDIADA Automotive Technology, S.A	Applus Argentina, S.A.	IDIADA Fahrzeugtechnik, GmbH.	CTAG-Idiada Safety Technology, S.L.	Applus Chile, S.A.
Registered office	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	L'Albornar, s/n PO BOX 20,43710 Sta Oliva. Tarragona (Spain)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Manfred Hochstatter Strasse 2, 85055 Ingolstadt (Germany)	Polígono A Granxa, Parcelas 249-250. 36410 Porriño, Pontevedra (Spain)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)
Line of business	Holding company	Holding company	Vehicle roadworthiness testing	Engineering, testing and certification	Holding company	Engineering, testing and certification	Engineering, testing and certification	Vehicle roadworthiness testing
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	80%	100%	80%	40%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

7

Name	Applus Iteuve Euskadi, S.A., Sociedad Unipersonal	Applus Revisiones Técnicas de Chile, S.A.	Applus Danmark, A/S	IDIADA CZ, A.S.	K1 Kasastajat, OY	Inspecció Tècnica de vehicles i serveis, S.A.	Idiada Automotive Technology India PVT, Ltd	Shanghai IDIADA Automotive Technology Services Co. Ltd
Registered office	Polígono Ugaldeguren I Parcela 8, 48710 Zamudio, Vizcaya (Spain)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)	Korsølsvej, 111 2610 Rodovre (Denmark)	Pražská 320/8, 500 04, Hradec Králové (Czech Republic)	Joukahaisenkatu 6, 20520 Turku Finland	Ctra de Bixessarri s/n, Aixovall AD600 (Andorra)	Unit no. 206, 2nd Floor, Sai Radhe Building Raja Bahadur Mill Road, off Kennedy Road, Pune 411 001 (India)	Jucheng Pioneer Park, Building 23, 3999 Xiu Pu Road, Nan Hui 201315 Shanghai (Pudong District) (China)
Line of business	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	80%	100%	50%	80%	80%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Euskadi Holding, S.L.U.	Applus Car Testing Service, Ltd.	Idiada Tecnologia Automotiva, Ltda.	Idiada Automotive Technology UK, Ltd.	Shangdong Idiada Automotive and tire proving ground Co, Ltd	Applus Iteuve Galicia, S.L.U.	Inversiones Finisterre, S.L.	Supervisión y Control, S.A.U.
Registered office	Polígono Ugaldeguren, 1 parcela 8, Zamudio, Vizcaya (Spain)	3026 Lakedrive, Citywest Business Campus, Naas Road, Dublin 24 (Ireland)	Cidade de São Bernardo do Campo, Estado de São Pulo, na Rua Continental, nº 334, Jardim do Mar, CEP 09750-060 (Brazil)	St Georges Way Bermuda Industrial Estate, Nuneaton, Warwickshire CV10 7JS (UK)	Room 302, No.1 industrial building of West Jin Hui Road, South Qi Xiao (China)	Ctra. N-VI, Km. 582,6 - 15168 Espiritu Santo - Sada, A Coruña (Spain)	Ctra. N-VI, Km. 582,6 - 15168 Espiritu Santo - Sada, A Coruña (Spain)	Ctra. N-VI, Km. 582,6 - 15168 Espiritu Santo - Sada, A Coruña (Spain)
Line of business	Holding company	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Engineering, testing and certification	Holding company	Holding company	Vehicle roadworthiness testing
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	100%	100%	80%	80%	80%	100%	80%	80%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	RITEVE SyC, S.A.	Inspecciones y Avalúos SyC, S.A.	Applus Idiada Karco Engineering, LLC	LGAI Technological Center, S.A.	Applus México, S.A. de C.V.	LGAI Chile, S.A.	Applus Costa Rica, S.A	Applus Norcontrol, S.L., Sociedad Unipersonal
Registered office	Lagunilla de Heredia, ciento cincuenta metros al este de la Bomba Texaco (Costa Rica)	Heredia, Cantón Central, Distrito Ulloa, Lagunilla, 150 metros este de la Bomba Uno (Costa Rica)	9270 Holly Road, 92301 Adelanto, California (USA)	Campus de la UAB, Ronda de la Font del Carme, s/n, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Blvd. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (Mexico)	Alberto Henckel 2317, Providencia, Santiago de Chile (Chile)	Oficentro Ejecutivo La Sabana, Edificio 7, Primer piso, Local 2, San José (Costa Rica)	Crta. Nacional VI-Km 582, 15168, Sada, A Coruña (Spain)
Line of business	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Certification	Quality system audit and certification	Quality system audit and certification	Quality system audit and certification	Inspection, quality control and consultancy services
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	44%	100%	67%	95%	95%	95%	95%	95%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Novotec Consultores, S.A., Sociedad Unipersonal	Applus Panamá, S.A	Applus Norcontrol Panamá, S.A.	Norcontrol Chile, S.A.	Norcontrol Inspección, S.A. de C.V. – México	Applus Norcontrol Guatemala, S.A.	Applus Norcontrol Colombia, Ltda	Norcontrol Nicaragua, S.A.
Registered office	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Calle Jacinto Palacios Cobos, Edificio 223, piso 3, locales A y C, Ciudad del Saber; Clayton, Ciudad de Panamá (Panama)	Calle Jacinto Palacios Cobos, Edificio 223, piso 3, locales A y C, Ciudad del Saber; Clayton, Ciudad de Panamá (Panama)	Alberto Henckel 2317, Providencia, Santiago de Chile (Chile)	Blvd. Manuel Avila Camacho 184, Piso 4- B, Col. Reforma Social, C.P. 11650 México, D.F (Mexico)	Km 14,5 Carretera a El Salvador, Santa Catarina Pinula (Guatemala)	Calle 17, núm. 69-46 Bogotá (Colombia)	Colonia Los Robles, Km. 6,500 Carretera Masaya, Managua (Nicaragua)
Line of business	Services related to quality and safety in industrial plants, buildings, etc.	Certification	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services
Ownership interest held by Group companies: Direct Indirect	- 100%	- 95%	- 95%	- 95%	- 95%	- 95%	- 96%	- 95%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

2

Name	Röntgen Technische Dienst Holding BV	Applus Centro de Capacitación, S.A.	RTD Quality Services, SRO	Applus RTD France Holding, S.A.S	Applus RTD Deutschland inspektions-Gesellschaft, Gmbh	Röntgen Technische Dienst B.V.	RTD Quality Services, Inc (Canada)	RTD Quality Services Nigeria Ltd.
Registered office	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	Alberto Henckel 2317, Providencia, Santiago de Chile (Chile)	U Stadionu 89, 530 02 Pardubice (Czech Republic)	129 Rue Servient 69326 Lyon Cedex 03 (France)	Industriestraße 34 b, 44894 Bochum (Germany)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	5504 36 St NW, Edmonton, AB T6B 3P3 (Canada)	Warri Boat Yard, 28 Warri/Sapele Road, Warri, Delta State (Nigeria)
Line of business	Holding company	Provision of training services	Certification services through non-destructive testing	Holding company	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	100%	95%	100%	100%	100%	100%	100%	49%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus RTD USA, Inc.	RTD Holding Deutschland, GmbH	Applus RTD UK Holding, Ltd	Applus RTD PTE, Ltd (Singapore)	Applus Colombia, Ltda.	Applus (Shanghai) Quality inspection Co, Ltd	Applus RTD Certification, B.V.	Applus PTY, Ltd (Australia)
Registered office	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Industriestr. 34. D-44894, Bochum (Germany)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	521 Bukit Batok St 23, Unit 05-E, Singapore (Singapore)	Calle 17, núm 69-46, Bogotá (Colombia)	Jucheng Industrial Park, Building 23, 3999 Xiu Pu Rd, Nan Hui, Shanghai 201315 (China)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)
Line of business	Certification services through non-destructive testing	Holding company	Holding company	Certification services through non-destructive testing	Certification	Inspection services in quality processes, production processes, technical assistance and consultancy	Certification services through non-destructive testing	Certification services through non-destructive testing
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	95%	95%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus RTD Norway, AS	Arctosa Holding, B.V.	Libertytown USA 2, Inc.	Libertytown Australia, PTY, Ltd.	Applus RTD UK, Ltd	Applus RTD SP, z.o.o.	Applus Energy, S.L.U.	RTD Slovakia, s.r.o.
Registered office	Finnestadgeilen 38, 4029 Stavanger (Norway)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	Raclawicka, 19, 41-506 Chorzów (Poland)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Udernicka 11; 851 01; Bratislava, (Slovakia)
Line of business	Certification services through non-destructive testing	Holding company	Holding company	Holding company	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of advisory services and auditing in the energy sector	Certification services through non-destructive testing
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Autoservices Online, S.L.U.	APP Management, S. de R.L. de C.V.	Libertytown Applus RTD Germany GmbH	Applus Norcontrol Maroc, Sarl	Applus RTD Gulf DMCC.	Applus Qualitec Serviços de Engenharia, Ltda.	Applus Lgai Germany, GmbH	BK Werstofftechnik-Prufstelle Für Werkstoffe, GmbH
Registered office	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Blvd. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (Mexico)	Industrie Strasse 34 b, 44894 Bochum (Germany)	INDUSPARC Module N°11BD AHL LOGHLAM Route de Tit Mellil Chemin Tertiaire 1015 Sidi Moumen 20400, Casablanca (Morocco)	16th Floor, Office 1601, Swiss Tower, Jumeirah Lake Towers, PO Box 337201, (United Arab Emirates)	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nº450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Zur Aumundswiede 2, 28279 Bremen (Germany)	Zur Aumundswiede 2, 28279 Bremen (Germany)
Line of business	Provision of services related to the automotive sector and vehicle and road safety, engineering processes, training design, testing, homologation and certification, as well as technical audits of automotive establishments	Provision of professional, technical, administrative and human resources services	Holding company	Inspection, quality control and consultancy services	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification	Certification
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	100%	100%	100%	95%	100%	100%	95%	95%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

2

Name	Ringal Brasil Investimentos, Ltda.	Burek und Partner, Gbr.	Assinco-Assesoria Inspeção e Controle, Ltda	Applus Norcontrol Perú, S.A.C.	Kiefner & Associates Inc.	John Davidson & Associates PTY, Ltd	JDA Wokman Limited	PT JDA Indonesia
Registered office	Cidade de Ibité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nº450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Zur Aumundswiede 2, 28279 Bremen (Germany)	Rua Petrovale, quadra 01, lote 10, integrante da área B, nº 450, Bloco 2 - 1º andar, Bairro Distrito Industrial Marsil, EP 32400-000 Cidade de Ibité, Estado de Minas Gerais (Brazil)	Avenida el Derby, 254, Oficina 901. Edificio Lima Central Tower. Surco. Lima (Peru)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Unit 22, 23 Ashtan Place, Banyo, Queensland, 4014 (Australia)	Unit 11, Section 53, Allotment 15 & 16, Ume Street, Gordons, Port Moresby, National Capital District, (Papua New Guinea)	Plaza Aminta 9th floor, Jl. TB Simatupang Kav. 10, South Jakarta (Indonesia)
Line of business	Holding company	Certification	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Certification services through non-destructive testing	Provision of executive recruitment services	Provision of executive recruitment services	Provision of technical engineering and planning, conservation and operational services, technical training and human resource development
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	100%	95%	100%	96%	100%	100%	100%	100%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

91

Name	Applus Norcontrol Consultoría e Ingeniería, SAS	Applus Mongolia, LLC	Applus Laboratories, AS.	Applus Arabia L.L.C	Applus II Meio Ambiente Portugal, Lda	Ringal Invest, S.L.U	Applus Velosi DRC, SarL.	Ingelog Consultores de Ingeniería y Sistemas, S.A.
Registered office	Calle 17, núm. 69-46 Bogotá (Colombia)	3a planta, San Business Centre, Sukhbaatar District, 8th Khoroo, Baga toiruu, Street 29 of Prime Minister Amar, Ulaanbaatar (Mongolia)	Langmyra 11, 4344 Bryne (Norway)	Dammam (Saudi Arabia)	Complexo Petroquímico, Monte Feio, 7520-954 Sines (Portugal)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Lubumbashi, Avenue Lumumba, N. 1163, Quartier Industriel, Commune Kampemba (Congo)	Alberto Henckel 2317, Santiago de Chile (Chile)
Line of business	Inspection, quality control and consultancy services in the industry and services sector	Provision of human resources consultancy in the area of recruitment, placement candidates and related services	Certification	Certification	Inspection, quality control and consultancy services	Holding company	Provision of permanent contract services	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	100%	95%	48%	95%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Ingelog Servicios Generales, Ltda (Sergen)	Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.	Ingeandina Consultores de Ingeniería, S.A.S.	Ingelog Costa Rica S.A.	Applus RTD USA Aerospace Holding, Inc.	X-RAY Industries, Inc.	Composite Inspection Solutions, LLC.	Applus Laboratories USA, Inc.
Registered office	Alberto Henckel 2317, Santiago de Chile (Chile)	Ciudad de Guatemala (Guatemala)	Calle 17, núm. 69-46 Bogotá (Colombia)	San José de Costa Rica, calle treinta y uno, avenidas nueve y once, Barrio Escalante (Costa Rica)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	1961 Thunderbird, Troy Michigan 48084 (USA)	615 S. DuPont Highway, Kent County, Dover, Delaware 19901 (USA)
Line of business	Provision of transport and rental of vehicles	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Holding company	X-ray metallurgical, management, retail equipment, equipment manufacturing, non-destructive; testing services	Inspection services	Holding company
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	100%	100%	95%	95%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Arcadia Aerospace Industries, Llc.	Applus RTD Llc.	NRAY Services, Inc.	Applus RTD USA Services, Inc.	Libertytown USA 3, Inc.	Applus Management Services, Inc.	Applus Aerospace UK, Limited	Aerial Photography Specialist PTY, LTD
Registered office	28000 Mooney Avenue, Building #110, Punta Gorda Florida 33982 (USA)	Khokhlovskiy side-street 13, building 1, 109028 Moscow. (Russia)	56A Head Street, Dundas, ON L9H 3H7 (Canada)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)
Line of business	Industrial contract and inspection services	Purchase of equipment and refills, installation, reparation and maintainance of the equipment, engineering services and devolment of scientific investigation	Inspection of the based neutron radiation services	Any lawful act or activity in order for companies to organise themselves under the Delaware General Corporation Law	Any lawful act or activity in order for companies to organise themselves under the Delaware General Corporation Law	Provision of professional, technical, administrative and human resources services	Non-destructive services from the aerospace business.	Manufacture, repair, sale and services related to drones
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	67%	100%	100%	100%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus RTD Canada Holding (2016), Inc.	SKC Inspection and Non Destructive Testing, Inc	SKC Engineering Ltd	MxV Engineering, Ltd	Applus Norcontrol República Dominicana, S.R.L	Emilab, SRL	AC6 Metrologia, S.L.	Applus RVIS, B.V.
Registered office	1300 - 1969 Upper Water Street Purdy's Wharf Tower II Halifax NS B3J 3R7 (Canada)	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)	Plaza El Avellano, Calle Dr. Jacinto Ignacio Mañón No. 5 Local No. 08 Primer Piso. Ensanche Paraiso, Santo Domingo (República Dominicana)	Via F.lli Solari 5/A 33020 Amaro(UD) (Italy)	Polígono Comarca I, Edificio Pasarela. 31160, ORKOIEN, Navarra (Spain)	Delftweg 144, NC 3046 Rotterdam (The Netherlands)
Line of business	Holding company	Inspection and non-destructive testing	Ensure quality, training, inspection, proof and design and welding engineering services.	Dielectric tests, inspections of cranes, stability tests and preventive maintenance	Inspection and technical assistance services	Research in the areas of engineering, electromagnetic compatibility and electrical safety.	Research, development and advisory services for metrology and industrial calibration activities.	Remote Non-destructive Inspection and Testing
Ownership interest held by Group companies: Direct Indirect	- 100%	- 100%	- 100%	- 100%	- 95%	- 95%	- 95%	- 51%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Servicios Integrales, S.A.S.	Tunel Safety Testing, S.A.	Trámites, Informes, Seguridad y Medio Ambiente, SL	3C Test Limited	DatapointLabs, Llc.	DatapointLabs India, Inc.	Matereality, Llc.	MacCormack Calibración, SL
Registered office	Calle 17 # 69 - 46, Bogotá (Colombia)	LG Centro Experimental San Pedro de Anes s/n, Siero 33189, Asturias (Spain)	Calle Llenguadoc 10, Barcelona 08030 (Spain)	Silverstone Technology Park, Silverstone Circuit, Silverstone, Towcester, Northamptonshire, NN12 8GX (UK)	95 Brown Rd. #102 Ithaca, NY 14850 (USA)	95 Brown Rd. #102 Ithaca, NY 14850 (USA)	95 Brown Rd. #102 Ithaca, NY 14850 (USA)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)
Line of business	Inspection, quality control and consultancy services	Fire testing in tunnels, fire suppression product testing and fire training.	Inspection, quality control and consultancy services	Electromagnetic compatibility (EMC) and electrical tests, especially for the automotive sector.	Materials characterization laboratory specialized in providing properties for numerical simulation.	Materials characterization laboratory specialized in providing properties for numerical simulation.	Development of IT solutions for the properties of materials, management and storage.	Calibration services industrial on-site for the automotive sector workshops.
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	95%	89%	95%	95%	95%	95%	95%	95%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

2

Name	Technical Inspection Services, Ltd	Applus Middle East Engineering Consultancy, LLC	SARL Apcontrol Energie et Industrie Algerie	Talon Test Laboratories (Phoenix) Inc.	Talon Test Laboratories Incorporated	Applus Brasil Investimentos, Ltda
Registered office	Unit 21, Hither Green Industrial Estate, Clevedon, North Somerset, BS21 6XU (UK)	Office 201, Abu Dhabi Business Hub, Building B, Mussafah (United Arab Emirates)	12a planta del Centro Comercial y de Negocios "al-Quds" de Charéga (Algeria)	6145 W. Detroit Street, Chandler, AZ 58226, Arizona (USA)	915 Western Drive, Indianapolis, IN 46241 (USA)	Rua Dom José de Barros, nº 177, 6º andar, conjunto 601, sala 602, Vila Buarque, CEP 01038-100, Sao Paulo (Brazil)
Line of business	Certification by non-destructive testing services	Industrial support and consulting	Production of technical control devices and appliances for the calibration of machinery, mechanical testing and measurement, oil services, management consulting, hydrocarbon analysis, environmental prevention and cleaning programs	Non-destructive testing services	Non-destructive testing services	Holding company
Ownership interest held by Group companies:						
Direct	-	-	-	-	-	-
Indirect	100%	49%	49%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

27

Name	Velosi S.à r.l.	SAST international Ltd	Velosi Asia (Luxembourg) S.à r.l.	Velosi Africa (Luxembourg) S.à r.l.	Velosi Europe (Luxembourg) S.à r.l.	Velosi Poland Sp z.o.o.	Velosi Europe Ltd	Velosi Certification Bureau LTD
Registered office	7, rue Robert Stümper L-2557-Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg (Luxembourg).	IFC1, Level 1, Esplanade, St. Heiler, Jersey JE2 3BX, Channel Islands (Jersey).	7, rue Robert Stümper L-2557 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg (Luxembourg).	7, rue Robert Stümper L-2557-Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg (Luxembourg).	7, rue Robert Stümper L-2557-Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg (Luxembourg).	Ul. Miła 2 00-180 Warszawa (Poland)	1 Woodsite Business Park, Whitley Wood Lane, Reading, RG2 8LW (UK).	1 Woodsite Business Park, Whitley Wood Lane, Reading, RG2 8LW (UK).
Line of business	Holding company	Provision of consultancy and engineering services	Holding company	Holding company	Holding company	Publishing of other programmes	Provision of technical, engineering and industrial services	No line of business
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Velosi International Italy Srl	Velosi-PSC Srl	IES - Velosi Norge AS	Velosi TK Gozetim Hizmetleri Limited Sirketi	Velosi LLC	Velosi Malta I Ltd	Velosi Malta II Ltd	Applus Velosi Czech Republic, s.r.o.
Registered office	23807 Merate (LC), via De Gasperi, 113, Merate (Italy).	Via Cinquantenario, 8 - 24044 Dalmine, Bergamo (BG) (Italy).	Dølevegen, 86, Post Box. 2096 N-5541 Kolnes, Kongsberg (Norway).	1042. Cadde 1319.Sokak No.9/5 Ovecler, Ankara (Turkey).	Azadlig Avenue 189, Apt 61, AZ1130 Baku (Azerbaijan).	The Bastions, Office No. 2 Emvīm Cremona Street, Floriana, FRN 1281 (Malta).	The Bastions, Office No. 2 Emvīm Cremona Street, Floriana, FRN 1281 (Malta).	Prague 9, Ocelářská 35/1354 (Czech Republic).
Line of business	Provision of technical, engineering and industrial services	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Provision of auxiliary services for oil and gas companies	Holding company	Holding company	Manufacturing, trade and services not listed in Appendix 1-3 of the Trade License Activity
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	80%	80%	60%	80%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

97

Name	Velosi Turkmenistan	Velosi Industries Sdn Bhd	Applus Velosi Malaysia Sdn Bhd	Kurtec Inspection Services Sdn Bhd	Velosi Plant Design Engineers Sdn Bhd	Applus Singapore PTE Ltd	Velosi Engineering Projects Pte Ltd	Velosi Energy Consultants Sdn Bhd
Registered office	Ashgabat City, Kopetdag District, Turkmenbashi, Avenue, No. 54 (Turkmenistan).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	521 Bukit Batok Street 23 Unit 5E, Excel Building, 659544 (Singapore)	521, Bukit Batok Street 23, Unit 5E, 659544 Singapore (Singapore)	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).
Line of business	No line of business	Investments, investment property and provision of engineering services	Provision of engineering and inspection services	Provision of non-destructive testing (specialised NDT) services, inspection of guided wave long range ultrasonic testing (LRUT) and remote visual inspection	Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess	Provision of specialised services in the area of repair of ships, tankers and other high sea vessels, and provision of rope access, testing and technical analyses for the oil and gas industries	Provision of third-party inspection services	Provision of consultancy services for all engineering activities and the supply of local and foreign experts for the generation of oil and gas energy, marine, energy conservation, mining and all other industries, together with the engineering and maintenance of refining vessels, oil platforms, petrochemical plants and the supply of qualified labor
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	100%	100%	100%	100%	100%	100%	100%	100%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Velosi (HK) Ltd	Velosi Saudi Arabia Co Ltd	Velosi Engineering Management Consultancy Ltd Co.	Velosi Siam Co Ltd	Applus (Thailand) Company Limited	Velosi Integrity & Safety Pakistan (Pvt) Ltd	Velosi Corporate Services Sdn Bhd	Velosi International Holding Company BSC (c)
Registered office	Level 12, 28 Hennessey Road, Wanchai (Hong Kong).	Unit No. 1, Al-Qusur, Talal Al-Doha Building, Sub of Prince Mohammad bin Fahd Road, Dhahran, 34247-3229 (Saudi Arabia).	Room 1304, Shengkang LiaoShi Building No. 738 Shang Cheng Road Pudong, Shanghai PRC, 200120 (China).	ZEN @ ZEN World Tower, Level 12, Zen World Tower, 4, 4/5 Rajdamri Road, Pathumwan, Bangkok, 10330 (Thailand).	208 Wireless Road Building 14th Floor Room 1401 (16), Lumpini, Pathumwan, Bangkok 10330 (Thailand).	Office No. 401, 4th Floor, Business Centre, Block 6, P.E.C.H.S. Society, 74000 Karachi (Pakistan).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Flat 42, Building 1033, Road 3731, Block 337, Menama/UMM Alhassam (Bahrain)
Line of business	Provision of management services, sales support, advisory and business development services to related companies	Provision of maintenance testing, fixing, examination of the welding and quality control for the pipes, machinery, equipment and other buildings in oil, gas and petrochemical facilities and to issue related certificates	Provision of consulting of Petroleum Engineering, technical consultation of mechanical engineering and consulting of business management	Holding company	Provision of engineering and technical services	Provision of support engineering services, inspections based on risk, reliability centred maintenance, assessment of the safety integrity level, suitability for management services studies, corrosion studies, development of data management control systems, quality management system certification, specialised non-destructive testing services, approval of the design review, third-party inspection services and inspection of plants and access engineering	Provision of general management, business planning, coordination, corporate finance advisory, training and personnel management services	Holding company of a group of commercial, industrial and service companies
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	60%	100%	100%	74%	70%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Velosi Certification Services LLC	Velosi Certification WLL	PT Java Velosi Mandiri	Velosi Certification WLL	Velosi PromService LLC	Velosi LLC	Velosi Bahrain WLL	Velosi LLC
Registered office	# 201, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi (United Arab Emirates).	Block 9, Building 24, Office 21, Ground Floor, East Ahmadi, Industrial Area, P O Box # 1589, Salmiya – 22016 (Kuwait).	Plaza Aminta 9th Floor, Jl. TB Simatupang Kav. 10, Jakarta, 12310 (Indonesia)	Building No 121340, First Floor New Salata, C Ring Road, P.O. Box 3408, Doha (Qatar).	Russian Federation, 125130, Moscow, Staropetrovsky proezd, 7A, bld. 19, office 7 (Russia).	38 Kurilskaya str., Yuzjno-Sakhalinsk (Russia).	Flat 11, Building 1033, Road 3721, Block 337, Menama / UMM Alhassam (Bahrain).	Block no227 Stella Building, Post Box 231 Hamriya. Way no 2748 (Oman).
Line of business	Provision of construction project quality management services, management system certification, quality management of the maintenance of existing facilities and equipment and mandatory inspection services	Provision of industrial consultancy	Provision of engineering consultancy services, such as quality control and non-destructive testing (NDT) inspection services, provision of skilled labor with vocational training	Provision of inspection and analysis and technical services in the area of qualified technical jobs	Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries	Holding Company	Provision of quality control and standardization services, industrial inspection services and general services	Provision of certification, engineering and inspection services
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	49%	24%	0%	24%	100%	100%	100%	50%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Velosi Quality Management International LLC	Velosi CBL (M) Sdn Bhd	Velosi LLP	Velosi (B) Sdn Bhd	Velosi Certification Services LLC	Velosi Philippines Inc	Velosi Ukraine LLC	Dijla & Furat Quality Assurance, LLC.
Registered office	205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi (United Arab Emirates).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Building #31A, Akzhal lane, Atyrau, Atyrau Oblast, postal code 060002 (Kazakhstan).	Lot 5211, Spg. 357, Jin Maulana, KA 2931 Kuala Belait, Negara Brunei Darussalam (Brunei).	17, Chimkent Street, Mirobod District, 100029 Tashkent (Uzbekistan).	1004, 10F, Pagibig WT Tower, Cebu Business Park, Ayala, Cebu City (Philippines).	5A Pilerska Street, 03087 Kyiv (Ukraine).	Ramadan Area, District 623-S, No.1, Baghdad (Iraq).
Line of business	Provision of certification, engineering and inspection, onshore and/or offshore services	Provision of equipment inspection services	Provision of services in the area of industrial safety	Provision of quality control and engineering services for the oil and gas industries	Provision of inspection, certification, monitoring and other types of business activity	Provision of inspection, quality control, certification and business process outsourcing	Provision of auxiliary services in the oil and natural gas industries	Provision of quality control and training services
Ownership interest held by Group companies: Direct Indirect	- 49%	- 100%	- 80%	- 30%	- 80%	- 100%	- 100%	- 100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Equity method	Full consolidation	Full consolidation	Full consolidation	Full consolidation

2

Name	Applus Korea Co, Ltd.	Steel Test (Pty) Ltd	Velosi (Ghana) Ltd	Oman Inspection and Certification Services	Velosi Services L.L.C. (Russia)	Applus Japan KK	Velosi Angola Prestação de Serviços Ltda	Velosi Superintendend Nigeria Ltd
Registered office	108, Jin-ha, Seo-sang, Uiju, Ulsan (Republic of Korea).	28 Senator Rood Road, 1939 Vereeniging (Republic of South Africa).	2nd Floor, Design House, Ring Road East, Accra (Ghana).	P.O. Box 15, South Alkhuawir, Bawshar, Muscat Governorate (Oman)	Kommunistichesky prospect, 32, suit 610, Yuzhno-Sakhalinsk, Sakhalin Region (Russia).	Yamauchi Building 3F 3-24, 8 Nishi Shimbashi, Minato-ku, Tokyo (Japan).	Rua Marien Ngouabi 37, 5º apartamento 53, Maianga, Luanda (Angola).	3A Alabi Street, Off Toyin Street, Ikeja - Lagos (Nigeria).
Line of business	Provision of training and consulting for services related to technical engineering, hiring-out of manpower and materials and leasing of properties.	Pipe and steel thickener testing	Provision of inspection, quality control and certification services	Provision of non-destructive testing services (NDT), environmental and safety services (HSE), quality control and engineering services.	No line of business	Provision of quality and inspection services, manpower, NDT tests and industrial consulting	Provision of quality assurance and control, inspection, supply of technical manpower, certification and regulatory inspection, NDE specialised services and engineering	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	67%	75%	49%	50%	100%	100%	44%	30%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Integración global	Integración global	Full consolidation	Full consolidation

Name	Velosi Uganda LTD	VelosiSA (Pty) Ltd	Applus Velosi Egypt, LLC	Velosi Mozambique LDA	Applus Velosi Angola, Lda.	Applus India Private Limited	Applus Mozambique Limitada	K2 Do Brasil Services Ltda
Registered office	3rd Floor, Rwenzori House, Plot 1, Lumumba Avenue, PO Box 10314 Kampala (Uganda).	1st Floor, AMR Building 1, Concorde Road East, Bedfordview, 2008 Gauteng (Republic of South Africa).	27, Ali El-Gendy St., Nasr City, Cairo (Egypt).	Avenida Kim II Sung, 961 - Bairro Sommershield - Distrito Urbano 1, Maputo Cidade (Mozambique).	Condominio Mirantes de Talatona, Rua das Acácias, casa B13, Luanda (Angola).	301, Plot no. 410, Matrusri Nagar Colony, Miyapur, Serlingampally Hyderabad Rangareddi, TG 500049 (India).	Paulo Samuel Kankhomba Avenue, number 3,371, Maputo City (Mozambique).	Avenida Nossa Senhora da Gloria, 2.643, Cavaleiros, Macae - RJ, CEP27920-360, Macae (Brazil).
Line of business	Provision of business consulting and management services	Provision of services related with the quality of the oil and gas industries	Provision of engineering consultancy in the oil sector, the maritime business, power generation and mining, as well as management consulting	Provision of consultancy services and technical assistance in the oil and gas industries, such as labor force services, and other specialized services in non-destructive trials, controls, quality inspections and asset integrity	Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialised services in NDT and engineering.	Provision of labor supply services for the oil and gas industries	Provision of consulting and technical assistance services in the oil and gas industry, man power services, NDT specialized tests, controls and provision of asset integrity services	Provision of updating, repair, modification and control of onshore and offshore oil facilities, inspection and development of design services, manufacture of components and machinery structures and supply of qualified labor
Ownership interest held by Group companies:	-	-	-	-	-	-	-	-
Direct	100%	100%	100%	74%	49%	100%	49%	100%
Indirect								
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Integración global	Full consolidation

4

Name	Applus Velosi America LLC	Applus Velosi Canada Ltd	Velosi Do Brasil Ltda	Midstream Technical Inspection Services, LLC	Applus K2 America, LLC	Velosi Australia Pty Ltd	QA Management Services Pty Ltd
Registered office	3 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 (USA).	2600 Manulife Place 10180 - 101st Street, Edmonton, AB T5J 3Y2 (Canada)	Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro (Brazil).	3 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 (USA).	3 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 (USA).	Unit 22/23 Ashtan Place Banyo, Queensland, 4014 (Australia)	94 Discovery Drive, BIBRA LAKE, WA 6163 (Australia)
Line of business	Provision of labor supply services for the oil and gas industries	Provision of labor supply services for the oil and gas industries	No line of business	Supply of certifications for pipelines belonging to the oil and gas sector	Providing solutions for owners and operators of drilling rigs and FPSO in America, including inspection services, repair and maintenance, structural design and analysis and training services	Holding company	Provision of quality assurance services, such as worldwide inspection and ISO 9000 Quality Management Consultancy, training courses, quality control software packages and specialised labor services
Ownership interest held by Group companies:							
Direct	-	-	-	-	-	-	-
Indirect	100%	100%	98%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Note: the % of ownership of the Group companies reported corresponds to the legal interest.

Appendix II - Out of the scope of consolidation

Name	Velosi Cameroun Sarl	Velosi Gabon PTE LTD CO (SARL)	Applus Velosi Kenya Limited	Steel Test Secunda (PTY), LTD.	VAIL Consultancy Services DMCC	Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power, LLC.
Registered office	Douala, PO Box 15805, Akwa (Cameroon)	Cité Shell, Port-Gentil in Gabon, BP: 2 267 (Gabon).	3rd floor, Kiganjo House, Rose Avenue Off Denis Pritt Road L.R No 1/1870, Nairobi P.O.Box 50719 - 00200, Nairobi (Kenya).	11 Viscount, Road Bedfordview 2007, (Republic of South Africa).	DMCC Business Centre - Level No 1 - Jewellery & Gemplex 3 Dubai (United Arab Emirates).	Al-Shamasiyah District Section No. 316 Street 15 house 37 1, Basra (Iraq)
Line of business	No line of business	Provision of security and environmental services (HSE), quality control and engineering in the oil and gas sector.	Services of provision of quality control, technical engineering of labor and consulting, Non Destructive Testing and certification, electrical inspection, engineering and project management and supervision of construction services	Inspection of pipes and steel thickness	No line of business	Buy, lease, ownership of personal property, intellectual property and the sale of said goods
Ownership interest held by Group companies:						
Direct	-	-	-	-	-	-
Indirect	100%	75%	100%	100%	80%	100%

Name	Velosi Jorson Sdn Bhd (Brunei)	Idiada Automotive Technology Rus, LLC	Idiada Homologation Technical Service, S.L.U.	IDIADA Automotive Technology USA, LLC	Velosi Asia Kish (Iran)
Registered office	LOT 5211, Simpang 357, Jalan Maulana, Kuala Belait KA2931, Brunei Darussalam (Brunei).	Russian Federation, 603004, Nijniy Novgorod, prospect Lenina, 115 (Russia).	L'Albornar s/n 43710 Santa Oliva - Tarragona (Spain).	9270 Holly Road, Adelanto, CA 92301 (USA).	No. 7, Second Floor, Block B28, Pars Commercial Complex, South-West of the Port Area (Iran).
Line of business	Provision of non- destructive testing services (NDT), technological development and transformation and technical consulting.	Engineering, testing and certification	Engineering, testing and certification	Engineering, testing and certification	No line of business
Ownership interest held by Group companies:					
Direct	-	-	-	-	-
Indirect	50%	80%	80%	80%	97%

18

The members of the Board of Directors of Applus Services, S.A. declare that, to the best of their knowledge, the individual financial statements of Applus Services, S.A. (comprising the statement of financial position, statement of profit or loss, the statement of changes in equity, the statement of cash flows and the explanatory notes) for the year ended at 31 December 2017, prepared in accordance with the accounting policies applicable and approved by the Board of Directors at its meeting on 20 February 2019, present fairly the equity, financial position and results of Applus Services, S.A., and that the management report accompanying such financial statements includes a fair analysis of the business' evolution, results and the financial position of Applus Services, S.A, as well as a description of the principal risks and uncertainties that the company faces. All the Directors have signed on this page to certify the above mentioned.

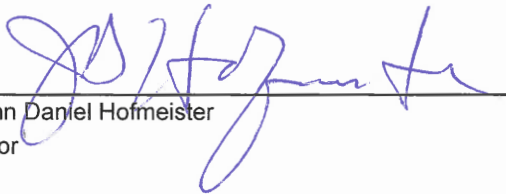
Barcelona, 20 February 2019



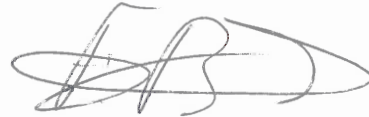
D. Christopher Cole
Chairman



D. Ernesto Gerardo Mata López
Director



D. John Daniel Hofmeister
Director



D. Fernando Basabe Armijo
Director



D. Richard Campbell Nelson
Director



D. Nicolás Villén Jiménez
Director



Dª. Maria Cristina Henríquez de Luna Basagoiti
Director