Applus Services, S.A.
and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2021 and Consolidated Directors' Report, together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

Declaration of Responsibility of the Directors of Applus Services, S.A. for the content of the annual financial report for 2021

This declaration is a translation for informative purposes only of the original document issued in Spanish, which has been signed for approval by every Board member. In the event of discrepancy, the Spanish-language version prevails.

The members of the Board of Directors of Applus Services, S.A. declare that, to the best of their knowledge, the consolidated financial statements of Applus Services, S.A. and subsidiaries (comprising consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes) for the year ended at 31 December 2021, prepared in accordance with applicable accounting policies and approved by the Board of Directors at its meeting on 24 February 2022, present fairly the equity, financial position and results of Applus Services, S.A. and the subsidiaries included in the scope of consolidation, taken as a whole, and that the management report accompanying such consolidated financial statements includes a fair analysis of the business' evolution, results and the financial position of Applus Services, S.A and the subsidiaries included in the scope of consolidation, taken as a whole, as well as a description of the principal risks and uncertainties they face. All the Directors have signed to certify the above mentioned.

Barcelona, 24 February 2022

Mr. Christopher Cole
Chairman

Mr. Ernesto Gerardo Mata López
Director

Mr. Fernando Basabe Armijo
Director

Mr. Nicolás Villén Jiménez
Director

Ms. Maria Cristina Henríquez de Luna Basagoiti
Director

Ms. Maria José Esteruelas Aguirre
Director

Ms. Essimari Kairisto
Director

Mr. Joan Amigó i Casas
Director

Ms. Marie-Françoise Madeleine Damesin
Director

Mr. Brendan Wynne Derek Connolly
Director

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Applus Services, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2021, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

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 Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated 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.

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Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Key Audit Matters

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

Impairment of goodwill and other intangible assets	
Description	**Procedures applied in the audit**
Notes 4 and 5 to the accompanying consolidated financial statements describe the goodwill and other intangible assets allocated to each of the cash-generating units (CGUs) identified by Group management, amounting to EUR 725.8 million and EUR 420 million, respectively, at 31 December 2021. Also, the various CGUs identified correspond to the various business units managed by the Group (Energy & Industry, Automotive, IDIADA and Laboratories) in each of the defined geographical areas in which it carries on its activity. If there are any indications of impairment, and at least at each year-end, Group management tests the assets of the aforementioned CGUs for impairment using discounted cash flow-based valuation techniques to determine the recoverable amount thereof.	Our audit procedures to address this matter included, mainly, the evaluation of the reasonableness of the cash flow projections and of the discount rates used in the impairment tests 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 and reviewed them for consistency with both historical information and the current market situation. Also, we evaluated management's historical accuracy in the budgeting process. In connection with the assumptions used by the Group in the estimation process, we evaluated the reasonableness of the discount rates applied for each business and geographical area, taking into consideration the cost of capital of the Group and of comparable organisations, as well as perpetuity growth rates, among other factors.

Impairment of goodwill and other intangible assets	
Description	**Procedures applied in the audit**
The performance of this impairment test was considered to be a key matter in our audit, given the magnitude of these assets and that management's assessment in this respect is an estimation process that includes a high level of judgements and assumptions, such as the determination of the growth rates for sales and expenses that the various CGUs are expected to show, investments in non-current and current assets and other assumptions obtained from the Group's strategic plan. Also, a discount rate is determined by taking into account the economic situation in general and that of each CGU in particular, on the basis of the risks specific to the various countries and to the business carried on.	In addition, we evaluated the sensitivity analyses, stressing those assumptions to which the impairment test is most sensitive, i.e., those with the greatest effect on the determination of the recoverable amount of the assets. We also involved our internal business valuation experts in order to evaluate the reasonableness of the models and key assumptions used by the Applus Group. Lastly, we evaluated whether Notes 3-d, 4, 5 and 6 to the accompanying consolidated financial statements contained the disclosures required by the applicable accounting regulations relating to the impairment tests on those assets and, in particular, the detail of the main assumptions used, and a sensitivity analysis of changes in the key assumptions used in the tests performed.

Recovery of deferred tax assets	
Description	**Procedures applied in the audit**
Note 20-c to the accompanying consolidated financial statements details the deferred tax assets amounting to EUR 61 million that are recognised in the consolidated statement of financial position at 2021 year-end, corresponding to tax losses, tax credits and temporary differences amounting to EUR 23 million, EUR 12.9 million and EUR 25.1 million, respectively, generated in the various tax jurisdictions in which the Group operates. In addition, as indicated in Note 20-c, the Group has unrecognised deferred tax assets corresponding to tax losses and tax credits amounting to EUR 114.6 million and EUR 52.3 million, respectively. At the end of each reporting period, Group management assesses the recoverability of the tax assets recognised based on projections of future taxable profits considering as reasonable a timeframe of no more than ten years, taking into account the legislation of each tax jurisdiction in which the Group operates, legislative changes and the most recent business plans approved for the various business divisions and geographical areas. 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.	Our audit procedures to address this matter included, among others, the evaluation of the methodology and assumptions applied by the Group and verification of the consistency of the assumptions taking into account both historical information and the market situation and the tax legislation applicable in each jurisdiction, involving internal tax experts in those geographical areas in which the Group has the most significant amounts of deferred tax assets. We also reviewed the consistency of the models with the financial information used by Group management in performing the impairment test on goodwill and other intangible assets and the sensitivity analyses, stressing those assumptions that have the greatest effect on determining the recoverable amount of the tax assets. Furthermore, we analysed the historical accuracy of management in the process of preparing projections of tax bases, comparing the actual figures for the year with the projections made in the preceding year. 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.

Recovery of deferred tax assets	
Description	**Procedures applied in the audit**
	Lastly, we evaluated whether the disclosures required by the applicable accounting regulations in connection with this matter were included in Notes 3-p and 20 to the accompanying consolidated financial statements.

Provisions for taxes and litigation	
Description	**Procedures applied in the audit**
The Group operates in multiple tax and legal jurisdictions worldwide and, therefore, is subject to a wide variety of specific, sometimes complex, laws and regulations. Note 17 to the accompanying consolidated financial statements includes a detail of the specific provisions for taxes, legal matters, litigation and claims recognised at 31 December 2021, together with other disclosures related to these items.	Our audit procedures to address this matter included, among others, the obtainment, through direct confirmation processes, of the assessment carried out by the Group's external advisers for each significant lawsuit or claim in process, the obtainment of the assessment by the Group's legal and tax departments and the obtainment of all available information relating to each significant lawsuit or claim. In the course of our work, we evaluated, for all significant lawsuits and claims, the reasonableness of the provisions recognised by involving our experts in each subject matter and in each applicable jurisdiction. Lastly, we also evaluated whether the disclosures required by the applicable accounting regulations were included in Notes 3-j, 17, 20-f and 27 to the accompanying consolidated financial statements.

Provisions for taxes and litigation	
Description	**Procedures applied in the audit**
At the end of each reporting period Group management assesses the need for, and sufficiency of, the aforementioned provisions, taking into consideration the available information and the circumstances prevailing at any given time. In this process, Group management has the support of external advisers engaged for this purpose, for the most significant lawsuits and claims. The determination of the amounts recognised and the disclosures included in the notes to the consolidated financial statements involve a high level of estimation, judgements and assumptions due to uncertainties about the range of possible resolutions of the litigation and claims in process and, therefore, this was considered to be a key matter in our audit.	

Accounting for the business combination effected in the year	
Description	**Procedures applied in the audit**
The Group performed several business combinations in 2021, as described in Note 2-b.e.1.1 to the accompanying consolidated financial statements as at 31 December 2021.	Our audit procedures included, among others, obtaining and analysing the contractual documentation relating to these business combinations, placing particular emphasis on the transfer of the risks associated with the businesses acquired in order to determine the timing of recognition of the transactions.

Accounting for the business combination effected in the year

Description	Procedures applied in the audit
The accompanying consolidated financial statements include the initial accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combinations performed, with the acquisitions of the IMA Materialforschung und Anwendungstechnik GmbH, Soil and Foundation Company Limited and Enertis Solar, S.L.U. groups, with a total acquisition cost of approximately EUR 111 million, being the most significant. These acquisitions are complex transactions which include contractual agreements the recognition of which in the consolidated financial statements requires the Parent's directors to make significant judgements and estimates. Significant judgements and estimates must also be made in order to provisionally determine the acquisition-date fair value of the assets acquired and the liabilities assumed, and of the goodwill arising, and, therefore, the Group was assisted by experts engaged by it for this purpose. In this connection, current legislation allows the allocation of fair value to be re-estimated during a period of one year from the respective acquisition dates. Consequently, the analysis of these transactions was a key audit matter in our audit.	In addition, for each business combination, we obtained the provisional analysis performed by the Group to determine the fair value of the assets acquired and liabilities assumed, and we verified the clerical accuracy of the calculations performed and the reasonableness of the main assumptions considered therein. To this end, we analysed the consistency of the future cash flow forecasts considered in the analysis performed with the assumptions obtained from the business plan relating to the businesses acquired. In addition, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions. With regard to the external experts engaged by the Group, we evaluated their competence, capability and objectivity, and obtained an understanding of their work as experts and of the adequacy of that work for use as audit evidence. Also, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the analysis conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows.

Accounting for the business combination effected in the year	
Description	**Procedures applied in the audit**
	Lastly, we evaluated whether the disclosures included in Notes 2-b.e.1.1, 4 and 5 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable accounting regulations.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2021, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Director's Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated 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 observed that the information described in section a) above was furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2021 and its content and presentation were in conformity with the applicable regulations.

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

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

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description, which is on pages 12 and 13 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Applus Services, S.A. and subsidiaries for 2021, which comprise the XHTML file including the consolidated financial statements for 2021 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Applus Services, S.A. are responsible for presenting the annual financial report for 2021 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Parent's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit committee dated 24 February 2022.

Engagement Period

The Annual General Meeting held on 28 May 2021 appointed us as the Group's auditors for a period of one year from the year ended 31 December 2020, i.e., for 2021.

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 uninterruptedly since the year ended 31 December 2007 and, therefore, since the year ended 31 December 2014, the year in which the Parent became a Public Interest Entity.

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

Ana Torrens Borrás
Registered in ROAC under no. 17762

24 February 2022

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 consolidated financial statements.

Auditor’s Responsibilities for the Audit of the Consolidated 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 consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent'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 Parent'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 Parent's audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Applus Services, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2021 and
Consolidated Director's Report
together with Independent Auditor's Report

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Thousands of Euros)

ASSETS	Notes	31/12/2021	31/12/2020
NON-CURRENT ASSETS			
Goodwill	**4**	**725,789**	**675,569**
Other intangible assets	**5**	**419,967**	**425,810**
Right of use assets	**26.a**	**180,720**	**179,158**
Property, plant and equipment	**7**	**253,774**	**232,578**
Investments accounted for using the equity method		**520**	**542**
Non-current financial assets	**8**	**17,693**	**14,970**
Deferred tax assets	**20.c**	**61,024**	**64,160**
Total non-current assets		**1,659,487**	**1,592,787**
CURRENT ASSETS			
Inventories	**9**	**11,240**	**8,914**
Trade and other receivables-			
Trade and other receivables	10	393,098	321,370
Trade receivables from related companies	10 & 28	221	253
Other receivables	10	25,978	19,504
Corporate income tax assets	20.b	17,707	19,424
Other current assets		15,824	12,775
Other current financial assets	**11**	**6,386**	**2,598**
Cash and cash equivalents		**176,544**	**189,468**
Total current assets		**646,998**	**574,306**
TOTAL ASSETS		**2,306,485**	**2,167,093**

EQUITY AND LIABILITIES	Notes	31/12/2021	31/12/2020
EQUITY			
Share capital and reserves-			
Share capital	12.a	13,070	13,070
Share premium	12.b	449,391	449,391
Retained earnings and other reserves		187,671	363,291
Profit / (Loss) for the year attributable to the Parent		32,242	(158,239)
Treasury Shares	12.c	(3,427)	(2,664)
Valuation adjustments-			
Foreign currency translation reserve	12.e	(61,316)	(79,611)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		**617,631**	**585,238**
NON-CONTROLLING INTERESTS	**13**	**48,715**	**48,635**
Total Equity		**666,346**	**633,873**
NON-CURRENT LIABILITIES			
Long-term provisions	**17 & 27.b**	**34,265**	**25,573**
Obligations and bank borrowings	**14**	**724,804**	**686,610**
Obligations under leases	**26.a**	**141,968**	**144,379**
Other financial liabilities	**15**	**25,806**	**22,469**
Deferred tax liabilities	**20.d**	**122,450**	**128,100**
Other non-current liabilities	**18**	**75,352**	**47,508**
Total non-current liabilities		**1,124,645**	**1,054,639**
CURRENT LIABILITIES			
Short-term provisions		**7,487**	**4,518**
Obligations and bank borrowings	**14**	**47,074**	**32,777**
Obligations under leases	**26.a**	**54,510**	**51,170**
Trade and other payables	**19**	**379,020**	**365,146**
Trade payables from related companies	**19 & 28**	**1**	**-**
Corporate income tax liabilities	**20.b**	**18,595**	**18,663**
Other current liabilities	**18**	**8,807**	**6,307**
Total current liabilities		**515,494**	**478,581**
TOTAL EQUITY AND LIABILITIES		**2,306,485**	**2,167,093**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of financial position as at 31 December 2021.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR 2021
(Thousands of Euros)

	Notes	2021	2020
CONTINUING OPERATIONS			
Revenue	21.a	1,776,746	1,557,614
Procurements		(154,402)	(145,683)
Staff costs	21.b	(1,002,151)	(886,235)
Other operating expenses		(334,158)	(307,292)
Operating Profit Before Depreciation, Amortization and Others		**286,035**	**218,404**
Depreciation and amortization charge	5, 7 & 26.b	(164,852)	(158,395)
Impairment and gains and losses on disposals of non-current assets		(11,500)	(165,033)
Other results	21.c	(8,185)	(12,396)
OPERATING PROFIT		**101,498**	**(117,420)**
Financial result	22 & 26.b	(25,881)	(24,839)
Share of profit of companies accounted for using the equity method		-	-
Profit / (Loss) before tax		**75,617**	**(142,259)**
Corporate income tax	20	(25,610)	1,171
Net Profit / (Loss) from continuing operations		**50,007**	**(141,088)**
PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS NET OF TAX		**-**	**-**
NET CONSOLIDATED PROFIT / (LOSS)		**50,007**	**(141,088)**
Profit / (Loss) attributable to non-controlling interests	13	17,765	17,151
NET PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT		**32,242**	**(158,239)**
Profit / (Loss) per share (in euros per share)	12.d		
- Basic		**0.23**	**(1.11)**
- Diluted		**0.23**	**(1.11)**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of profit or loss for 2021.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2021
(Thousands of Euros)

	Share capital	Share premium	Retained earnings and other reserves	Profit / (loss) for the year attributable to the Parent	Treasury shares	Foreign currency translation reserve	Non-controlling interests	Total equity
Balance at 31/12/2019	**13,070**	**449,391**	**305,354**	**55,650**	**(4,102)**	**(43,435)**	**48,527**	**824,455**
Changes in the scope of consolidation	-	-	1,817	-	-	-	(2,070)	**(253)**
Allocation of 2019 profit	-	-	55,650	(55,650)	-	-	-	**-**
Dividends paid	-	-	-	-	-	-	(13,678)	**(13,678)**
Treasury shares	-	-	(800)	-	1,438	-	-	**638**
Other changes	-	-	1,270	-	-	-	98	**1,368**
2020 comprehensive income	-	-	-	(158,239)	-	(36,176)	15,758	**(178,657)**
Balance at 31/12/2020	**13,070**	**449,391**	**363,291**	**(158,239)**	**(2,664)**	**(79,611)**	**48,635**	**633,873**
Changes in the scope of consolidation	-	-	1,319	-	-	-	317	**1,636**
Allocation of 2020 profit	-	-	(158,239)	158,239	-	-	-	**-**
Dividends paid	-	-	(21,453)	-	-	-	(20,210)	**(41,663)**
Treasury shares	-	-	1,215	-	(763)	-	-	**452**
Other changes	-	-	1,538	-	-	-	81	**1,619**
2021 comprehensive income	-	-	-	32,242	-	18,295	19,892	**70,429**
Balance at 31/12/2021	**13,070**	**449,391**	**187,671**	**32,242**	**(3,427)**	**(61,316)**	**48,715**	**666,346**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of changes in equity as at December 2021.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2021
(Thousands of Euros)

	2021	2020
NET CONSOLIDATED PROFIT:	**50,007**	**(141,088)**
1. Other comprehensive income:		
a) Items that will not be transferred to profit or loss	**-**	**-**
b) Items that could be transferred to profit or loss:		
Exchange differences on translating foreign operations	20,422	(37,569)
2. Transfers to the statement of profit or loss:	**-**	**-**
Other comprehensive result	**20,422**	**(37,569)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**70,429**	**(178,657)**
Total comprehensive income for the year attributable to:		
- The Parent	50,537	(194,415)
- Non-controlling interests	19,892	15,758
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**70,429**	**(178,657)**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of comprehensive income for 2021.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2021
(Thousands of Euros)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit from operating activities before tax		**75,617**	**(142,259)**
Adjustments of items that do not give rise to operating cash flows			
Depreciation and amortisation charge	5 & 7	164,852	158,395
Changes in provisions and allowances		(4,939)	154
Financial result	22	25,881	24,839
Share of profit of companies accounted for using the equity method		-	-
Gains or losses on disposals of intangible and tangible assets		9,686	168,089
Profit from operations before changes in working capital (I)		**271,097**	**209,218**
Changes in working capital			
Changes in trade and other receivables		(71,609)	65,568
Changes in inventories	9	(2,326)	(420)
Changes in trade and other payables		28,212	24,810
Cash generated by changes in working capital (II)		**(45,723)**	**89,958**
Other cash flows from operating activities			
Other payments	17.b	(1,715)	-
Corporate Income tax payments		(36,071)	(16,677)
Cash flows from operating activities (III)		**(37,786)**	**(16,677)**
NET CASH FLOW FROM OPERATING ACTIVITIES (A)= (I)+(II)+(III)		**187,588**	**282,499**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Business combination		5,585	3,045
Payments due to acquisition of subsidiaries and other non-current financial assets		(82,004)	(216,833)
Proceeds from disposal of tangible and intangible assets		2,758	5,532
Payments due to acquisition of tangible and intangible assets		(63,077)	(55,774)
Net cash flows used in investing activities (B)		**(136,738)**	**(264,030)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interests received		1,746	2,284
Interests paid		(14,624)	(13,690)
Net changes in non-current financing (proceeds and payments)		28,772	139,039
Net changes in current financing (proceeds and payments)		15,715	(26,562)
Net payment of lease liabilities	26.c	(60,336)	(52,979)
Dividends		(21,453)	-
Dividends paid by Group companies to non-controlling interests		(18,521)	(11,481)
Net cash flows used in financing activities (C)		**(68,701)**	**36,611**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (D)		**4,927**	**(10,772)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		**(12,924)**	**44,308**
Cash and cash equivalents at beginning of year		**189,468**	**145,160**
Cash and cash equivalents at end of year		**176,544**	**189,468**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of cash flows for 2021.

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Applus Services, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

1. Group activities

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

The Parent's 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, on Corporate Income Tax, 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.

The Parent's shares have been listed on the stock market since 9 May 2014.

The subsidiaries and associates directly or indirectly owned by the Parent included in the scope of consolidation are shown in Appendix I.

The subsidiaries and associates directly or indirectly owned by the Parent excluded from the scope of consolidation either because they are dormant companies or because effective control over them is not exercised by the shareholders of the Applus Group are shown in Appendix II.

In view of the business activities carried out on by the Parent Company and its subsidiaries, they do 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 consolidated financial statements (see Note 23).

2. Basis of presentation and basis of consolidation

2.a. Basis of presentation of the consolidated financial statements

a) Basis of presentation

These consolidated financial statements for 2021 were authorized for issue by the Parent's Directors at the Board of Directors Meeting held on 24 February 2022. The 2021 consolidated financial statements of the Group and the 2021 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. The Parent's Board of Directors considers that these financial statements will be approved without any changes. The Group's consolidated financial statements for 2020 were approved by the shareholders at the Parent’s Annual General Meeting of 28 May 2021 and were filed at the Madrid Mercantile Register.

The Parent’s Directors have prepared the Applus Group’s consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all the mandatory accounting principles and rules and measurement bases and the Spanish Commercial Code, the Spanish Companies Act and other Spanish corporate law applicable to the Group.

These consolidated financial statements for 2021 were prepared from the separate accounting records of the Parent and of each of the subsidiaries (detailed in Appendix I) and, accordingly, they present fairly the consolidated equity, the consolidated financial position, the consolidated results of the Group, the changes in consolidated equity and the consolidated cash flows under EU-IFRSs and the other rules contained in the regulatory financial reporting framework applicable to the Group.

The accounting policies used to prepare these consolidated financial statements comply with all the EU-IFRSs in force at the date of their preparation. The EU-IFRSs provide for certain alternatives regarding their application. The alternatives applied by the Group are described in Notes 2 and 3.

b) Comparative information

The information relating to 2021 contained in these notes to the consolidated financial statements is presented, for comparison purposes, with information relating to 2020.

In 2021 the Group completed the review of the initial recognition of the QPS Evaluation Services, Inc. business combination described in Note 2.b.e.3.1. Following the review performed, the Group recognised adjustments to the initial recognition relating to the estimate of the earn-out payable to the vendor, which was carried out on a retroactive basis, effective from the acquisition date. Consequently, "Goodwill" and "Other Current Liabilities" in the consolidated statement of financial position as at 31 December 2020 were increased by EUR 10,113 thousand with respect to the disclosure contained in the Group's consolidated financial statements as at 31 December 2020. No impacts arose in the consolidated statement of profit or loss for 2020 as a consequence of this review.

c) Responsibility for the information and use of estimates

The Parent's Directors are responsible for the information included in these consolidated financial statements in accordance with the applicable regulatory financial reporting framework (see section a) above) and for the internal control measures that they consider necessary to ensure the consolidated financial statements do not have any material misstatement.

In the Group's consolidated financial statements for 2021 estimates were made by the Group Management, later ratified by their Directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate mainly to the following:

- The measurement of goodwill (see Notes 3.a and 4).

- The impairment losses on certain assets (see Notes 3.d and 6).

- The recovery of deferred tax assets (see Note 20).

- The right-of-use assets and obligations under leases (see Note 26).

- The useful life of the property, plant and equipment and intangible assets (see Notes 3.b and 3.c).

- The assumptions used in measuring the recoverable amount of the financial instruments and the assets and liabilities in the business combinations (see Notes 3.e and 3.k).

- Income from pending to be billed services (see Note 3.q).

- Provisions and contingent liabilities (see Notes 3.j, 17 and 27).

- Corporate income tax and deferred tax assets and liabilities (see Note 20).

- The identification and measurement of the assets and liabilities included in business combinations (see Notes 2.b.e and 5).

Although these estimates were made on the basis of the best information available as of 31 December 2021 on the events analysed, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in the coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in the related consolidated statement of profit or loss or consolidated statement of changes in equity, as appropriate.

d) Financial situation and going concern assumption

The Directors and Management of the Group monitor constantly the economic cycle evolution in the short and long term in order to address any possible risks, both financial and non-financial, that could arise from the pandemic situation of COVID-19 or any other situations, in order to minimize possible impacts to the Group.

In the first half of 2021 a malware attack was detected that interrupted for a short period of time the vehicle roadworthiness testing activities in eight US states in which the Group operates through its subsidiary Applus Technologies, Inc. (which represents around 2% of the Group revenue). The Group increased the security and cyberprotection measures and, during 2021, operations were progressing normally and the vehicle roadworthiness testing activities in the US have been fully restored. The Parent's Directors consider that the aforementioned event was an isolated event from which no significant liabilities will arise and that the above-mentioned risk did not have a significant impact on the Group.

The Directors and Management of the Group continue to constantly monitor the evolution of this situation in order to address any possible risks, both financial and non-financial, that could arise.

Considering all the aforementioned factors alongside with the economic projections in the markets in which the Group operates, the three year Strategic Plan announced in November 2021 and the liquidity position, that at 31 December 2021 amounts EUR 588 million, the Group's Directors consider that the conclusion on the application of the going concern basis of accounting remains valid.

e) Presentation and functional currency

These consolidated financial statements are presented in thousands of euros, since this is the currency of the Parent and of the main economic area in which the Group operates. Foreign operations are recognised in accordance with the policies described in Note 3.o.

f) Changes in accounting policies

In preparing the accompanying consolidated financial statements no changes in accounting policies were identified that would have made it necessary to restate the amounts included in the consolidated financial statements for 2020.

g) Materiality

When determining the information to be disclosed in these notes to the consolidated financial statements on the various line items in the consolidated financial statements or on other matters, the Group took into account the materiality principle.

2.b. Basis of consolidation and changes in the scope of consolidation

a) Subsidiaries

Subsidiaries are those entities over which the Applus Group directly or 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. The subsidiaries are consolidated from the date on which control is transferred to the Applus Group and are excluded from consolidation on the date that control ceases to exist. Appendix I discloses the most significant information about these entities.

The financial statements of the subsidiaries are fully consolidated with those of the Parent following the full consolidation method. Accordingly, all balances and effects of the transactions between consolidated companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

The businesses acquired are recognised using the acquisition method so that the assets, liabilities and contingent liabilities of a subsidiary are measured at their acquisition-date fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill (see Notes 3.a and 4). Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit or loss on the acquisition date. The interest of non-controlling shareholders is stated at their proportion of the net assets and liabilities recognised of the acquired company.

The share of non-controlling interests is reflected in:

- The equity of their subsidiaries, which is presented within the Group's equity under "Non-Controlling Interests" in the consolidated statement of financial position (see Note 13).

- The profit for the year of their subsidiaries, which is presented under "Profit/Loss Attributable to Non-Controlling Interests" in the consolidated statement of profit or loss (see Note 13).

Also, in accordance with standard practice, the accompanying consolidated financial statements do not include the tax effects that might arise as a result of the inclusion of the results and reserves of the consolidated companies in those of the Parent, since it is considered that no transfers of reserves will be made that are not taxed at source and that such reserves will be used as means of financing at each company.

b) Associates

Associates are companies over which the Parent 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- between 20% and 50% of the voting power of the subsidiary.

At 31 December 2021, the Group only held, as an associate, an ownership interest of 30% in the investee Velosi (B) Sdn Bhd, domiciled in Brunei, the assets, liabilities, revenue and profit or loss of which were not significant (see Note 28).

In the consolidated financial statements, investments in associates are accounted for using the equity method, i.e. at the Group's share of net assets of the subsidiary, after taking into account the dividends received therefrom and other equity eliminations. In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Group's interest in the associate.

If as a result of losses incurred by an associate its equity was negative, the investment should be presented in the Group's consolidated statement of financial position with a zero value, unless the Group is obliged to give it financial support.

c) Changes in accounting policies and in disclosures of information effective in 2021

In 2021 new accounting standards came into force and were therefore taken into account when preparing the accompanying consolidated financial statements. The following standards were applied in these consolidated financial statements but did not have a significant impact on the presentation hereof or the disclosures herein:

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after:
Approved for the use in the European Union		
Amendments and/or interpretations:		
Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (issued in August 2020).	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to the interest rate benchmark reform (second phase).	1 January 2021
Amendments to IFRS 4 Extension of the temporary exemption from applying IFRS 9 (issued in June 2020)	Extension of the temporary exemption from IFRS 9 until 2023.	1 January 2021
Rent Concessions (Amendments to IFRS 16) (issued in March 2021)	Amendments to extend the time period over which the practical expedient of IFRS 16 is available for use in relation to COVID-19-related rent concessions.	1 April 2021

d) Accounting policies issued but not yet in force in 2021

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the International Accounting Standards Board (IASB) but had not yet come into force, either because their effective date is subsequent to the date of these consolidated financial statements or because they had not yet been adopted by the European Union (EU-IFRSs):

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after:
Approved for the use in the European Union		
Amendments and/or interpretations:		
Reference to the Conceptual Framework (Amendments to IFRS 3) (issued in May 2020)	IFRS 3 is updated to align the definitions of an asset and a liability in a business combination with those contained in the Conceptual Framework. Also, certain clarifications are introduced in relation to the recognition of contingent assets and liabilities.	1 January 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16) (issued in May 2020)	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is bringing that asset to the location and condition necessary for its intended use. The proceeds from selling any such items (samples), and the cost of producing those items, must be recognised in profit or loss.	1 January 2022
Onerous Contracts-Cost of Fulfilling a Contract (Amendments to IAS 37) (issued in May 2020)	These amendments explain that the cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation	1 January 2022

	of other costs that relate directly to fulfilling the contract.	
Annual Improvements to IFRS Standards 2018–2020 (issued in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022
Not yet approved for use in the European Union		
New standards:		
IFRS 17, Insurance Contracts and Amendments to IFRS 17 (issued in May 2017)	Supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, the objective being to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.	1 January 2023
Amendments and/or interpretations:		
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (issued in January 2020)	Clarifications relating to the presentation of liabilities as current or non-current.	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1) (issued in February 2021)	Amendments that enable entities to appropriately identify the information on material accounting policies that should be disclosed in the financial statements.	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8) (issued in February 2021)	Amendments and clarifications of the definition of a change in accounting estimate.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (issued in May 2021)	Clarifications on how entities should recognise deferred taxes arising in transactions such as leases and obligations in relation to the dismantling assets.	1 January 2023
Amendments to IFRS 17, Insurance Contracts– Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued in June 2020)	Amendments to the transitional requirements in IFRS 17 for insurers applying IFRS 17 and IFRS 9 simultaneously for the first time.	1 January 2023

The Parent's Directors have not considered the early application of the standards and interpretations detailed above and, in any event, application thereof will be considered by the Group once they have been approved, as the case may be, by the European Union.

In any case, the Parent’s Directors are assessing the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's consolidated financial statements.

e) Changes in the scope of consolidation

e.1. Inclusions in the scope of consolidation in 2021:

The companies included in the scope of consolidation in 2021 are as follows:

- Companies acquired in 2021:

  - Adícora Servicios de Intermediación de Ingeniería, S.L.U.
  - Ingeniería, Estudio y Construcciones, S.A.U.
  - IMA Materialforschung und Anwendungstechnik GmbH
  - WIAM GmbH
  - SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH
  - Soil and Foundation Company Limited
  - Geotechnical and Environmental Company Limited
  - Soil and Foundation Company Limited Egypt
  - Enertis Solar, S.L.U.
  - Enertis UK Limited
  - Enertis Solar, Inc.
  - Enertis Mexico S.A. de C.V.
  - Enertis Colombia S.A.S.
  - Enertis Chile, SpA
  - Enertis S.A.S
  - Enertis South Africa (PTY) Ltd
  - Enertis AM Chile, SpA

- Companies incorporated during 2021:

  - Applus Iteuve Mexico, S.A. de C.V.
  - Shanghai Reliable Analysis Scientific Testing Co., Ltd.
  - Applus Organismo de Control, S.L.U.

e.1.1. Companies acquired in 2021

- *IMA Group acquisition*

On 26 May 2021, the Applus Group acquired IMA Materialforschung und Anwendungstechnik GmbH, WIAM GmbH and SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH for an initial cost of EUR 30 million. Additionally, the agreement includes an earn-out tied to certain financial targets which the acquirees would have to achieve in 2021, 2022 and 2023. The Group considers that the conditions will be met for an earn-out amount of approximately to EUR 8 million and, accordingly, this amount was considered when determining the acquisition cost. The companies have been integrated into the Applus+ Laboratories division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to trademark and accreditations amounting to EUR 11.9 million were measured at fair value in line with the projections used when they were acquired. The Group made a provisional allocation with the help of an independent expert (see Note 5).

The revenue attributable to IMA Group amounts to EUR 25 million per year. The revenue attributable to the business combination from the date of acquisition to 2021 year-end amounted to EUR 18.5 million.

- *SAFCO Group acquisition*

On 3 June 2021, the Applus Group acquired Soil and Foundation Company Limited, Geotechnical and Environmental Company Limited and Soil and Foundation Company Limited Egypt (SAFCO Group), for an initial cost of USD 30 million (approximately EUR 25 million at the acquisition date). Additionally, the agreement includes an earn-out tied to certain financial targets which the acquirees would have to achieve in 2020, 2021 and 2022. The Group considers that the conditions will be met for an earn-out amount of USD 22 million (EUR 18 million at the acquisition date) and, accordingly, this amount was considered when determining the acquisition cost. The companies have been integrated into the Applus+ Energy & Industry division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to customer portfolio amounting to EUR 17.3 million were measured at fair value in line with the projections used when they were acquired. The Group made a provisional allocation with the help of an independent expert (see Note 5).

The revenue attributable to SAFCO Group amounts to EUR 24 million per year. The revenue attributable to the business combination from the date of acquisition to 2021 year-end amounted to EUR 19.4 million.

- *Enertis Group acquisition*

On 2 July 2021, the Applus Group acquired Enertis Solar, S.L.U. and its subsidiaries for an initial cost of EUR 21.2 million. Additionally, the agreement includes an earn-out tied to certain financial targets which the acquirees would have to achieve in 2021, 2022 and 2023. The Group considers that the conditions will be met for the earn-out amount approximately to EUR 5.7 million and, accordingly, this amount was considered when determining the acquisition cost. The company has been integrated into the Applus+ Energy & Industry division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to customer portfolio amounting to EUR 9.5 million were measured at fair value in line with the projections used when they were acquired. The Group made a provisional allocation with the help of an independent expert (see Note 5).

The revenue attributable to Enertis Group amounts to EUR 18.9 million by year. The revenue attributable to the business combination from the date of acquisition to 2021 year-end amounted to EUR 11.9 million.

- *Other acquisitions in 2021*

On 2 March 2021, the Applus Group acquired Adícora Servicios de Intermediación de Ingeniería, S.L.U. and Ingeniería, Estudio y Construcciones, S.A.U., for an initial cost of EUR 4.8 million. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounts, provisionally, to EUR 3.4 million. There are no significant differences between the fair values of the net assets acquired included in the detail below related to the respective carrying amounts at which they had been previously recognised. The companies have been integrated into the Applus+ Energy & Industry division.

The provisional registration of these acquisitions includes a detail of the acquired net assets and of the provisional goodwill at the acquisition date (in thousands of euros):

	Adícora Servicios Ingeniería, S.L.	Ingeniería, Estudio y Construcciones, S.A.	IMA Materialfor-schung und Anwendung-stechnik, GMbH (Group)	Soil and Foundation (Group)	Enertis Solar, S.L.U. (Group)	Total
Non- current assets	61	873	29,153	21,783	13,503	65,373
Inventories	-	-	6,909	368	1,908	9,185
Trade and other receivables	398	770	5,444	4,560	5,064	16,236
Cash and cash equivalents	265	406	1,899	3,558	2,007	8,135
Non- current liabilities	-	(117)	(3,167)	(5,557)	(4,020)	(12,861)
Current liabilities	(111)	(621)	(11,573)	(7,360)	(6,155)	(25,820)
Value of assets and liabilities acquired	**613**	**1,311**	**28,665**	**17,352**	**12,307**	**60,248**
% of ownership	100%	100%	100%	100%	100%	
Value of assets and liabilities acquired net of minorities	**613**	**1,311**	**28,665**	**17,352**	**12,307**	**60,248**
Acquisition cost	1,686	3,636	39,826	43,535	27,728	**116,411**
Goodwill (Note 4)	**1,073**	**2,325**	**11,161**	**26,183**	**15,421**	**56,163**

At the date of authorisation for issue of these consolidated financial statements, the process to measure at fair value the assets and liabilities related to these acquisitions had not been completed and, accordingly, the value of the related goodwill is provisional. The Parent's Directors consider that the process to measure the assets and liabilities and to allocate the goodwill will be completed in 2022, and that any adjustment will be applied retrospectively in accordance with IFRS 3, Business Combinations.

e.2. Exclusions from the scope of consolidation in 2021:

In January 2021, the company Velosi Engineering Projects Pte. Ltd. has been liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In March 2021, the company Applus Aerospace UK Limited has been liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In April 2021, Applus Velosi Czech Republic s.r.o. and VAIL Consultancy Services DMCC had been liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In May 2021, the company Velosi Angola Prestaçao de Serviços, Limitada has been liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In June 2021, the company Technical Inspection Services, Ltd has been liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

e.3. Inclusions in the scope of consolidation in 2020:

The companies included in the scope of consolidation in 2020 were as follows:

- Companies acquired in 2020:

  - Iteuve Canarias, S.L.
  - Iteuve Canarias XXI, S.L.
  - Iteuve Canarias Aeropuerto el Matorral, S.L.
  - ZYX Metrology, S.L.U.
  - Reliable Analysis, Inc.
  - Shanghai Reliable Auto Analysis Testing, Ltd.
  - Liuzhou Reliable Auto Analysis Testing, Ltd.
  - Shanghai Reliable Testing Technology Ltd.
  - Besikta Bilprovning i Sverige Holding AB
  - Besikta Bilprovning i Sverige AB
  - ClearCar AB
  - QPS Evaluation Services, Inc.
  - QPS America, Inc
  - QPS Europe B.V.

- Companies incorporated during 2020:

  - Applus Senegal SURL
  - Libertytown RE, S.A.
  - Iteuve India Private Limited
  - CRpplus Services Costa Rica S.A.
  - Applus Ingenieria y Consultoria, SAS

e.3.1. Companies acquired in 2020

- *Reliable Analysis, Inc. acquisition*

On 30 September 2020, the Applus Group acquired Reliable Analysis, Inc. for USD 78 million (approximately EUR 67 million at the acquisition date). In addition, the agreement included an earn-out provision tied to certain financial targets which the acquiree would have to achieve in 2021, 2022 and 2023. At the year end the Group considered that conditions would not prevail for a significant earn-out. The company was integrated into the Applus+ Laboratories division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to the awards granted by various automotive industry manufacturers to test the quality of the components of the suppliers of those manufacturers were measured. Per the projections used, the fair value was EUR 21.4 million. The Group made a provisional allocation with the help of an independent expert (see Note 5). In 2021 the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4).

The revenue attributable to Reliable Analysis, Inc. amounts to EUR 24 million per year. The revenue attributable to the business combination from the date of acquisition to 2020 year-end amounted to EUR 5.4 million. The margin of the adjusted operating profit attributable to the business combination is higher than the one of the division where it was integrated.

- *Besikta Bilprovning i Sverige Holding AB acquisition*

On 20 October 2020, the Applus Group acquired Besikta Bilprovning i Sverige Holding AB for an initial cost of SEK 1,050 million (approximately EUR 101 million at the acquisition date). The company was integrated into the Applus+ Automotive division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to the Besikta trademark amounting EUR 31.9 million and to customer relationship portfolios amounting EUR 3.8 million were measured at fair value in line with the projections used when they were acquired. The Group made a provisional allocation with the help of an independent expert (see Note 5). In 2021 the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4).

The revenue attributable to Besikta Bilprovning i Sverige Holding AB amounts to EUR 62 million per year. The revenue attributable to the business combination from the date of acquisition to 2020 year-end amounted to EUR 9.3 million. The EBITDA margin (before IFRS 16 application) attributable to the business combination is around 18%.

- *QPS Evaluation Services, Inc. acquisition*

On 1 December 2020, the Applus Group acquired QPS Evaluation Services Inc. for an initial cost of CAD 65 million (approximately EUR 41 million at the acquisition date). In addition, the agreement included an earn-out provision tied to certain financial targets which the acquiree would have to achieve in 2021, 2022 and 2023. The Group completed the recognition of the acquisition in 2021 and has considered that conditions would prevail for the earn-out to amount to CAD 18.3 million (approximately EUR 11.8 million at the acquisition date) and, accordingly, this amount was taken into account when determining the acquisition cost of the ownership interest. The company was integrated into the Applus+ Laboratories division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to the certifications amounting to EUR 24.2 million were measured at fair value in line with the projections used when they were acquired. The Group made a provisional allocation with the help of an independent expert (see Note 5). Also, as indicated in Note 2.a.b, in 2021 the Group completed the accounting for the assets acquired. The following table shows the adjusted data in accordance with the aforementioned Note 2.a.b.

The revenue attributable to QPS Evaluation Services, Inc. amounts to EUR 16 million per year. The revenue attributable to the business combination from the date of acquisition to 2020 year-end amounted to EUR 1.3 million. The margin of the adjusted operating profit attributable to the business combination is higher than the one of the division where it was integrated.

- *Other acquisitions in 2020*

On 27 February 2020, the Applus Group acquired Iteuve Canarias, S.L., Iteuve Canarias XXI, S.L. and Iteuve Canarias Aeropuerto el Matorral, S.L. for EUR 8.6 million. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounted, provisionally, to EUR 6.8 million. In 2021 the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4). The companies were integrated into the Applus + Automotive division.

On 2 March 2020, the Applus Group acquired ZYX Metrology, S.L.U. for EUR 1.8 million. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounted, provisionally, to EUR 1 million. In 2021 the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4). The company was integrated into the Applus+ Laboratories division.

In relation to these acquisitions, there are no significant differences between the fair values of the net assets acquired included in the detail below related to the respective carrying amounts at which they had been previously recognised.

The detail of the net assets and goodwill generated by the aforementioned acquisitions at the acquisition date was as follows (in thousands of euros):

	Iteuve Canarias, S.L. (Group)	ZYX Metrology, S.L.U.	Reliable Analysis, Inc. (Group)	Besikta Bilproving i Sverige Holding, AB (Group)	QPS Evaluation Services, Inc. (Group)	Total
Non- current assets	8,465	483	34,557	58,033	25,244	126,782
Inventories	-	11	25	31	-	67
Trade and other receivables	490	58	4,843	4,033	3,244	12,668
Cash and cash equivalents	226	836	4,170	2,361	4,652	12,245
Non- current liabilities	(6,120)	(72)	(8,257)	(31,964)	(558)	(46,971)
Current liabilities	(727)	(243)	(7,741)	(25,535)	(11,243)	(45,489)
Value of assets and liabilities acquired	**2,334**	**1,073**	**27,597**	**6,959**	**21,339**	**59,302**
% of ownership	100%	100%	100%	100%	100%	
Value of assets and liabilities acquired net of minorities	**2,334**	**1,073**	**27,597**	**6,959**	**21,339**	**59,302**
Acquisition cost	9,079	2,148	66,851	83,713	58,784	**220,575**
Goodwill (Note 4)	**6,745**	**1,075**	**39,254**	**76,754**	**37,445**	**161,273**

According to IFRS 3, the accounting process for acquisitions made in the previous financial year has been completed in 2021.

e.4. Exclusions from the scope of consolidation in 2020:

In February 2020, the dormant company Kurtec Inspection Services Sdn Bhd was liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In September 2020, the company Applus Florida Proving Ground Inc was liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In November 2020, the company Aerial Photography Services Pty Ltd was liquidated, which did not give rise to any significant impacts on the consolidated statement of profit or loss.

In December 2020, the company RTD Norway, AS was sold.

3. Accounting and valuation policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

a) Goodwill

Goodwill represents the excess of the cost of the combination over the fair value of the interest in the net identifiable assets of a subsidiary, jointly controlled entity or acquired associate at the acquisition date. Goodwill relating to the acquisition of subsidiaries or jointly controlled entities is included in intangible assets and goodwill relating to the acquisition of associates is included in investments accounted for using the equity method.

The cost of a business combination is the aggregate of:

- The acquisition-date fair value of the assets acquired, the liabilities incurred or assumed and the equity instruments issued; and

- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain specified conditions.

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

In addition, the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination or, clearly, any costs incurred internally in this connection. Such amounts are charged directly to the consolidated statement of profit or loss.

If the business combination is achieved in stages and, therefore, the acquirer already held an equity interest in the acquiree immediately before the acquisition date (the date on which control is obtained), the goodwill or gain on a bargain purchase is the difference between:

- The cost of the business combination, plus the acquisition-date fair value of any equity interest previously held by the acquirer in the acquiree.

- The fair value of the identifiable assets acquired less the fair value of the liabilities assumed, determined as indicated above.

Any gain or loss resulting from the remeasurement at fair value of the previously held equity interest in the acquiree on the date control is obtained, is recognised in the consolidated statement of profit or loss. If the investment in this investee had previously been measured at fair value, any valuation adjustments not yet recognised in profit or loss will be transferred to the consolidated statement of profit or loss. Also, the cost of a business combination is presumed to be the best reference for estimating the acquisition-date fair value of any previously held equity interest.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is measured in the functional currency of the acquiree and is translated to euros at the exchange rates prevailing at the consolidated statement of financial position date.

If, exceptionally, a gain on a bargain purchase arises from the business combination, it is recognised as income in the consolidated statement of profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, the measurement period shall not exceed one year from the acquisition date. The effects of the adjustments made in that period are recognised retrospectively and comparative information for prior periods must be revised as needed.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration has been classified as equity, in which case subsequent changes in its fair value are not recognised.

If, subsequent to obtaining control, there are transactions to sell or purchase the shares of a subsidiary without losing control thereof, the impacts of these transactions not leading to a change in control are recognised in equity and the amount of goodwill arising on consolidation is not adjusted.

b) Other intangible assets

The other intangible assets are identifiable assets without physical substance which arise as a result of a legal transaction or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reasonably objectively and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are recognised initially at acquisition or production cost, which includes the allocation of the value of goodwill as a result of the business combinations, where applicable, and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are measured and amortised as follows:

- Administrative concessions or similar items that have been acquired by onerous title are amortised on a straight-line basis over the concession term. The initial cost (levy) and, where applicable, the present value of the future payments which are deemed to be necessary when the assets are handed over to the grantor are included in this line item.

- The administrative authorisations relate to vehicle roadworthiness testing services in Spain and abroad which the Group manages under this name. The main administrative authorisations relate to Spain (Catalonia) and Finland (see Note 5). In the case of Catalonia, these administrative authorisations are amortised on a straight-line basis over the authorisation term which ends in 2035. In the case of Finland, although the administrative authorisation has an indefinite useful life, it is estimated that the economic value of this authorisation will be recovered in 10 years and, therefore, it is being amortised over this period, until 2020.

- Trademarks acquired in a business combination are initially measured on the basis of their fair value using the Relief from Royalty method. Trademarks are considered to have a finite useful life and are amortised over 20 to 25 years, with the exception of the trademarks associated with the Velosi Group and IMA Group, which are being amortised over 10 years.

- Customer relationship portfolios acquired in a business combination are initially recognised at fair value using the Multi-Period Excess Earnings method. They are amortised over the estimated useful life (ranging from two to fourteen years) of each portfolio based on historical statistical evidence of the average relationship length.

- Accreditations and awards are granted to the Applus companies by public institutions or companies for the purpose of performing trials on third-party services and products under nationally- or internationally-recognised standards. Those acquired in business combinations are initially recognised at fair value using the Multi-Period Excess Earnings method. They are amortised on a straight-line basis over their estimated finite useful lives (ranging from eight to ten years), calculated on the basis of qualitative factors.

- Asset usage rights relate to machinery and fixtures used by the Group in the performance of its business activity and are subject to reversal. They are amortised over the residual useful life of the assets to which they correspond, from the acquisition date of the right of use, based on an estimate by an independent valuer.

- Computer software is amortised on a straight-line basis. Computer system maintenance costs are charged to the consolidated statement of profit or loss in the year they are incurred.

c) Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production cost.

The companies depreciate their property, plant and equipment using the straight-line method on the basis of the remaining years of estimated useful life of the various items, the detail being as follows:

	Years of estimated useful life
Buildings	20 to 40
Plant	3 to 12
Machinery and tools	3 to 10
Furniture	2 to 10
Computer hardware	4
Transport equipment	3 to 10

The assets that have to be handed over to the Government at the end of the concession term will have been fully depreciated by this date.

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss as other results.

d) Impairment of non-financial assets

Goodwill, intangible assets with an indefinite useful life or intangible assets that cannot be used and are not amortised or depreciated, are tested for impairment annually (or more frequently, where there is an indication of a potential impairment loss). Assets that are amortised or depreciated are tested for impairment whenever an event or a change in circumstances indicates that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

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

For the purpose of impairment loss assessment, assets are grouped at the lowest levels for which there are largely independent separately identifiable cash inflows (cash-generating units (CGUs)). The cash-generating units defined by the Group are detailed in Notes 4, 5 and 6.

Pursuant to paragraph 81 of IAS 36, when goodwill cannot be allocated to an individual cash-generating unit, it is allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination and that correspond to the lowest level at which the goodwill can be monitored by the Directors for internal management purposes. In these cases, as established in paragraphs 88 and 89 of IAS 36, the individual cash-generating units are tested for impairment whenever there is an indication that the unit may be impaired, or at least annually, when they include intangible assets with indefinite useful lives specifically allocated to them (see Note 6).

In these circumstances, impairment losses could arise on these intangible assets even though the related goodwill associated with a group of CGUs is not impaired.

In order to calculate the impairment test, the future cash flows of the asset analysed (or of the cash-generating unit to which it belongs) are discounted to their present value using a discount rate that reflects market conditions and the risk specific to the asset. Where the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised for the amount of the difference with a charge to the consolidated statement of profit or loss.

The impairment losses on non-financial assets recognised previously (other than goodwill) are reviewed for possible reversal at each reporting date. When an impairment loss subsequently reverses, the carrying amount of the asset could increase to the revised estimate of its recoverable amount, without exceeding the carrying amount existing prior to the recognition of the impairment loss, less any depreciation or amortisation that should have been recognised. The reversal of an impairment loss on an asset is credited to the consolidated statement of profit or loss.

The method used by the Group to test impairment distinguishes between businesses with indefinite and definite lives. Five-year projections and a perpetuity rate of return from the sixth year are used for businesses with indefinite lives. Projections based on the actual term of the related contract are used for assets with finite lives relating to the rendering of services or concessions. In this case, the probability of their renewal is not considered in preparing the related cash flow projections.

In both cases, the projections are based on reasonable and well-founded assumptions and were prepared in accordance with the Group’s Strategic Plan prepared by the Directors and Group’s Management and presented in November 2021 for the next three years and with the Group's strategy for the following years based on past experience and the best estimates available at the date on which the related impairment tests were carried out using the market information available. The projections envisage the evolution of organic revenue and margins of the business that the Group Executive Committee expects for the coming years. Consequently, the possible changes in the scope of consolidation that might take place in the future were not taken into account in the projections or in the impairment tests performed.

Together with the impairment test on the various cash-generating units carried out at least at each year-end, the Group also performs a sensitivity analysis of the main assumptions affecting the calculation. The main assumptions used by the Group in testing for impairment and the results of the sensitivity analysis are described in Note 6.

e) ***Financial assets***

Following the entry into force of IFRS 9, financial assets are classified into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income (equity) and financial assets at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined when they are initially recognised.

The Group holds financial assets measured at amortised cost, which give rise on specified dates to cash flows that are solely payments of principal and interest. Any financial assets from which the Group expects to collect both contractual cash flows and cash flows from their sale (such as those which are factored, see Note 14.b) are measured at fair value through other comprehensive income (equity). All other financial assets are measured at fair value through profit or loss.

The effective interest method is used to measure the amortised cost of a financial instrument. The effective interest rate is the discount rate applied to the estimated future cash receipts over the expected life of the financial instrument. However, due to the nature of the assets classified under this heading, they are generally recognised on the basis of original acquisition cost because they mature in less than one year.

The Group 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 and non-recourse factoring of trade receivables in which the Group does not retain any credit or interest rate risk.

However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting and recourse factoring.

The Group recognises impairment losses in accordance with an expected credit loss model, according to IFRS 9, for financial assets measured at amortised cost, trade receivables, or financial assets at fair value through other comprehensive income (equity). The measurement of expected credit losses is based on the probability of default, the loss given default (i.e. the magnitude of the loss if there is a predetermined value) and the exposure in the predetermined value. The Group made this estimate taking into consideration, among other matters, the diversity of its customers by type or segment grouping them by country or geographical region, distinguishing them by sector or industry and selecting an appropriate credit spread curve for each of the financial assets, as well as a historical default analysis of the Group.

f) Information on the environment

Environmental assets are considered to be assets used on a lasting basis in the operations of the Group companies whose main purpose is to minimise adverse environment effects and to protect and enhance the environment, including the reduction or elimination of the pollution caused in the future by the Applus Group's operations.

In view of the Group's business activity, at 31 December 2021 and 2020 it did not have any significant assets of this nature.

g) Leases

The Group assesses whether a contract is or contains a lease, at inception of it. The Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less), leases of low value assets (less than USD 5 thousand) and variable rents. For these exceptions, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the payments that are not executed at the commencement date, discounted by using the implicit rate. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.d. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in the consolidated statement of profit or loss.

Additionally, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

h) Inventories

Inventories are stated at weighted average cost, which comprises materials and, where applicable, direct labour costs and other costs that have been incurred in bringing the inventories to their present location and condition.

i) Government grants

Government grants related to property, plant and equipment are treated as deferred income and are taken to income over the expected useful lives of the assets concerned. In addition, the Group accounts for other grants, donations and legacies received as follows:

a) Non-refundable grants, donations or legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in non-current liabilities and do not give rise to the recognition of any income.

b) Refundable grants: while they are refundable, they are recognised as a non-current liability.

c) Grants related to income: grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

j) Provisions and contingent liabilities

When preparing the consolidated financial statements the Parent's Directors make a distinction between:

- Provisions:

  The Group recognises a provision where it has an obligation or liability to a third party arising from past events the settlement of which will give rise to an outflow of economic benefits whose amount and/or timing are not known with certainty but can be reasonably reliably estimated. Provisions are quantified on the basis of the best information available on the event and the consequences of the event and are reviewed and adjusted at the end of each reporting period. The provisions made are used to cater for the specific risks for which they were originally recognised, and are fully or partially reversed when such risks cease to exist or are reduced.

- Contingent liabilities:

  Contingent liabilities are all the possible obligations that arise from past events and whose future existence and associated loss are estimated to be unlikely. In accordance with IFRS, the Group does not recognise any provision in this connection. However, as required, the contingent liabilities are disclosed in Note 27.b.

The Group's legal advisers and Directors consider that the outcome of litigation and claims will not have a material effect on the accompanying consolidated financial statements. Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of past events with respect to which it is more likely than not to entail an outflow of resources to settle the obligation and when the amount thereof has been estimated reliably.

Provisions are recognised when the unavoidable costs of meeting the obligations under onerous contracts exceed the benefits expected to be received thereunder.

Provisions are measured at the present value of the amount necessary to settle the obligation at the consolidated statement of financial position date based on the best estimate available.

When it is expected that a portion of the disbursement necessary to settle the provision will be reimbursed by a third party, the reimbursed amount is recognised as an independent asset, provided that receipt thereof is virtually assured.

k) Derivative financial instruments and hedge accounting

The Group has previously used to use financial derivatives to eliminate or significantly reduce interest rate and foreign currency risks relating to its assets. The Group does not use derivative financial instruments for speculative purposes.

The Group's use of financial derivatives is governed by and envisaged in its policies, which provide guidelines for their use (see Note 16).

At the end of 2021 and 2020 the Group had no outstanding financial derivative products.

l) *Pension obligations, post-employment benefits and other employee benefit obligations*

Defined contribution plans

Under defined contribution plans, the Group pays fixed contributions into a separate entity (a fund) and the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the benefits to employees.

The Group recognises the contributions to be made to the defined contribution plans as the employees render the related services. The contributions made were recognised under "Staff Costs" in the consolidated statement of profit or loss. The defined contribution liability is recognised as current.

Defined benefit plans

All the post-employment benefit plans that may not be considered as defined contribution plans are benefit plans. These plans may be unfunded or wholly or partially funded by a specific fund.

The defined benefit liability recognised in the consolidated statement of financial position relates to the present value of the defined benefit obligations at the end of the reporting period which are measured annually based on the best estimate possible.

The expense or income relating to the defined benefit plans is recognised under "Staff Costs" in the enclosed consolidated statement of profit or loss. The defined benefit liability is recognised as current or non-current based on the vesting period of the related benefits.

However, the defined benefit obligations are not material (see Note 17.a).

Other employee benefit obligations

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

1. Annual variable remuneration subject to the achievement of certain financial targets in 2021.

2. Annual variable remuneration plan granted to the Executive Directors, certain executives and employees of the Group consisting of the delivery of RSUs (convertible into Parent's shares). This remuneration plan is approved annually and is convertible to shares three years after the date on which they are granted, 30% of which are granted in each of the first two years and the remaining 40% are granted in the third year. At 2021 year-end three plans have been approved and ratified (see Notes 19 and 29).

3. "Long-term Incentive" plan granted to the Executive Directors and certain Senior Executives of the Group, that consists of the delivery of Performance Stock Units (PSUs), in the case of the Executive General Director, and Restricted Stock Units (RSUs) and PSUs in the case of the Executive Financial Director and Senior Executives. Both PSUs and RSUs are convertible into Parent's shares within three years of the grant date based on the achievement of certain targets (see Notes 19 and 29).

m) *Debts and current/non-current classification*

Debts are recognised at their present value and are classified on the basis of their maturity at the reporting date, i.e. debts due to be settled within twelve months are classified as current liabilities and those due to be settled within more than twelve months are classified as non-current liabilities.

n) *Financial liabilities*

Financial liabilities are classified into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Other financial liabilities (including loans and trade and other payables) are recognised at amortised cost using the effective interest method. It is considered that the fair value of the financial liabilities does not differ significantly from their carrying amount.

Effective interest method

The effective interest method is used to measure the amortised cost of a financial instrument. The effective interest rate is the discount rate applied to the estimated future cash payments over the expected life of the financial instrument. The Group recognises trade payables at their nominal value without explicitly accruing any interest, since they are due in less than one year.

The Group only derecognises financial liabilities when the related obligations are discharged or cancelled or expired. The difference between the carrying amount of the derecognised financial liabilities and the payment made is recognised in the consolidated statement of profit or loss.

o) Transactions in currencies other than the Euro

The Group's presentation currency is the Euro. Therefore, all balances and transactions in currencies other than the Euro are deemed to be “foreign currency transactions”.

Balances in foreign currencies are translated to euros in two phases:

1. Translation of balances in foreign currencies to the subsidiaries' functional currencies:

    - Monetary assets and liabilities denominated in foreign currencies are translated by applying the exchange rates prevailing at the closing date.

    - Any resulting gains or losses are recognised directly in the consolidated statement of profit or loss.

2. Translation to euros of the financial statements of the subsidiaries whose functional currency is not the euro:

    - Assets and liabilities are translated by applying the exchange rates prevailing at the closing date.

    - Income, expenses and cash flows are translated at the average exchange rates for the year.

    - Equity is translated at the historical exchange rates.

    - Exchange differences arising as a consequence of the application of this method are presented under "Equity Attributable to Shareholders of the Parent - Translation Differences" in the accompanying consolidated statement of financial position.

    - The effect of exchange rate changes on cash and cash equivalents denominated in foreign currency is presented separately in the consolidated statement of cash flows under “Effect of Foreign Exchange Rate Changes”.

The detail of the equivalent euro value of the main assets in foreign currency held by the Group at 31 December 2021 and 2020 is as follows (in thousands of euros):

Balances held in:	Foreign currency:	31/12/2021	31/12/2020
US Dollar	USD	436,136	425,545
Canadian Dollar	CAD	153,509	129,758
Saudi Riyal	SAR	89,377	31,395
Danish Krone	DKK	64,028	65,819
Chilean Peso	CLP	60,699	62,489
Chinese Yuan	CNY	51,417	37,692
Australian Dollar	AUD	47,792	40,117
Pound Sterling	GBP	46,480	39,297
Swedish Krona	SEK	26,568	31,109
Colombian Peso	COP	26,458	23,874
Mexican Peso	MXN	17,211	7,585
Czech Koruna	CZK	16,849	17,450
Papua New Guinean Kina	PGK	16,622	5,508
Qatari Riyal	QAR	15,569	21,448
Brazilian Real	BRL	14,281	11,769
United Arab Emirates Dirham	AED	14,196	11,121
Omani Riyal	OMR	13,820	13,238
Costa Rican Colon	CRC	11,314	13,147
Indonesian Rupiah	IDR	8,965	10,481
Panamanian Balboa	PAB	6,564	6,966
Argentine Peso	ARS	5,389	6,218
Malaysian Ringgit	MYR	4,897	4,044
Peruvian Nuevo sol	PEN	4,618	5,730
Uruguayan Peso	UYU	4,363	4,074
Singapore Dollar	SGD	4,231	4,198
Indian Rupee	INR	3,306	3,407
Kuwait Dinars	KWD	2,863	3,332
Others		21,613	21,374
Total		**1,189,135**	**1,058,185**

The average and closing rates used in the translation to euros of the balances held in foreign currency for years 2021 and 2020 are as follows:

Euro	Foreign currency:	2021		2020	
		Average rate	Closing rate	Average rate	Closing rate
Danish Krone	DKK	7.44	7.44	7.45	7.44
Swedish Krona	SEK	10.14	10.29	10.49	10.14
Omani Riyal	OMR	0.45	0.43	0.44	0.47
Czech Koruna	CZK	25.64	25.02	26.45	26.32
Canadian Dollar	CAD	1.48	1.45	1.53	1.57
Singapore Dollar	SGD	1.59	1.54	1.57	1.62
US Dollar	USD	1.18	1.13	1.14	1.22
Papua New Guinean Kina	PGK	4.06	3.87	3.87	4.14
Pound Sterling	GBP	0.86	0.84	0.89	0.91
Argentine Peso	ARS	n/a	115.78	n/a	101.23
Chilean Peso	CLP	896.07	972.20	903.01	878.57
Colombian Peso	COP	4,423.13	4,527.00	4,210.01	4,211.00
Mexican Peso	MXN	23.97	23.35	24.48	24.46
Brazilian Real	BRL	6.38	6.43	5.88	6.27
Qatari Riyal	QAR	4.34	4.16	4.18	4.49
Malaysian Ringgit	MYR	4.90	4.76	4.79	4.94
Saudi Riyal	SAR	4.44	4.25	4.28	4.56
Indonesian Rupiah	IDR	16,920.63	16,146.00	16,536.78	17,190.00
Australian Dollar	AUD	1.57	1.56	1.66	1.62
Peruvian Nuevo Sol	PEN	4.58	4.52	3.98	4.39
Kuwait Dinars	KWD	0.36	0.34	0.35	0.36
Costa Rican Colon	CRC	732.18	724.26	662.98	734.52
Chinese Yuan	CNY	7.64	7.21	7.87	7.96

Since 2018 to the present day, the Argentine economy was deemed to be hyperinflationary in the terms defined in IAS 29 and, therefore, the financial statements of those companies whose functional currency is the currency of a hyperinflationary economy had to be restated and updated according to local price indices, and presented in terms of the measuring unit current at the end of the reporting period. This standard was applied from 1 January 2018.

Also, in accordance with IAS 21.42, the results and financial position (i.e. assets, liabilities, equity items, income and expenses) of the Argentine subsidiaries are translated into the Group's presentation currency (euro) at the closing rate.

In 2021 an impact arose against reserves arising from the difference, amounting to approximately EUR 1,623 thousand positive between the value of the equity reported at the end of the previous year and the restated value for the same year of the Argentine subsidiaries (2020: EUR 1,852 thousand positive).

As per the application of IAS 29 and IAS 21, the statement of profit or loss has been impacted by a higher financial expense in 2021 of EUR 669 thousand (2020: EUR 1,078 thousand) under "Financial Profit / (Loss) - Gains or Losses on the Net Monetary Position" (see Note 22).

p) Corporate income tax, deferred tax assets and deferred tax liabilities

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 Group as a result of corporate income tax settlements for a given year. Tax credits and other tax benefits, 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 measured at the corporate tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those associated with investments in subsidiaries, branches and associates, or with a share in a joint venture, when the Group can control when to revert the temporary difference and it is considered probable that it will not be reverted in the foreseeable future. At the end of 2021 and 2020, no deferred tax liabilities had been recognised in accordance with IAS 12.39, since the Group controls the timing of the reversal of such temporary differences and the temporary difference is unlikely to be reversed in the foreseeable future, or because these liabilities are not significant due to the Group's policy of repatriating the dividends of subsidiaries, branches and associates.

Deferred tax assets are recognised for temporary differences, tax credits for tax losses carry forwards and other tax credits, are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets recognised are analysed 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. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Certain Group companies with registered office in Spain file consolidated tax returns as part of Income Tax group 238/08 and VAT group 0036/11 of which Applus Services, S.A. is the Parent.

The Group also files consolidated tax returns in other countries such as the Netherlands, Australia, the US and Germany.

q) Revenue recognition

In general, the Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Certain contracts such as non-destructive testing or engineering and consultancy contracts are performed as projects that envisage the use of labour and/or materials to provide one or more services requested by the customer and give rise to one or more performance obligations. To the extent that these performance obligations can be distinguished in accordance with the criteria defined in IFRS 15, revenue is recognised when (or as) each performance obligation is satisfied on the basis of the costs incurred relative to total costs (input method) through the recognition of "projects in progress to be billed" (contract assets) to the extent that there is an enforceable right to payment for performance completed to date. Also, these contracts may include billings for milestones based on the satisfaction of the performance obligations, although no significant differences were identified between the price determined for each milestone and its fair value.

Additionally, revenue relating to supplier inspections, vehicle roadworthiness testing services and certifications, inter alia, is identified as arising from services provided for which there is a single performance obligation that is satisfied at a specific point in time, the price of which is determined in the contracts with customers. In general, therefore, the recognition of revenue from these activities is not complex and occurs when the aforementioned performance obligation is satisfied.

No costs incurred in winning contracts with customers were capitalised in 2021 and 2020 as the related amounts were not material.

r) Expense recognition

An expense is recognised in the consolidated statement of profit or loss when there is a decrease in the future economic benefit related to a reduction of an asset or an increase in a liability, which can be measured reliably. This means that an expense is recognised simultaneously to the increase of a liability or the reduction of an asset.

An expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

s) Discontinued operations

A discontinued operation is a business segment that has been decided to be abandoned and/or disposed of in full whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes.

Pursuant to IFRS 5, the revenue and expenses of discontinued operations are presented separately in the consolidated statement of profit or loss and the net assets and net liabilities are presented separately in consolidated current assets and consolidated current liabilities, respectively, for the current period only.

The Group did not interrupt nor discontinue any significant operation in 2021 or 2020.

t) Segment information

The Parent's Directors considered the following four operating segments and one Holding in these consolidated financial statements of the Applus Group: Applus+ Energy & Industry, Applus+ Laboratories, Applus+ Automotive, Applus+ IDIADA and Other.

The Parent's Directors identified the operating segments of the Applus Group based on the following criteria:

- They engage in business activities from which they may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the same group),
- Their operating results are regularly reviewed by Senior Executives, which takes the operating and management decisions relating to the group in order to decide about resources to be allocated to the segment and to assess its performance; and
- Discrete financial information is available.

The considerations used to identify the operating segments comply with IFRS 8.

u) Consolidated statement of cash flows

The following terms are used in the consolidated statements of cash flows:

- Cash flows: inflows and outflows of cash and equivalent financial assets, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

- Operating activities: the Group's principal revenue-producing activities and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group companies that are not operating activities.

- Effect of foreign exchange rate changes: effect of foreign exchange rate changes on cash and cash equivalents.

v) Equity

The share capital is represented by ordinary shares.

The costs relating to the issuance of new shares or options, net of taxes, are recognised directly in equity as a reduction of reserves.

Dividends on ordinary shares are recognised as a decrease in equity when approved by the shareholders of the Parent.

w) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the Parent by the weighted average number of ordinary shares outstanding in the year, excluding the number of shares held by the Parent.

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current year.

x) 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 “Consolidated reserves” in the accompanying consolidated statement of financial position.

4. Goodwill

The detail, by cash-generating unit, of the goodwill at the end of 2021 and 2020 is as follows:

Cash-generating unit	Thousands of Euros	
	31/12/2021	31/12/2020
Auto Spain (*)	179,374	179,374
Energy & Industry Northern Europe	83,921	83,868
Energy & Industry North America	69,630	65,363
IDIADA	23,385	29,627
Energy & Industry Seameap	62,022	33,707
Laboratories	155,554	144,248
Auto Finisterre (*)	17,929	22,929
Energy & Industry Latin America	12,614	13,893
Energy & Industry Spain	30,379	11,564
Auto Denmark	6,843	6,843
Auto US (*)	6,141	6,141
Auto Sweden	76,754	76,754
Other	1,243	1,258
Total goodwill	**725,789**	**675,569**

(*) Includes the aggregate business of various concessions and administrative authorisations (see Notes 3.b and 5).

The changes in 2021 and 2020 were as follows:

	Thousands of Euros
Balance at 1 January 2020	**609,245**
Changes in the scope of consolidation (Note 2.b.e.3.)	161,273
Impairment	(84,183)
Other changes	(2,000)
Translation differences	(8,766)
Balance at 31 December 2020	**675,569**
Changes in the scope of consolidation (Note 2.b.e.1.)	52,697
Impairment	-
Other changes	(11,500)
Translation differences	9,023
Balance at 31 December 2021	**725,789**

The main changes in the scope of consolidation in 2021 relate to the acquisition of the companies Adícora Servicios de Intermediación de Ingeniería, S.L.U., Ingeniería, Estudio y Construcciones, S.A.U., IMA Materialforschung und Anwendungstechnik GmbH, WIAM GmbH, SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH, Soil and Foundation Company Limited, Geotechnical and Environmental Company Limited, Soil and Foundation Company Limited Egypt, Enertis Solar, S.L.U., Enertis UK Limited, Enertis Solar, Inc., Enertis Mexico S.A. de C.V., Enertis Colombia S.A.S., Enertis Chile, SpA, Enertis S.A.S., Enertis South Africa (PTY) and Ltd and Enertis AM Chile, SpA (see Note 2.b.e.1.1.).

The main changes in the scope of consolidation in 2020 related to the acquisition of the companies Iteuve Canarias, S.L., Iteuve Canarias XXI, S.L., Iteuve Canarias Aeropuerto el Matorral, S.L., ZYX Metrology, S.L.U., Reliable Analysis, Inc. Shanghai Reliable Auto Analysis Testing, Ltd., Liuzhou Reliable Auto Analysis Testing, Ltd., Shanghai Reliable Testing Technology, Ltd., Besikta Bilprovning i Sverige Holding AB, Besikta Bilprovning i Sverige AB, ClearCar AB, QPS Evaluation Services, Inc., QPS America, Inc. and QPS Europe, B.V. (see Note 2.b.e.3.1.).

As indicated in Note 2.a.c, the Group re-estimated the recoverable amount of the non-current assets of certain cash-generating units which include the associated goodwill in 2020. Consequently, the Group recognised in June 2020 an impairment loss of EUR 84,183 thousand under "Impairment and gains and losses on disposals of non-current assets" in the accompanying consolidated statement of profit or loss in relation to the cash-generating units of IDIADA, Energy & Industry Northern Europe and Energy & Industry North America, amounting to EUR 27,870 thousand, EUR 19,123 thousand and EUR 37,190 thousand, respectively. At 2021 and 2020 year-end the Group Management updated the impairment tests for each CGU, which did not give rise to a need to recognise any additional impairment losses. The main assumptions of the impairment tests conducted are detailed in Note 6.

Since the Group has various concessions with a finite useful life and according to the business plan, in order to ensure that at the end of the concession term the carrying amount of the assets is zero, during 2021 the Group has recognised a write-down of EUR 11,500 thousand on goodwill under "Impairment and gains and losses on disposals of non-current assets" in the accompanying consolidated statement of profit or loss in relation to the goodwill of IDIADA and Auto Finisterre cash-generating units, as shown under “Other Changes” in the foregoing table.

Lastly, in 2021 the Group has completed the accounting of the QPS Evaluation Services, Inc. business combination (see Note 2.a.b.). Derived from this fact, the goodwill at 31 December 2020 has increased in EUR 10,113 thousand.

5. Other intangible assets

The changes in 2021 and 2020 in intangible asset accounts and in the related accumulated amortisation and impairment losses were as follows:

	2021 - Thousands of Euros						
	Balance at 1 January 2021	Changes in the scope of consolidation (Note 2.b.e.1)	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2021
Cost:							
Administrative concessions	262,491	-	197	(820)	260	284	262,412
Patents, licences and trademarks	305,515	1,528	42	(29)	-	26	307,082
Administrative authorisations	266,731	-	266	-	1,947	279	269,223
Customer portfolio	172,924	28,179	-	-	-	1,278	202,381
Computer software	96,227	1,976	3,080	(1,184)	654	1,295	102,048
Goodwill acquired	17,655	1,541	-	-	-	1,258	20,454
Asset usage rights	72,442	-	-	-	2,000	-	74,442
Accreditations	45,593	10,436	-	-	-	1,973	58,002
Other	50,571	1,381	6,050	(2,704)	(1,989)	131	53,440
Total cost	**1,290,149**	**45,041**	**9,635**	**(4,737)**	**2,872**	**6,524**	**1,349,484**
Accumulated amortisation:							
Administrative concessions	(194,860)	-	(21,319)	34	-	4,041	(212,104)
Patents, licences and trademarks	(148,669)	(17)	(11,327)	29	-	(29)	(160,013)
Administrative authorisations	(145,874)	-	(8,054)	-	-	(81)	(154,009)
Customer portfolio	(106,934)	-	(7,625)	-	-	(626)	(115,185)
Computer software	(75,199)	(1,738)	(7,556)	1,099	380	(944)	(83,958)
Goodwill acquired	(78)	-	-	-	-	-	(78)
Asset usage rights	(50,720)	-	(3,790)	-	(302)	-	(54,812)
Accreditations	(870)	-	(5,841)	-	-	(72)	(6,783)
Other	(36,493)	(508)	(3,011)	2,358	5	(118)	(37,767)
Total accumulated amortisation	**(759,697)**	**(2,263)**	**(68,523)**	**3,520**	**83**	**2,171**	**(824,709)**
Total impairment losses	**(104,642)**	**-**	**-**	**-**	**-**	**(166)**	**(104,808)**
Total net value	**425,810**	**42,778**	**(58,888)**	**(1,217)**	**2,955**	**8,529**	**419,967**

	2020 - Thousands of Euros						
	Balance at 1 January 2020	Changes in the scope of consolidation (Note 2.b.e.3.)	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2020
Cost:							
Administrative concessions	261,578	-	464	(1,234)	4,826	(3,143)	262,491
Patents, licences and trademarks	272,770	32,779	15	-	54	(103)	305,515
Administrative authorisations	267,591	-	356	-	-	(1,216)	266,731
Customer portfolio	171,771	3,800	-	-	-	(2,647)	172,924
Computer software	88,829	11,500	5,359	(4,933)	(2,408)	(2,120)	96,227
Goodwill acquired	18,742	-	-	(230)	-	(857)	17,655
Asset usage rights	72,442	-	-	-	-	-	72,442
Accreditations	-	45,593	-	-	-	-	45,593
Other	50,134	-	4,513	(1,702)	(2,015)	(359)	50,571
Total cost	**1,203,857**	**93,672**	**10,707**	**(8,099)**	**457**	**(10,445)**	**1,290,149**
Accumulated amortisation:							
Administrative concessions	(174,875)	-	(21,368)	2,935	(4,705)	3,153	(194,860)
Patents, licences and trademarks	(136,009)	(905)	(11,845)	-	-	90	(148,669)
Administrative authorisations	(129,484)	-	(16,647)	-	-	257	(145,874)
Customer portfolio	(102,120)	-	(5,801)	-	-	987	(106,934)
Computer software	(68,931)	(7,682)	(7,166)	2,447	4,538	1,595	(75,199)
Goodwill acquired	(78)	-	-	-	-	-	(78)
Asset usage rights	(46,934)	-	(3,792)	6	-	-	(50,720)
Accreditations	-	-	(870)	-	-	-	(870)
Other	(33,223)	-	(3,459)	53	-	136	(36,493)
Total accumulated amortisation	**(691,654)**	**(8,587)**	**(70,948)**	**5,441**	**(167)**	**6,218**	**(759,697)**
Total impairment losses	**(37,882)**	**-**	**(66,911)**	**-**	**-**	**151**	**(104,642)**
Total net value	**474,321**	**85,085**	**(127,152)**	**(2,658)**	**290**	**(4,076)**	**425,810**

Identification and measurement of intangible assets in business combinations

The initial fair value of the intangible assets identified in the different business combinations of Applus Group are as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Administrative authorisations	259,910	259,910
Trademarks	287,519	286,008
Administrative concessions	193,510	193,510
Customer portfolio	201,861	172,440
Rights of use	57,516	57,516
Trademark licence agreement	16,939	16,939
Acreditations	58,002	45,593
Databases	273	273
Total allocation of goodwill to assets	**1,075,530**	**1,032,189**

In 2021, the amortisation charge associated with these revalued assets recognised in the accompanying consolidated statement of profit or loss amounted to EUR 54,060 thousand (2020: EUR 58,394 thousand).

The calculation methods used to measure at fair value the assets identified in the business combinations were as follows:

- The Income Approach method and specifically the Multi-Period Excess Earnings method, whereby the value of the asset is the present value of the projected flows from that asset over the useful life assigned to the related contract, was used to calculate the fair value of administrative authorisations.

- The Royalty Relief method, whereby the value of the asset is the present value of future royalty income from the use of the trademarks by the licensees, was used to calculate the value of the trademarks and trademark licence agreements.

- In order to measure the fair value of the accreditations and awards, the Income Approach, and more specifically the Multi-Period Excess Earnings method, was considered, and the economic benefits attributable to these intangible assets were projected over their years of estimated useful life.

- The Income Approach and specifically the Multi-Period Excess Earnings method, taking into account the useful lives of the customers and the discounted revenue they account for was used to calculate the value of the customer portfolios.

- The Income Approach and specifically the Multi-Period Excess Earnings method, whereby the value of the asset is the present value of the projected flows over the useful life assigned to the related contract, was used to calculate the fair value of administrative concessions and rights of use. The possibility of contract renewals for cash-generating units with finite lives was not considered.

The main intangible assets are as follows:

- Administrative authorisations and concessions:

  The administrative authorisations relate to vehicle roadworthiness testing services, managed solely by the Group, in Spain (Catalonia) and Finland. In the case of Catalonia the cost of the authorisation is depreciated over its useful life until 2035 (see Note 27.b). In the case of Finland, although the administrative authorisation has an indefinite useful life, it is estimated that the economic value of this authorisation will be recovered in ten years and, therefore, it is being amortised over this period, until 2020.

  Administrative concessions include mainly the operating rights for vehicle roadworthiness testing facilities for a specified period of time. At 31 December 2021 the Applus Group was managing various administrative concessions relating to vehicle roadworthiness testing services, mainly in the US, Spain (Alicante, Aragon, Galicia and the Basque Country), Ireland, Argentina, Chile, Ecuador, Uruguay and Costa Rica. These administrative concessions, which are amortised on the basis of their useful life, expire on various dates until 2030.

  Each concession or authorisation is granted through tender specifications or a regulatory agreement. A tender specification or agreement is commonly used for each Autonomous Community in the case of Spain, or at state level in the case of the US.

For the specific case of the CGUs of Auto Spain and Auto US, even though intangible assets classified, on an individual basis, as concessions and administrative authorisations subject to impairment tests measured individually (based on Autonomous Community in Spain, and on states in the United States, respectively), the business synergies relating to the different concessions and authorisations in both countries are also taken into account. In this regard, the goodwill is allocated to the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other assets since, in the Applus+ Automotive segment, geographical location is taken into account as the main factor for determining CGUs, since geographical areas involve the same applicable legislation and regulations in a regulated industry, a common currency and macroeconomic variables that are closely linked to the capacity to generate economic flows and, therefore, to growth capacity. In addition, all of the authorisations and concessions managed in the various countries are unified under one single management. The purpose of this unified management is, inter alia, to manage the various risks and relationships with regulators more efficiently and in a more coordinated manner.

- Patents, licences and trademarks:

  "Patents, licences and trademarks" includes the Applus, RTD, Velosi, Besikta and IMA trademarks. The five trademarks are considered to have a finite useful life. The first two are being amortised over 25 years, the Velosi and IMA trademarks are being amortised over 10 years and the Besikta trademark over 20 years. The Velosi trademark licence agreement is also being amortised over 10 years.

- Customer portfolio:

  The customer portfolio relates to the value of the various contracts entered into by the various Group companies or to customer relationships whose useful life is defined based on historical statistical evidence of the average relationship length. The contracts are being amortised over the estimated useful life between 2 and 25 years.

- Accreditations and awards:

  The accreditations relate mainly to the acquiree QPS Evaluation Services, Inc. and were granted by various US, Canadian and European public institutions for the purpose of performing trials in accordance with the pertinent standards. They are amortised over a period of ten years, based on the years of estimated useful life of the accreditations. The awards relate to the Reliable Analysis, Inc. business that was acquired and were granted by various car manufacturers to a small group of companies authorised to test the quality of the components of the suppliers of those manufacturers. IMA's accreditations relate to the railway and aerospace industries. They are amortised over the estimated useful life of these intangible assets (from 7 to 10 years).

- Asset usage rights:

  These include mainly the carrying amounts of the usage rights transferred by Laboratori General d'Assaig i Investigació (now the Catalonia Autonomous Community Government) on the incorporation of LGAI Technological Center, S.A. and the carrying amount of the assets assigned by Institut d'Investigació Aplicada de l'Automòbil (now the Catalonia Autonomous Community Government) to IDIADA Automotive Technology, S.A., relating basically to machinery and other fixtures. These usage rights are amortised considering the useful life of the assets and the estimated useful life of the licensing agreements.

Intangible assets by cash-generating unit

The detail, by cash-generating unit, of the intangible assets at year-end 2021 and 2020 are as follows:

	2021 – Thousands of Euros														
	Auto Spain	Energy & Industry Northern Europe	Auto Finland	Energy & Industry Seameap	Energy & Industry North America	IDIADA	Energy & Industry Spain	Laboratories	Auto US	Energy & Industry Latin America	Auto Denmark	Auto Finisterre	Auto Sweden	Others	**Total**
Cost:															
Administrative concessions	92,659	-	-	-	-	-	182	-	17,881	-	-	151,690	-	-	**262,412**
Patents, licences and trademarks	18,598	89,400	10,217	58,565	28,210	12,304	40,113	10,368	6,404	-	-	-	32,761	142	**307,082**
Administrative authorisations	165,986	-	93,924	-	-	-	-	-	-	-	-	-	-	9,313	**269,223**
Customer portfolio and other	-	41,532	-	45,805	71,532	-	28,344	4,142	-	7,226	-	-	3,800	-	**202,381**
Computer software	5,253	11,868	301	4,061	3,587	8,257	9,186	7,082	10,719	2,656	2,395	1,230	11,250	24,203	**102,048**
Goodwill acquired	-	8,520	769	-	3,731	3,877	1,381	1,806	-	-	370	-	-	-	**20,454**
Asset usage rights	723	-	-	-	-	36,729	3	34,987	-	-	-	-	-	2,000	**74,442**
Accreditations	-	-	-	-	-	-	-	58,002	-	-	-	-	-	-	**58,002**
Other	545	17,312	1,299	521	254	22,888	5,910	2,651	975	20	942	123	-	-	**53,440**
Total cost	**283,764**	**168,632**	**106,510**	**108,952**	**107,314**	**84,055**	**85,119**	**119,038**	**35,979**	**9,902**	**3,707**	**153,043**	**47,811**	**35,658**	**1,349,484**
Accumulated amortisation:															
Administrative concessions	(79,587)	-	-	-	-	-	(182)	-	(11,909)	-	-	(120,426)	-	-	**(212,104)**
Patents, licences and trademarks	(10,481)	(39,272)	(5,202)	(47,509)	(14,199)	(8,624)	(22,705)	(5,070)	(3,887)	-	-	-	(2,922)	(142)	**(160,013)**
Administrative authorisations	(64,294)	-	(87,092)	-	-	-	-	-	-	-	-	-	-	(2,623)	**(154,009)**
Customer portfolio and other	-	(23,396)	-	(25,814)	(39,345)	-	(19,253)	(2,884)	-	(3,583)	-	-	(910)	-	**(115,185)**
Computer software	(4,720)	(8,237)	(301)	(3,679)	(1,443)	(7,723)	(8,286)	(6,273)	(8,995)	(2,278)	(2,157)	(1,149)	(9,078)	(19,639)	**(83,958)**
Goodwill acquired	-	-	-	-	-	-	(71)	(7)	-	-	-	-	-	-	**(78)**
Asset usage rights	(723)	-	-	-	-	(28,539)	(3)	(25,239)	-	-	-	-	-	(308)	**(54,812)**
Accreditations	-	-	-	-	-	-	-	(6,783)	-	-	-	-	-	-	**(6,783)**
Other	(545)	(9,824)	(878)	(182)	(193)	(18,331)	(4,441)	(2,398)	(975)	-	-	-	-	-	**(37,767)**
Total accumulated amortisation	**(160,350)**	**(80,729)**	**(93,473)**	**(77,184)**	**(55,180)**	**(63,217)**	**(54,941)**	**(48,654)**	**(25,766)**	**(5,861)**	**(2,157)**	**(121,575)**	**(12,910)**	**(22,712)**	**(824,709)**
Total impairment (Note 6)	**(7,051)**	**(50,128)**	**(8,115)**	**-**	**(33,542)**	**-**	**-**	**-**	**(5,972)**	**-**	**-**	**-**	**-**	**-**	**(104,808)**
Total net value	**116,363**	**37,775**	**4,922**	**31,768**	**18,592**	**20,838**	**30,178**	**70,384**	**4,241**	**4,041**	**1,550**	**31,468**	**34,901**	**12,946**	**419,967**

	2020 – Thousands of Euros														
	Auto Spain	Energy & Industry Northern Europe	Auto Finland	Energy & Industry Seameap	Energy & Industry North America	IDIADA	Energy & Industry Spain	Laboratories	Auto US	Energy & Industry Latin America	Auto Denmark	Auto Finisterre	Auto Sweden	Others	**Total**
Cost:															
Administrative concessions	92,659	-	-	-	-	-	182	-	17,880	-	-	151,770	-	-	**262,491**
Patents, licences and trademarks	18,598	89,405	10,217	58,565	28,210	12,306	40,096	8,839	6,358	-	-	-	32,779	142	**305,515**
Administrative authorisations	165,986	-	93,924	-	-	-	-	-	-	-	-	-	-	6,821	**266,731**
Customer portfolio and other	-	41,532	-	27,147	69,549	-	18,822	4,142	-	7,932	-	-	3,800	-	**172,924**
Computer software	5,095	10,623	301	3,856	3,107	7,737	8,234	5,518	10,421	2,580	2,265	1,218	11,417	23,855	**96,227**
Goodwill acquired	-	7,907	769	-	3,450	3,513	1,381	265	-	-	370	-	-	-	**17,655**
Asset usage rights	723	-	-	-	-	36,729	3	34,987	-	-	-	-	-	-	**72,442**
Accreditations	-	-	-	-	-	-	-	45,593	-	-	-	-	-	-	**45,593**
Other	545	17,926	1,116	476	180	21,339	4,246	2,533	1,007	-	941	262	-	-	**50,571**
Total cost	**283,606**	**167,393**	**106,327**	**90,044**	**104,496**	**81,624**	**72,964**	**101,877**	**35,666**	**10,512**	**3,576**	**153,250**	**47,996**	**30,818**	**1,290,149**
Accumulated amortisation:															
Administrative concessions	(76,535)	-	-	-	-	-	(182)	-	(11,909)	-	-	(106,234)	-	-	**(194,860)**
Patents, licences and trademarks	(9,737)	(39,277)	(4,852)	(42,579)	(14,199)	(7,289)	(21,082)	(4,653)	(3,622)	-	-	-	(1,237)	(142)	**(148,669)**
Administrative authorisations	(57,030)	-	(87,090)	-	-	-	-	-	-	-	-	-	-	(1,754)	**(145,874)**
Customer portfolio and other	-	(21,735)	-	(23,277)	(36,950)	-	(18,822)	(2,608)	-	(3,392)	-	-	(150)	-	**(106,934)**
Computer software	(4,537)	(7,360)	(298)	(3,211)	(926)	(7,093)	(7,463)	(4,608)	(8,305)	(2,257)	(2,072)	(1,081)	(7,877)	(18,111)	**(75,199)**
Goodwill acquired	-	-	-	-	-	-	(71)	(7)	-	-	-	-	-	-	**(78)**
Asset usage rights	(723)	-	-	-	-	(25,553)	(3)	(24,441)	-	-	-	-	-	-	**(50,720)**
Accreditations	-	-	-	-	-	-	-	(870)	-	-	-	-	-	-	**(870)**
Other	(545)	(10,997)	(756)	(92)	(129)	(16,812)	(3,829)	(2,326)	(1,007)	-	-	-	-	-	**(36,493)**
Total accumulated amortisation	**(149,107)**	**(79,369)**	**(92,996)**	**(69,159)**	**(52,204)**	**(56,747)**	**(51,452)**	**(39,513)**	**(24,843)**	**(5,649)**	**(2,072)**	**(107,315)**	**(9,264)**	**(20,007)**	**(759,697)**
Total impairment (Note 6)	**(7,051)**	**(50,128)**	**(8,115)**	**-**	**(33,376)**	**-**	**-**	**-**	**(5,972)**	**-**	**-**	**-**	**-**	**-**	**(104,642)**
Total net value	**127,448**	**37,896**	**5,216**	**20,885**	**18,916**	**24,877**	**21,512**	**62,364**	**4,851**	**4,863**	**1,504**	**45,935**	**38,732**	**10,811**	**425,810**

Impairment of intangible assets

As indicated in Note 2.a.c, in 2020, the Group recognised impairment losses on intangible assets relating to trademarks and customer portfolios recognised in the allocation of the prices paid in business combinations performed in prior years amounting to EUR 66,995 thousand. This impact was recognised under "Impairment and gains or losses on disposals of non-current assets" in the accompanying consolidated statement of profit or loss.

When recognising these impairment losses, the Directors took into account the current degree of inclusion at the moment of the trademarks recognised as intangible assets in prior years within the Applus Group, as well as the impairment of certain customer portfolios recognised as intangible assets in prior years.

At 31 December 2021, the Parent's Directors considered that there were no significant indications of impairment of any of the cash-generating units and, therefore, no significant asset impairment losses were recognised or reversed in 2021, except for the goodwill reductions for those concessions with finite useful life described in Note 4.

The main assumptions used in the impairment tests are detailed in Note 6.

Other matters

At 31 December 2021, fully amortised intangible assets in use amounted to EUR 103,537 thousand (31 December 2020: EUR 100,137 thousand). The Group did not have any temporarily idle items at 31 December 2021 or 2020.

At 31 December 2021 and 2020, the Group had no material firm intangible asset purchase commitments.

Certain Group companies have intangible assets that must be handed over to the Government at the end of the related concession terms or at the end of the existing contract, without considering those arisen from the business combination. The detail of the carrying amount of the assets subject to reversion at 31 December 2021 and 2020 is as follows:

	2021 – Thousands of Euros		
	Gross cost	Accumulated amortisation/ provisions	Net cost
Applus Iteuve Technology, S.L.U.	18	(4)	14
Applus Iteuve Euskadi, S.A.U.	478	(478)	-
LGAI Technological Center, S.A.	14,200	(13,980)	220
Applus Uruguay, S.A.	4,729	(2,027)	2,702
Revisiones Técnicas Applus del Ecuador ApplusIteuve, S.A.	4,583	(596)	3,987
Supervisión y Control, S.A.U.	40,220	(35,382)	4,838
Riteve SyC, S.A.	20,279	(19,682)	597
Total	**84,507**	**(72,149)**	**12,358**

	2020 – Thousands of Euros		
	Gross cost	Accumulated amortisation/ provisions	Net cost
Applus Iteuve Technology, S.L.U.	3	(3)	-
Applus Iteuve Euskadi, S.A.U.	478	(478)	-
LGAI Technological Center, S.A.	14,200	(13,976)	224
Applus Uruguay, S.A.	4,516	(1,412)	3,104
Revisiones Técnicas Applus del Ecuador ApplusIteuve, S.A.	2,304	(340)	1,964
Supervisión y Control, S.A.U.	40,574	(36,569)	4,005
Riteve SyC, S.A.	20,005	(20,005)	-
Total	**82,080**	**(72,783)**	**9,297**

6. Impairment of assets

The method used by the Group to test impairment makes a distinction between assets/cash-generating units (CGUs) with indefinite and finite lives. Projections with a five-year horizon and a perpetual return from the sixth year onwards are mainly used for businesses with indefinite lives. Projections adjusted to the actual duration of the arrangement are used for assets related to the performance of services or concessions with a finite useful life.

In both cases, the projections are based on reasonable and well-founded assumptions, which were prepared in accordance with the Applus+ Group's business plan on the basis of past experience and of the best estimates available at the date of the related impairment tests based on the evolution of organic revenue and occasionally improvements in margins that the Management of the Parent projects for the coming years. As a result, the projections and impairment tests do not take into account possible acquisitions or mergers that might occur in the future.

In accordance with IAS 36, the Recoverable Amount of the Group's CGUs was estimated based on the Value in Use.

The Value in Use by CGU has been determined based on the present value of the cash flows that will foreseeably be generated in the future. For this purpose, the discounted free cash flow ("DCF") method was applied based on the projections expressed in the currency in which each CGU operates.

The DCF method discounts the present value of the future free cash flows at a discount rate (weighted average cost of capital or "WACC") which reflects the time value of money and the risks associated with the aforementioned expected cash flows.

Impairment test main assumptions

The key assumptions to determine fair value that were used to test for impairment in 2021 and 2020 were as follows:

a) Perpetuity growth rate:

To calculate the terminal value, the value of the CGU must be estimated using the going concern basis of accounting. For this purpose, the Group applies the "Gordon-Shapiro" model, which estimates the residual value as a sustainable, perpetual return with a constant growth rate. The growth envisaged in each industry in the geographical area in which the Group operates will foreseeably be very similar to the expected growth rate in that geographical area, given that the industries in which it operates correspond to the base industries that are most representative of each geographical area and which largely determine the area's performance. The data were obtained from the long-term inflation forecasts.

b) Discount rate:

The WACC method was used to calculate the discount rates, based on the following assumptions:

- The time value of money or risk-free rate of each country or geographical area (weighted average of the main countries in which the Group operates in those geographical areas), which is based on the yield of ten-year sovereign bonds in the respective country (or the weighted average of the geographical area).

- The estimated risk premium, considering the estimated betas of comparable companies in the industries and a market risk premium for each country, which are observable variables both after taxes.

- The average financing structures and conditions of comparable companies in the industry.

The detail of the discount rate (“WACC”) and of the perpetuity growth rate in 2021 and 2020 by business and geographical area is as follows:

Business	2021		2020	
	Discount rate before tax ("WACC")	Perpetuity growth rate considered in calculating the terminal value (“g”)	Discount rate before tax ("WACC")	Perpetuity growth rate considered in calculating the terminal value (“g”)
Auto	7.7%-18.2%	1.6%-2.8%	7.2%-18.6%	1.7%-2.8%
Energy & Industry	9.0%-15.5%	1.6%-3.2%	8.8%-15.1%	1.8%-3.1%
Laboratories	9.7%	1.6%	9.9%	1.8%
IDIADA	11.7%	1.6%	11.8%	1.8%

Country/geographical area	2021		2020	
	Discount rate before tax ("WACC")	Perpetuity growth rate considered in calculating the terminal value (“g”)	Discount rate before tax ("WACC")	Perpetuity growth rate considered in calculating the terminal value (“g”)
Spain	9.7%-11.7%	1.7%	10.9%-11.8%	1.9%
Rest of Europe	7.7%-9.7%	1.6%-1.8%	7.2%-8.8%	1.7%-1.8%
US and Canada	8.2%-9.0%	2.2%	8.5%-9.0%	2.2%
Latin America	15.5%-18.2%	2.8%-3.2%	15.1%-16.8%	2.8%-3.1%

c) Income and expense projections:

The Group Management prepares and updates a Business Plan by geography and line of business. The main components of this plan are projections on operating income and expenses, investments and working capital. The Business Plan includes the 2022 budget approved by the Board of Directors of the Parent Company together with the expectations integrated in Strategic Plan for 2022-2024 and for the following years.

In order to calculate the recoverable amount of each asset the present value of its cash flows was determined using the budget for 2022 and the Business Plan for the next years prepared by the Group Management.

The Business Plan and the projections of future periods were prepared on the basis of past experience and on the best estimates available. Consequently, revenue and margins reflect best estimates available on the expected trends in the industries in which the Applus Group is present.

The Group Management performs an impairment test on the cash-generating units for which there are no indications of impairment during 2021. The projections for the next five years are based on the Strategic Plan for 2022-2024 and future years, alongside with best estimates of cash flows for each business, considering the gradual recovery of activity and the evolution of the pandemic in each business and geographical area.

In 2020, derived from the COVID-19 crisis, the Group reviewed the five-year projections for each CGUs based on the best available information and identified the need to recognise an impairment loss for those most exposed to the oil and gas and automotive industries. The negative effect of the situation of the oil and gas market in the revised estimates of the Energy & Industry CGUs, and the stop of activity at world level due to COVID-19 crisis reduced the revenue and profitability projected for the coming years, which resulted in a reduction in the estimated recoverable amount of the CGUs of Energy & Industry North America and Energy & Industry Northern Europe. As a consequence, the Group recognised in 2020 impairment losses of EUR 37,190 thousand and EUR 19,123 thousand, respectively, on the goodwill associated with the two CGUs (see Note 4).

Lastly, when determining the recoverable amount of the IDIADA CGU, the Directors also considered a decrease in envisaged revenue and profitability as a consequence of the decrease in design, engineering, testing and certification services provided to the automotive industry as a result of the mobility restrictions due to the COVID-19 crisis. As a consequence, the Directors estimated that recovery is uncertain in the term of the agreement within which this division currently operates and which expires in September 2024. As a consequence, the Group recognised in 2020 impairment losses of EUR 27,870 thousand on the goodwill associated with this CGU (see Note 4).

Sensitivity analysis

The maximum buffer of the key assumptions (percentage decrease in EBITDA, increase in WACC before tax and changes in the perpetuity growth rate) that would make the carrying amount equal to the recoverable amount, based on the impairment tests performed at the end of 2021, is as follows:

Cash-generating unit	Cash Flows reduction	WACC before taxes	Perpetuity growth rate (“g”)
Auto Spain	21.4%	12.9%	<0%
Auto Finisterre	52.6%	49.6%	<0%
Auto Denmark	64.4%	24.1%	<0%
Auto Finland	67.7%	26.3%	<0%
Auto USA	71.6%	30.3%	<0%
Auto Sweden	50.9%	13.2%	<0%
Energy & Industry Northern Europe	23.2%	12.6%	<0%
Energy & Industry North America	13.2%	10.2%	0.1%
Energy & Industry Seameap	45.6%	23.8%	<0%
Energy & Industry Spain	32.5%	16.9%	<0%
Energy & Industry Latin America	16.8%	18.3%	<0%
IDIADA	6.4%	16.9%	<0%
Laboratories	29.2%	13.4%	<0%

The Parent's Directors consider that, in view of the existing buffers in 2021 as compared with the values used in prior year tests, a possible future negative impact on the Group's activities would not significantly affect the impairment of the net assets associated with the CGUs.

7. Property, plant and equipment

The changes in 2021 and 2020 in the various property, plant and equipment accounts and in the related accumulated depreciation and provision were as follows:

	2021 – Thousands of Euros						
	Balance at 1 January 2021	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2021
Cost:							
Land and buildings	158,323	8,465	4,617	(3,242)	3,095	2,077	173,335
Plant and machinery	349,843	54,638	22,923	(6,815)	7,780	9,427	437,796
Other fixtures, tools and furniture	83,320	2,893	3,270	(951)	1,210	610	90,352
Other items of property, plant and equipment	66,604	8,075	3,823	(13,418)	(73)	2,491	67,502
Advances and property, plant and equipment in progress	17,650	729	18,809	(179)	(16,819)	1,194	21,384
Grants	(1,819)	(403)	-	(1,064)	-	(55)	(3,341)
Total cost	**673,921**	**74,397**	**53,442**	**(25,669)**	**(4,807)**	**15,744**	**787,028**
Accumulated depreciation:							
Land and buildings	(70,152)	(2,565)	(6,817)	643	(531)	(1,324)	(80,746)
Plant and machinery	(244,655)	(44,887)	(27,594)	6,019	2,290	(7,110)	(315,937)
Other fixtures, tools and furniture	(61,053)	(2,567)	(3,724)	734	(194)	(609)	(67,413)
Other items of property, plant and equipment	(61,581)	(6,383)	(4,044)	9,392	287	(1,989)	(64,318)
Total accumulated depreciation	**(437,441)**	**(56,402)**	**(42,179)**	**16,788**	**1,852**	**(11,032)**	**(528,414)**
Total impairment	**(3,902)**	**-**	**(1,750)**	**889**	**-**	**(77)**	**(4,840)**
Total net value	**232,578**	**17,995**	**9,513**	**(7,992)**	**(2,955)**	**4,635**	**253,774**

	2020 – Thousands of Euros						
	Balance at 1 January 2020	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2020
Cost:							
Land and buildings	162,309	4,363	3,960	(7,437)	(162)	(4,710)	158,323
Plant and machinery	329,408	34,369	16,882	(24,836)	203	(6,183)	349,843
Other fixtures, tools and furniture	82,149	859	3,594	(2,176)	(109)	(997)	83,320
Other items of property, plant and equipment	76,890	600	4,872	(7,157)	(2,923)	(5,678)	66,604
Advances and property, plant and equipment in progress	14,164	138	15,751	(124)	(11,546)	(733)	17,650
Grants	(1,036)	-	8	(791)	-	-	(1,819)
Total cost	**663,884**	**40,329**	**45,067**	**(42,521)**	**(14,537)**	**(18,301)**	**673,921**
Accumulated depreciation:							
Land and buildings	(70,719)	(724)	(5,913)	3,341	2,545	1,318	(70,152)
Plant and machinery	(233,468)	(22,259)	(23,198)	21,350	8,676	4,244	(244,655)
Other fixtures, tools and furniture	(60,948)	(554)	(3,163)	2,075	691	846	(61,053)
Other items of property, plant and equipment	(67,534)	(414)	(5,717)	6,378	2,335	3,371	(61,581)
Total accumulated depreciation	**(432,669)**	**(23,951)**	**(37,991)**	**33,144**	**14,247**	**9,779**	**(437,441)**
Total impairment	**(4,481)**	**-**	**(150)**	**625**	**-**	**104**	**(3,902)**
Total net value	**226,734**	**16,378**	**6,926**	**(8,752)**	**(290)**	**(8,418)**	**232,578**

In 2021 the additions are related to the Group's normal course of operations.

The gross value of fully depreciated items of property, plant and equipment in use at 31 December 2021 amounted to EUR 292,044 thousand (31 December 2020: EUR 274,167 thousand). The Group did not have any temporarily idle items at 31 December 2021 nor 2020.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

At 31 December 2021 and 2020, the Group did not have any significant firm property, plant and equipment purchase commitments.

No borrowing costs had been capitalised to property, plant and equipment at the end of 2021 and 2020 and no disbursements made or advances granted at 31 December 2021 or 2020.

Some Group companies have property, plant and equipment that must be handed over to the Government at the end of the related concession term or at the end of the applicable agreement pursuant to the terms and conditions thereof. The detail of the net cost of the assets subject to this reversion at 31 December 2021 and 2020 is as follows:

	2021 - Thousands of Euros		
	Gross cost	Accumulated depreciation/ Impairment	Net Cost
IDIADA Automotive Technology, S.A.	91,957	(57,883)	34,074
Applus Iteuve Technology, S.L.U.	47,070	(41,401)	5,669
Applus Iteuve Euskadi, S.A.U.	2,718	(2,365)	353
Total	**141,745**	**(101,649)**	**40,096**

	2020 - Thousands of Euros		
	Gross cost	Accumulated depreciation/ Impairment	Net Cost
IDIADA Automotive Technology, S.A.	80,748	(48,241)	32,507
Applus Iteuve Technology, S.L.U.	44,720	(41,263)	3,457
Applus Iteuve Euskadi, S.A.U.	2,377	(2,113)	264
Total	**127,845**	**(91,617)**	**36,228**

At 31 December 2021 and 2020, no significant property, plant and equipment were subject to restrictions or pledged as security for liabilities.

8. Non-current financial assets

The changes in the various non-current financial asset accounts in 2021 and 2020 have been as follows:

	2021 – Thousands of Euros				
	Balance at 1 January 2021	Additions or charge for the year	Disposals, transfers or dividend distribution	Change in exchange rate	Balance at 31 December 2021
Non-current receivables	19,918	1,889	778	1,278	23,863
Deposits and guarantees	9,571	-	1,820	149	11,540
Impairment	(14,519)	-	(2,859)	(332)	(17,710)
Total	**14,970**	**1,889**	**(261)**	**1,095**	**17,693**

	2020 – Thousands of Euros				
	Balance at 1 January 2020	Additions or charge for the year	Disposals, transfers or dividend distribution	Change in exchange rate	Balance at 31 December 2020
Non-current receivables	20,398	1,842	(673)	(1,649)	19,918
Deposits and guarantees	9,605	2,381	(1,761)	(654)	9,571
Impairment	(3)	(14,967)	-	451	(14,519)
Total	**30,000**	**(10,744)**	**(2,434)**	**(1,852)**	**14,970**

The aforementioned financial assets are measured at amortised cost as indicated in Note 3.e.

In 2020, the Group re-estimated the recoverable value of the credits granted to third parties and registered an impairment amounting to EUR 13,577 thousand under "Impairment and gains or losses on disposals of non-current assets" in the accompanying consolidated statement of profit or loss.

Deposits and guarantees

At 31 December 2021, "Deposits and Guarantees" included EUR 7.9 million (2020: EUR 6.1 million) relating to restricted cash deposits to secure certain contracts entered into.

9. Inventories

The detail of the Group's inventories at 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Goods held for resale	10,814	8,454
Raw materials and other supplies	426	460
Total inventories	**11,240**	**8,914**

These inventories relate mainly to X-Ray material used in non-destructive testing by the Energy & Industry division, reagents, fungibles and chemical compounds used in laboratory or field tests by the Laboratories division and spare parts and items used at the vehicle roadworthiness testing centres of the Automotive division.

The Group estimates that the inventories will be realised in less than twelve months.

The Group does not recognise any inventory write-downs since inventories are derecognised when they are defective or obsolete.

10. Trade receivables for sales and services, trade receivables from related companies and other receivables

The detail of these current asset headings in the accompanying consolidated statement of financial position as at 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Trade receivables for sales and services	301,152	248,676
Work in progress	110,195	95,721
Provision for doubtful debts	(18,249)	(23,027)
Trade receivables for sales and services	**393,098**	**321,370**
Trade receivables from related companies (Note 28)	221	253
Other receivables	19,427	14,825
Other accounts receivable from public authorities	6,551	4,679
Total trade and other receivables	**419,297**	**341,127**

The Group's average collection period for services rendered is 54 days in 2021 (2020: 51 days).

The Group does not charge interest on receivables maturing within one year. The fair value and the nominal value of these assets do not differ significantly.

The detail of the age of the debt under "Trade receivables for sales and services" is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Not due	212,366	170,122
0-30 days	38,160	31,089
31-90 days	20,580	17,002
91-180 days	11,433	8,303
181-360 days	9,251	7,310
More than 360 days	9,362	14,850
Total trade receivables for sales and services	**301,152**	**248,676**
Provision for doubtful debts	**(18,249)**	**(23,027)**
Total trade receivables for sales and services, net	**282,903**	**225,649**

As indicated in Note 3.q in relation to the recognition of revenue from contracts with customers (IFRS 15), for contracts in which performance obligations are measured over time, the difference between the revenue recognised for services rendered and the amounts actually billed to the customer is analysed systematically on a contract-by-contract basis. If the amount billed is lower than the revenue recognised, the difference is recognised as an asset under “Trade receivables for sales and services - Amounts to be billed for projects in progress” for amounts which the Parent's Directors consider are reasonably certain to be ultimately billed, whereas if the amount of revenue recognised is lower than the amount billed, a liability is recognised under “Trade and other payables” (see Note 19). In 2021 there were no significant changes in the aforementioned line items as a result of business combinations or significant adjustments to the measurement of the stage of completion, transaction prices or the contracts that would have a significant impact on the revenue recognised in the year.

Credit risk

The Group's main financial assets are cash and cash equivalents, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's credit risk is therefore mainly attributable to its trade receivables. The amounts presented in the consolidated statement of financial position are net of allowances for doubtful debts, estimated by Group Management based on prior experience and its assessment of the current economic environment.

The Group does not have a significant concentration of credit risk, with exposure spread over a large number of customers, divisions, markets and geographical areas.

However, the Group's Finance Management considers credit risk to be key to day-to-day management of the business and focuses its efforts on controlling and supervising receivables and doubtful debts.

The Group has established a customer acceptance policy based on the periodic evaluation of liquidity and solvency risks and the establishment of credit limits for its debtors. The Group also periodically analyses the age of its trade receivables in order to cover possible bad debts.

The changes in "Allowance for Doubtful Debts", in accordance with the expected credit loss model, in 2021 and 2020 were as follows:

	Thousands of Euros
Balance at 1 January 2020	**24,833**
Additions	7,542
Amounts used	(2,298)
Disposals	(5,040)
Effect of exchange rate changes	(2,010)
Balance at 31 December 2020	**23,027**
Additions	5,483
Amounts used	(4,052)
Disposals	(7,149)
Effect of exchange rate changes	940
Balance at 31 December 2021	**18,249**

11. Current financial assets, cash and cash equivalents

Current financial assets

At 31 December 2021 the amount included as short-term deposits and guarantees amounting to EUR 2,635 thousand (31 December 2020: EUR 1,769 thousand) and other financial assets of EUR 3,751 thousand (31 December 2020: EUR 829 thousand), whose conversion to cash is expected to be within 12 months.

Cash and cash equivalents

At 31 December 2021 and 2020, the amount classified as "Cash and Cash Equivalents" in the accompanying consolidated statement of financial position related in full to cash, and to financial assets readily convertible into known amounts of cash subject to an insignificant risk of change in value and maturity less than 3 months.

The aforementioned financial assets are measured at amortised cost as indicated in Note 3.e.

12. Equity

a) Share capital

At 31 December 2016, the Parent'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 Parent's share 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 2021 and 2020, the Parent's share capital is represented by 143,018,430 fully subscribed and paid-up common shares of EUR 0.10 par value each.

As per the notifications submitted to the Spanish National Securities Market (CNMV), the shareholders owning significant direct or indirect interests in the share capital of the Parent representing more than 3% of the total share capital as of 31 December 2021, were as follows:

	% share
Southeastern Asset Management Inc	5.15%
River & Mercantile Group PLC	5.05%
Threadneedle Asset Management Limited	3.09%
Harris Associates LP	3.03%
Invesco Ltd	3.02%

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

b) Reserves and share premium

Under the Spanish Companies Act, 10% of net profit for each year must be allocated 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, except for that, and 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 2021 the balance of this reserve amounts to EUR 2,860 thousand and it had reached the legally required minimum (same amount at the end of 2020).

At 31 December 2021 and 2020, the share premium reserves amounted to EUR 449,391 thousand and it is fully available.

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

c) Treasury shares

At 31 December 2021, the Group held a total of 408,098 treasury shares at an average cost of EUR 8.40 per share. The value of these treasury shares totalled EUR 3,427 thousand, which is recognised under “Treasury Shares” in the accompanying consolidated statement of financial position as at 31 December 2021 (see Note 3.x).

At 31 December 2020, the Group held a total of 317,809 treasury shares at an average cost of EUR 8.38 per share. The value of these treasury shares totalled EUR 2,664 thousand, which is recognised under “Treasury Shares” in the accompanying consolidated statement of financial position as at December 2020 (see Note 3.x).

In February and March 2021 the Group delivered to the Executive Directors, Senior Executives and certain executives a total of 159,711 shares (226,040 shares during 2020), in accordance with the new incentive plan granted (see Note 29).

d) *Profit per share*

The profit per share is calculated on the basis of the profit attributable to the shareholders of the Parent divided by the average number of ordinary shares outstanding in the year.

At 31 December 2021 and 2020 the profit per share is as follows:

	2021	2020
Number of shares at year end	143,018,430	143,018,430
Average number of shares during the year	143,018,430	143,018,430
Net consolidated profit attributable to the Parent (thousands of euros)	32,242	(158,239)
Number of treasury shares	408,098	317,809
Number of shares in circulation	142,610,332	142,700,621
Total number of shares	143,018,430	143,018,430
Profit per share (in euros per share)		
- Basic	0.23	(1.11)
- Diluted	0.23	(1.11)

There are no financial instruments that could significantly dilute the profit per share.

e) *Foreign currency translation reserve*

The detail of “Foreign currency translation reserve" in the consolidated statement of financial position as at 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Applus+ Energy & Industry	(16,734)	(21,349)
Applus+ Laboratories	828	(1,993)
Applus+ Automotive	(48,794)	(55,635)
Applus+ IDIADA	662	(754)
Other	2,722	120
Total	**(61,316)**	**(79,611)**

f) *Capital risk management*

The Group manages its capital to ensure that its subsidiaries can continue operating in accordance with the going-concern principle of accounting. The Group is also committed to maintain leverage levels that are consistent with its growth, solvency and profitability objectives.

The data relating to the financial leverage ratios at the end of 2021 and 2020 are as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Bank borrowings (Note 14)	771,878	719,387
Other financial liabilities (Note 15)	25,806	22,469
Current financial assets (Note 11)	(6,386)	(2,598)
Cash and cash equivalents (Note 11)	(176,544)	(189,468)
Net financial debt	**614,754**	**549,790**
Total equity attributable to the shareholders of the Parent	**617,631**	**585,238**
Leverage (Net financial debt / Net debt + Equity attributable to the shareholders of the Parent)	**50%**	**48%**

13. Non-controlling interests

"Non-controlling interests" in the accompanying consolidated statement of financial position reflects the equity of the non-controlling shareholders in the consolidated companies. Also, the balance of "Profit Attributable to Non-Controlling Interests" in the accompanying consolidated statement of profit or loss reflects the share of these non-controlling interests in the consolidated profit or loss for the year.

The detail of the non-controlling interests of the fully consolidated companies in which ownership is shared with third parties in 2021 and 2020 is as follows:

	2021 - Thousands of Euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	17,399	1,069	18,468
IDIADA Automotive Technology, S.A. subgroup	9,231	2,895	12,126
Arctosa Holding B.V. subgroup	128	466	594
Velosi S.à r.l subgroup	5,654	2,573	8,227
Applus Iteuve Technology, S.L.U. subgroup	(1,462)	10,762	9,300
Total non-controlling interests	**30,950**	**17,765**	**48,715**

	2020 - Thousands of Euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	15,691	1,100	16,791
IDIADA Automotive Technology, S.A. subgroup	9,738	356	10,094
Arctosa Holding B.V. subgroup	(156)	(235)	(391)
Velosi S.à r.l subgroup	7,125	3,684	10,809
Applus Iteuve Technology, S.L.U. subgroup	(914)	12,246	11,332
Total non-controlling interests	**31,484**	**17,151**	**48,635**

The changes in "Non-Controlling Interests" in 2021 and 2020 are summarised as follows:

	Thousands of Euros	
	2021	2020
Beginning balance	**48,635**	**48,527**
Changes in the scope of consolidation (Note 2.b.e.)	317	(2,070)
Dividends	(20,210)	(13,678)
Translation differences	2,127	(1,393)
Other changes	81	98
Profit for the year	17,765	17,151
Ending balance	**48,715**	**48,635**

14. Obligations and bank borrowings

The detail, by maturity, of the obligations and bank borrowings in the accompanying consolidated statement of financial position at 31 December 2021 and 2020 are as follows:

	2021 - Thousands of Euros						
	Limit	Short Term Drawn	Long Term Drawn				**Total**
			2023	2024	2025	2026 onwards	
Facility A “Term Loan”	**200,000**	-	-	-	200,000	-	**200,000**
Facility B “Revolving Credit Facility”	**400,000**	-	-	-	126,956	-	**126,956**
US Private Placement lenders	**330,000**	-	-	-	150,000	180,000	**330,000**
Bilateral facilities	**50,000**	33,333	16,667	-	-	-	**50,000**
CaixaBank credit facility	**100,000**	-	32,000	-	-	-	**32,000**
Accrued interests	**-**	3,398	-	-	-	-	**3,398**
Debt Arrangement fees	**-**	(973)	(539)	(131)	(82)	(88)	**(1,813)**
Other loans	**-**	1,209	992	595	250	1,247	**4,293**
Credit facilities	**96,992**	9,931	16,773	-	-	-	**26,704**
Obligations under finance leases	**-**	176	101	63	-	-	**340**
Total	**1,176,992**	**47,074**	**65,994**	**527**	**477,124**	**181,159**	**771,878**

	2020 - Thousands of Euros						
	Limit	Short Term Drawn	Long Term Drawn				Total
			2022	2023	2024	2025 onwards	
Facility A “Term Loan”	**200,000**	-	-	-	-	200,000	**200,000**
Facility B “Revolving Credit Facility”	**400,000**	-	-	-	-	225,869	**225,869**
US Private Placement lenders	**230,000**	-	-	-	-	230,000	**230,000**
Bilateral facilities	**50,000**	20,000	20,000	10,000	-	-	**50,000**
Accrued interests	**-**	2,959	-	-	-	-	**2,959**
Debt Arrangement fees	**-**	(973)	(973)	(539)	(131)	(170)	**(2,786)**
Other loans	**-**	638	292	145	22	264	**1,361**
Credit facilities	**186,848**	7,159	-	-	-	-	**7,159**
Obligations under finance leases	**-**	2,994	1,029	465	311	26	**4,825**
Total	**1,066,848**	**32,777**	**20,348**	**10,071**	**202**	**655,989**	**719,387**

At 31 December 2021, the consolidated Group’s debt structure is mainly composed of a portion of syndicated bank borrowings and placed private debt borrowings with US institutional investors. The bank borrowings consist of a multi-currency syndicated loan of EUR 600 million, which comprises 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 US private placement debt is EUR 330 million and includes the new US private placement debt of EUR 100 million carried out in 2021, bearing interest at a fixed rate and with final maturity in June 2036.

In relation to the bilateral loan, on 9 April 2021 a grace period of one year was agreed upon, with the first repayment set for April 2022, without altering the final maturity date of April 2023.

On 15 April 2021, the Applus Group entered a sustainability linked credit facility with CaixaBank limited to EUR 100 million maturing in 2023, with a one-year extension option. EUR 32 million was drawn down at 31 December 2021.

The Group had liquidity of EUR 588 million at 31 December 2021, taking into account cash and cash equivalents reflected in the accompanying consolidated statement of financial position and the undrawn balances of the financing lines detailed previously (2020 year-end: EUR 546 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 (CAD 62 million and USD 9.3 million drawn down at 2021 year-end) plus a spread based on a leverage grid for each Facility.

All the tranches had an initial single maturity at 27 June 2023, which may be extended for a total of two additional years at the end of the first and second years. On 27 June 2019 all tranches were extended to 27 June 2024 and, on 16 June 2020, they were extended to 27 June 2025.

The initial private placement debt was placed from two US institutional investors. The structure includes a tranche of EUR 150 million maturing on 11 July 2025 and a tranche of EUR 80 million maturing on 11 July 2028. On 10 June 2021 a new private placement debt with one US institutional investor has been added with two tranches, each one of EUR 50 million, the first tranche maturing on 10 June 2031 and the second one on 10 June 2036.

The detail of syndicated loan and the private placement debt in 2021 and 2020 is as follows:

2021

Tranche	Thousands of Euros		Maturity
	Limit	Amount drawn + interest added to principal	
Facility A “Term Loan”	200,000	200,000	27/06/2025
Facility B “Revolving Credit Facility”	400,000	126,956	27/06/2025
US Private Placement lenders - 7 years	150,000	150,000	11/07/2025
US Private Placement lenders - 10 years	80,000	80,000	11/07/2028
US Private Placement lenders - 10 years	50,000	50,000	10/06/2031
US Private Placement lenders - 15 years	50,000	50,000	10/06/2036
Accrued Interests	-	2,997	
Debt arrangement expenses	-	(1,813)	
Total	**930,000**	**658,140**	

2020

Tranche	Thousands of Euros		Maturity
	Limit	Amount drawn + interest added to principal	
Facility A “Term Loan”	200,000	200,000	27/06/2025
Facility B “Revolving Credit Facility”	400,000	225,869	27/06/2025
US Private Placement lenders - 7 years	150,000	150,000	11/07/2025
US Private Placement lenders - 10 years	80,000	80,000	11/07/2028
Accrued Interests	-	2,772	
Debt arrangement expenses	-	(2,786)	
Total	**830,000**	**655,855**	

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

Both the syndicated loan and the private placement debt are subject to the achievement of certain financial ratios. The main one is defined as consolidated Net Debt to consolidated EBITDA of the last twelve months lower than 4.0x, tested every six months at 30 June and 31 December.

At 31 December 2021, the ratio, calculated on the basis of the contractually established definitions of Net consolidated Debt and consolidated EBITDA, was 2.7x.

In accordance with the established terms and conditions, the Parent's Directors expect the financial leverage ratio covenant to be met in the following years.

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 consolidated financial statements and negative undertakings to not perform certain transactions without the lender's and investor’s consent, such as certain mergers or changes of business activity (see Note 27.a).

a.2) Guarantees given:

None of Applus Group subsidiaries have their shares or other assets pledged to secure the financial debt.

b) Credit facilities and other loans

The interest rates on the credit facilities and loans are tied to Euribor and Libor, plus a market spread.

The Group entered into a non-recourse factoring agreement to sell outstanding receivables from customers for up to a maximum of EUR 25 million bearing interest at the market rate, of which EUR 12,429 thousand had been used at 2021 year-end (2020 year-end: EUR 6,441 thousand).

c) Disclosure for currency of obligations and bank borrowings

The detail of the main current and non-current obligations and bank borrowings at 31 December 2021 and 2020, by currency, is as follows:

	2021 - Thousands of Euros						
	Euro	US dollar	Canadian dollar	Colombian Peso	Chilean peso	Others	Total
Syndicated loan	277,185	8,230	42,725	-	-	-	**328,140**
US Private Placement	330,000	-	-	-	-	-	**330,000**
Bilateral facilities	50,183	-	-	-	-	-	**50,183**
CaixaBank credit facility	32,218	-	-	-	-	-	**32,218**
Others loans	4,157	-	-	-	136	-	**4,293**
Credit facilities	4,218	20,776	-	1,531	1	178	**26,704**
Finance leases	103	47	-	-	155	35	**340**
Total	**698,064**	**29,053**	**42,725**	**1,531**	**292**	**213**	**771,878**

	2020 - Thousands of Euros						
	Euro	US dollar	Canadian dollar	Malaysian ringgit	Chilean peso	Others	Total
Syndicated loan	379,986	-	45,869	-	-	-	**425,855**
US Private Placement	230,000	-	-	-	-	-	**230,000**
Bilateral facilities	50,187	-	-	-	-	-	**50,187**
Others loans	753	-	-	-	416	192	**1,361**
Credit facilities	3,680	3,061	-	145	-	273	**7,159**
Finance leases	32	4,456	-	-	290	47	**4,825**
Total	**664,638**	**7,517**	**45,869**	**145**	**706**	**512**	**719,387**

15. Others non-current financial liabilities

The detail at 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Payable due to reversion	22,123	19,074
Other non-current financial liabilities	3,683	3,395
Total other non-current financial liabilities	**25,806**	**22,469**

"Payable due to reversion" for 2021 and 2020 essentially includes the provisions for the guarantees covering the reversion of land on which certain vehicle roadworthiness testing centres (see Note 27.b). The payment period relating to these guarantees will not be known until the process described in Note 27.b has been completed.

"Other financial liabilities" includes mainly various loans with favourable terms and conditions that the subsidiaries have been granted by various public bodies. These loans mature between 2022 and 2027.

16. Financial risks and derivative financial instruments

Financial risk management policy

The main purpose of the Group's financial risk management activity is to assure the availability of funds for the timely fulfilment of financial obligations and to protect the value in euros of the Group's economic flows and assets and liabilities.

This management activity is based on the identification of risks, the determination of tolerance to each risk, the analysis of the suitability of the hedging of financial risks, and the control of the hedging relationships established.

The Group's policy consists on hedging all significant and intolerable risk exposures as long as there are adequate instruments for this purpose and the hedging cost is reasonable.

The Group's financial risks are managed on a single and integrated basis, which enables it to identify the existence of natural hedges between and within the various lines of business and to thus optimise the arrangement of hedges in markets. All external hedges, including those relating to subsidiaries and those arranged on their behalf, must be authorised and arranged on a centralised basis at Group level.

Following is a description of the main financial risks to which the Group is exposed and the practices established:

a) Foreign currency risk

Group Management, based on activity in countries outside the eurozone, monitors the changes in the various currencies in which it operates and assesses the foreign currency risk that could affect its financial statements. Normally, the operations in each of the countries where the Group operates, both income and expenses are in local currency so foreign currency risk only impacts equity.

To manage foreign currency risk, the Group takes the following measures:

- If the financial market of the country in which the investment is made allows for adequate financing to be obtained in terms of timing and cost, hedging is naturally obtained through financing taken in the same currency as that of the investment.

- If the above is not possible, the Group determines asset and liability sensitivity to exchange rate fluctuations on the basis of the extent and severity (volatility) of the risk exposure.

In relation to foreign currency risk, the estimated sensitivity in the Group's consolidated statements of profit or loss for 2021 and 2020 to a change of +/-5% in the exchange rates against the euro of the main currency in which the Group operates, US dollar, would entail approximately a +/-1% variation of the Group's revenues.

b) Interest rate risk

Interest rate risk relates to the effect on profit or loss of rises in interest rates that increase borrowing costs. Exposure to this risk is mitigated by the natural hedging offered by businesses in which inflation and/or interest rates are factors which are part of the periodical tariff and price revision process. The other exposure is assessed periodically and, taking into consideration the projected interest rate fluctuations in the main borrowing currencies, the desirable fixed-rate protection levels and periods are determined. The structure thus established is achieved by means of new financing and/or the use of interest rate derivatives.

Net debt at floating rates is generally tied to Euribor for the debt in euros and to Libor for the debt in US dollars.

As part of the debt refinancing process in 2018, a private debt placement was taken at a fixed rate of interest. Private Placement Debt represented 39% of total drawn debt at 31 December 2021 (2020: 32% of total drawn debt).

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

	2021	2020
Average interest rate	1.79%	1.59%
Average financial debt drawn (thousands of euros)	733,469	727,496

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:

	2021		2020	
Change in interest rate	+0,5%	-0.50%	+0,5%	-0.50%
Change in borrowing costs (thousands of euros)	2,237	(2,237)	2,487	(2,487)

c) Liquidity risk

Liquidity risk relates to the possibility of adverse situations in the capital markets preventing the Group from financing, at reasonable market prices, its obligations relating to both non-current financial assets and working capital requirements, or of the Group being unable to implement its business plans using stable financing sources.

The Group takes various preventative measures to manage liquidity risk:

- The capital structure of each company is established taking into account the degree of volatility of the cash generated by it.
- Debt repayment periods and schedules are established on the basis of the nature of the needs being financed.
- The Group diversifies its sources of financing through continued access to financing and capital markets.
- The Group secures committed credit facilities for sufficient amounts and with sufficient flexibility.

Hedging instruments arranged

At the end of 2021 and 2020, the Group does not have any hedging instruments arranged.

17. Non-current provisions

The detail of "Non-Current Provisions" in 2021 and 2020 year end is as follows (in thousands of euros):

	31/12/2021	31/12/2020
Long-term employee obligations	18,185	13,310
Other provisions	16,080	12,263
Non-Current provisions	**34,265**	**25,573**

The changes in “Non-Current Provisions” in 2021 and 2020 are as follows:

	Thousands of Euros
Balance at 1 January 2020	**26,900**
Changes in the scope of consolidation (Note 2.b.e)	3,798
Additions	5,397
Amounts used	(9,760)
Effect of exchange rate changes	(762)
Balance at 31 December 2020	**25,573**
Changes in the scope of consolidation (Note 2.b.e)	6,823
Additions	7,686
Amounts used	(6,601)
Effect of exchange rate changes	784
Balance at 31 December 2021	**34,265**

The recognised provisions constitute a fair and reasonable estimate of the effect on the Group’s equity that could arise from the resolution of the lawsuits, claims or potential obligations that they cover. They were quantified by the Group Management and Management of the subsidiaries, with the assistance of their advisers, considering the specific circumstances to each case.

a) *Long-term employee obligations:*

Long-term employee obligations contain, mainly, benefits to certain employees in the Middle East amounting to EUR 12,631 thousand (2020: EUR 8,423 thousand), Europe amounting to EUR 1,805 thousand (2020: EUR 1,905 thousand) and Spain amounting to EUR 3,382 thousand (2020: EUR 2,698 thousand).

For the Middle East relate to benefits that employees receive at the end of their employment at Applus Group. These benefits are defined by local laws and are very similar between each other. The accrual is updated based on an actuarial valuation basis made by an independent expert, based on discount rate, expected salary increase, death rate and turnover staff rate. The increase in 2021 is due to the benefits of Saudi Arabia businesses acquired during this year. The benefits relate to Saudi Arabia employees are the most significant in the region.

The benefits in Europe relate, mainly, to the companies located in the Netherlands. These plans include the provision to pay one monthly salary payment to current employees upon completing 25 years of service and two monthly salaries payments upon completing 40 years of service.

The benefits in Spain relate to benefits that the employees from Automotive Galicia business receive at the end of their employment at Applus Group. These benefits are determined by Collective Agreement that the employees of auto stations are subjected, where some compromises from the Company to the employees are established, when some conditions related to seniority and date of termination of employment relation.

b) *Other provisions:*

Other provisions mainly contain:

	Thousands of Euros	
	31/12/2021	31/12/2020
Tax risks	647	1,413
Legal contingencies	2,455	2,455
Other provisions	12,978	8,395
Total	**16,080**	**12,263**

"Other provisions" includes provisions related with the Group's reinsurance company, Libertytown RE, S.A., and other provisions, among which, contingent liabilities assumed in business combinations at the date of acquisition of new companies by the Group, detailed in Note 2.b.e.3.

The tax contingencies covered by provisions are described in Note 20.f. Since, at 31 December 2021 no changes had occurred in the estimates made by the Management, these provisions were not re-estimated, and neither were they re-estimated as a result of the adoption of IFRIC 23.

Legal contingencies balance has not changed significantly during last years.

18. Other non-current and current liabilities

The detail of "Other non-current liabilities" and "Other current liabilities" in 2021 and 2020 is as follows (in thousands of euros):

	31/12/2021	31/12/2020
Variable price of the acquisition of ownership interest payable at long term	60,617	30,780
Other non-current liabilities	14,735	16,728
Other non-current liabilities	**75,352**	**47,508**
Variable price of the acquisition of ownership interest payable at short term	3,920	559
Other current liabilities	4,887	5,748
Other current liabilities	**8,807**	**6,307**
Total other liabilities	**84,159**	**53,815**

"Variable price of the acquisition of ownership interest payable" includes the amounts payable for business combinations performed in 2021 and prior years in relation to contingency payouts and variable payouts (earn outs), which the Parent's Directors consider will comply with the related payment terms and conditions and should therefore be paid. The increases recognised under "Variable price of the acquisition of ownership interest payable at long term" are mainly due to the business combinations described in Note 2.b.e.1. The aforementioned amounts are classified as current and non-current in accordance with the date scheduled for their payment.

In relation to the acquisition of 80% of Inversiones Finisterre, S.L., performed in 2017, there is an agreement where a call and put options are granted for the potential acquisition of the remaining 20% of the Finisterre Group from July 2022, subject to the occurrence of certain events. The Applus Group has recognised a liability for the present value of the estimated amount of this option of EUR 13.4 million (2020: EUR 14.8 million) in "Variable price of the acquisition of ownership interest payable at long term", in accordance with IAS 32.23.

Subsequently to year-end, the Group has received notification from the Autonomous Government of Galicia of the concession extension to perform the vehicle roadworthiness inspections in the Autonomous Community until the end of 2027. The variation of the amount considered as financial liability is due to the update of the variables related to the business plan of the extension.

"Other current liabilities" and “Other non-current liabilities” include mainly other financial payables not related to bank borrowings.

19. Trade and other payables

The detail of trade and other payables in 2021 and 2020 is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Trade and other payables	226,736	211,270
Trade and other payables with related companies (Note 28.b)	1	-
Remuneration payable	83,867	71,445
Tax payable	68,417	82,431
Total	**379,021**	**365,146**

The difference between the reasonable and nominal value does not differ significantly.

“Remuneration payable” mainly relate to ordinary remuneration payable which includes the annual bonus and other remunerations payable such as extra-pay and holidays accruals.

In “Tax payable” the Group recognised the amounts payable of value added taxes, social security taxes and personal income tax withholdings (or equivalent taxes in each country).

Disclosures on the payment periods to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July.

The Group companies with tax residence in Spain adapted their payment periods in line with Additional Provision Three “Disclosure Obligation” of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December). Detailed below are the disclosures required by the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 to be included in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

	2021	2020
	Days	
Average payment period to suppliers	60	64
Ratio of transactions settled	61	66
Ratio of transactions not yet settled	49	52
	Thousands of Euros	
Total payments made	161,073	143,740
Total payments outstanding	19,610	20,547

The data shown in the table above relates exclusively to the Spanish companies. The data referred 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 2014.

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 consolidated 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 2004, on combating late payment in commercial transactions, is 30 days. This period may be extended by an agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2020).

However, most of the payments outstanding by the Spanish consolidated companies at year end has been paid during the first two months of the year 2022.

20. Corporate income tax

20.a Corporate income tax expense recognised in the consolidated statement of profit or loss

The detail of the corporate income tax expense recognised in 2021 and 2020 is as follows (in thousands of euros):

	2021	2020
Current tax:		
For the year	33,128	26,874
	33,128	**26,874**
Deferred tax:		
For the year	(7,518)	(26,181)
Impact of Royal Decree-Law 3/2016	-	(1,864)
	(7,518)	**(28,045)**
Corporate Income tax expense/(benefit)	**25,610**	**(1,171)**

The detail of the changes in deferred taxes, recognised as corporate income tax expense/(benefit) in the consolidated statement of profit or loss in 2021 and 2020, is as follows (in thousands of euros):

	2021	2020
Tax credits for tax loss carry forwards	3,293	2,310
Withholding taxes and other unused tax credits	(675)	1,654
Temporary differences:		
Amortisation of intangible assets	(12,685)	(30,559)
Impact of Royal Decree-Law 3/2016	-	(1,864)
Others	2,549	414
Deferred corporate income tax expense/(benefit)	**(7,518)**	**(28,045)**

The corporate income tax expense is calculated in 2021 and 2020 as follows (in thousands of euros):

	2021	2020
Profit before tax	**75,617**	**(142,259)**
Consolidated corporate income tax rate at 25%	**18,904**	**(35,565)**
Tax effect of:		
Others	16,400	39,879
Deduction of unrecognised tax assets and others	(9,694)	(5,485)
Corporate income tax expense/(benefit)	**25,610**	**(1,171)**

Others include the differences due to corporate income tax rates in different countries and the impact for unrecognized tax losses generated during the year.

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. Its consequences on the Spanish consolidated tax group finish in 2020, when the last part of the deferred tax reversed for an amount of 1,864 thousand of euros.

20.b Current corporate income tax assets and liabilities

The detail of the current corporate income tax receivables and payables at the end of 2021 and 2020 is as follows (in thousands of euros):

	31/12/2021	31/12/2020
Current corporate income tax assets	17,707	19,424
Corporate income tax prepayments	**17,707**	**19,424**
Current corporate income tax liabilities	18,595	18,663
Corporate income tax payables	**18,595**	**18,663**

20.c Deferred tax assets

The detail of Deferred tax assets at the end of 2021 and 2020 is as follows:

	Thousands of Euros	
	31/12/2021	31/12/2020
Tax losses of Spanish companies	18,712	22,592
Tax losses of other foreign companies	4,266	3,679
Tax credits for tax loss carry forwards	**22,978**	**26,271**
Tax credits of Spanish companies	5,465	5,581
Tax credits and Withholding taxes of foreign companies	7,400	6,609
Withholding taxes and other tax credits	**12,865**	**12,190**
Other temporary differences - Spanish companies	7,145	7,424
Temporary differences - foreign companies	13,869	14,129
Temporary differences – IFRS 16	4,167	4,146
Total temporary differences	**25,181**	**25,699**
Total deferred tax assets	**61,024**	**64,160**

The deferred tax assets indicated above were recognised because the Parent's Directors considered that, based on their best estimate of the Group's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

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

The factors taken into consideration by the Parent's Directors to recognise as a deferred tax asset, including tax credit for tax loss carry forwards, withholding taxes, and tax credits for temporary differences at 31 December 2021, which support their future recoverability, are as follows:

- In 2021 and 2020 the consolidated tax group in Spain obtained taxable income of EUR 56,929 and EUR 47,644 thousand which enabled it to use unrecognised tax losses from prior years amounting to EUR 281 and EUR 440 thousand, respectively.

The prior years' tax loss carryforwards of the companies at the end of 2021 and 2020 are as follows:

Year incurred	Thousands of Euros			
	2021		2020	
	Recognised	Not recognised	Recognised	Not recognised
2005	-	9,856	-	9,855
2007	805	17,812	5,205	17,488
2008	474	-	474	-
2009	2,586	-	2,657	153
2010	34,163	7	49,509	143
2011	38,500	199	38,563	270
2012	-	386	-	264
2013	-	231	-	273
2014	-	2,052	87	2,419
2015	27	8,026	6	8,079
2016	2,324	16,119	-	17,251
2017	114	19,460	4	17,386
2018	102	12,045	3	14,952
2019	1,701	10,975	824	15,141
2020	3,956	17,385	7,095	-
2021	6,081	-	-	-
Total	**90,833**	**114,553**	**104,427**	**103,674**

The recognised tax losses from the Spanish consolidated tax group are EUR 74,846 thousand recognised and EUR 27,669 thousand not recognised.

The detail of the Spanish companies' unused tax credits at the end of 2021 and 2020 is as follows:

Year	Thousands of Euros			
	2021		2020	
	Recognised	Not recognised	Recognised	Not recognised
2006	-	7	-	7
2007	-	57	-	126
2008	-	-	-	-
2009	-	-	-	-
2010	-	810	-	261
2011	-	741	-	1,428
2012	-	1,175	-	2,388
2013	4,380	6,397	4,380	11,029
2014	-	6,497	68	6,497
2015	-	5,790	-	5,790
2016	-	5,093	260	5,093
2017	241	5,798	335	5,798
2018	502	5,029	515	5,022
2019	-	6,135	23	6,165
2020	-	5,352	-	5,190
2021	342	3,439	-	-
Total	**5,465**	**52,320**	**5,581**	**54,794**

Of the total recognised and unrecognised tax credits at 31 December 2021, EUR 11,954 thousand relate to incentives for certain activities (mainly investment in R&D+i expenditure), EUR 45,069 thousand relate to double taxation credits and EUR 762 thousand to the reinvestment of gains. Of the total recognised and unrecognised tax credits at 31 December 2020, EUR 13,400 thousand related to incentives for certain activities (mainly investment in R&D+i expenditure), EUR 46,213 thousand related to double taxation credits and EUR 762 thousand to the reinvestment of gains.

The foreign companies' unused tax credits not recognised in the accompanying consolidated statement of financial position are not significant.

20.d Deferred tax liabilities

"Deferred tax liabilities" on the liability side of the accompanying consolidated statement of financial position as at 31 December 2021 and 2020, includes mainly the following:

	Thousands of Euros	
	31/12/2021	31/12/2020
Temporary differences associated with:		
Recognition at fair value of the identifiable assets in acquisitions of business combinations	86,862	88,925
Depreciation and amortisation and measurement of assets and goodwill	18,714	20,242
Amortisation of goodwill paid in the acquisition of foreign companies by Spanish companies	7,435	6,838
Other deferred tax liabilities	9,439	12,095
Total deferred tax liabilities	**122,450**	**128,100**

20.e Corporate Income Tax rates applicable to the Group

Each company calculates its corporate income tax expense in accordance with its respective legislation. The main corporate income tax rates applicable to the Group are as follows:

Country	Tax rate	Country	Tax rate	Country	Tax rate
Spain	25%	UK	19%	Angola	30%
US	21%	Germany	30%	United Arab Emirates	-
China	25%	Australia	30%	Luxembourg	25%
Ireland	12.5%	Italy	24%	Papua	30%
Canada	26.5%	Brazil	34%	Malaysia	24%
Sweden	21%	Argentina	30%	Singapore	17%
Denmark	22%	Chile	27%	Qatar	10%
Netherlands	25%	Colombia	33%	Saudi Arabia	20%
Mexico	30%	Oman	15%	Costa Rica	30%

20.f Years open for review and tax audits

In 2019 tax audits were commenced by the Spanish tax authorities at certain Spanish companies part of the Corporate Income Tax group 238/08 and VAT group 0036/11 in relation to the following taxes: Corporate Income tax (2014 to 2017), VAT (2015 to 2017) and Personal income tax and withholdings (2015 to 2017). In 2020 these tax audits were completed and the tax assessments issued were signed on an uncontested basis and paid, with no significant impact on the Group's equity position. In general, at 2021 year-end, the Spanish companies which belong to Spanish tax group have 2018-2020 years open for review by the tax authorities for the Corporate income tax and 2018-2021 for VAT and the rest of applicable taxes.

The foreign companies have the last few years open for review in accordance with the legislation in force in each of their respective countries and all those ongoing tax audits. The Parent's Directors do not expect any additional significant liabilities to arise in the event of a tax audit.

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

21. Operating income and expenses

a) *Revenue*

The Group obtains its income from contracts with customers in which it transfers goods or services according to the following categories, as per Group's managerial structure, and according to the criteria detailed in Note 3.q.

	Thousands of Euros	
	2021	2020
Applus+ Energy & Industry	942,458	907,335
Applus+ Laboratories	153,214	92,928
Applus+ Automotive	456,756	355,847
Applus+ IDIADA	224,296	201,482
Others	22	22
Total	**1,776,746**	**1,557,614**

Substantially all of the Group's revenue relates to contracts with customers which generally include set prices. The revenue of the Automotive division of Applus+ includes mainly revenue from contracts with customers in which the performance obligations are satisfied at a specific point in time (when the technical inspections of the vehicles are conducted), while the revenue of the Applus+ Energy & Industry, Applus+ Laboratories and Applus+ IDIADA divisions also includes contracts in which revenue is recognised over time in relation to the satisfaction of the performance obligations of the various projects performed.

At year-end, there are no significant amounts of outstanding performance obligations since, as a general rule, contracts with customers have an expected initial duration of one year or less.

b) *Staff costs*

The detail of "Staff costs" in the accompanying consolidated statement of profit or loss in 2021 and 2020, is as follows:

	Thousands of Euros	
	2021	2020
Wages, salaries and similar expenses	793,007	691,981
Severances	4,405	7,745
Employee benefit costs	110,204	101,396
Other staff costs	94,535	85,113
Total	**1,002,151**	**886,235**

The wages and salaries expenses have been increased in this exercise by new companies incorporated to the Group, and the less staff cost in 2020 due to the impact of the furlough-type arrangements (ERTEs) approved in Spain and other similar measures adopted in the other geographical areas in which the Group operates as a consequence of COVID-19.

The average number of employees at the Group, by professional category and gender in 2021 and 2020, is as follows:

Professional category	Average number of employees		
	2021		
	Men	Women	Total
Top management	98	16	**114**
Middle management	302	93	**395**
Supervisors	835	207	**1,042**
Operational employees & others	18,177	4,452	**22,629**
Total	**19,412**	**4,768**	**24,180**

Professional category	Average number of employees		
	2020		
	Men	Women	Total
Top management	155	25	**180**
Middle management	432	115	**547**
Supervisors	1,053	249	**1,302**
Operational employees & others	16,499	4,101	**20,600**
Total	**18,139**	**4,490**	**22,629**

Also, the distribution of the workforce, by gender and category, at the end of 2021 and 2020, is as follows:

	No. of employees end of year		
	2021		
Professional category	Men	Women	Total
Top management	77	19	**96**
Middle management	279	91	**370**
Supervisors	819	192	**1,011**
Operational employees & others	19,072	4,729	**23,801**
Total	**20,247**	**5,031**	**25,278**

Professional category	No. of employees end of year		
	2020		
	Men	Women	Total
Top management	98	19	**117**
Middle management	290	95	**385**
Supervisors	791	203	**994**
Operational employees & others	17,458	4,433	**21,891**
Total	**18,637**	**4,750**	**23,387**

c) Other results

The detail of the other results for 2021 and 2020 relates mainly to extraordinary termination benefits due to restructuring, start-up costs, costs related to acquisitions and impairment and gains or losses on disposal of non-current assets.

d) Fees paid to auditors

In 2021 and 2020 the fees billed for financial audit and other services provided by the auditor of the Group's consolidated financial statements, Deloitte, S.L., and by firms in the Deloitte organisation, and the fees billed by the auditors of the separate financial statements of the consolidated companies, and by 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):

2021

Description	Fees for services provided by the principal auditor	Fees charged by other audit firms
Audit services	1,982	315
Other attest services	254	-
Total audit and related services	**2,236**	**315**
Tax counselling services	176	
Other services	5	
Total professional services	**2,417**	

2020

Description	Fees for services provided by the principal auditor	Fees charged by other audit firms
Audit services	1,820	385
Other attest services	260	-
Total audit and related services	**2,080**	**385**
Tax counselling services	131	
Other services	16	
Total professional services	**2,227**	

22. Financial result

The detail by nature of the financial result in 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Finance Income:		
Other finance income by third parties	1,746	2,284
Total finance income	**1,746**	**2,284**
Finance costs:		
Borrowing costs relating to syndicated loan and US Private Placement	(12,571)	(11,389)
Other finance costs paid to third parties	(5,078)	(5,132)
Interest expense on lease liabilities (Note 26.b)	(7,534)	(7,552)
Exchange differences	(1,775)	(1,972)
Total finance costs	**(26,958)**	**(26,045)**
Gains or losses on the net monetary position (Note 3.o)	(669)	(1,078)
Financial result	**(25,881)**	**(24,839)**

23. Information on the environment

Climate change offers us opportunities which can result in different types of risk in our business. The Group's fundamental objective is to mitigate such risks and identify any potential opportunities to maximise our value to society, through responsible management of the business, incorporating the interests and expectations of the Parent's stakeholders. In this regard, in 2021, the Board of Directors approved the ESG Policy.

The Group worked in 2021, as in prior years, to assess qualitatively the risks and opportunities arising from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), will introduce the analysis of scenarios. According to that, we identified the potential impact of the risks and the probability of their occurrence, considering the substantial impacts, based on the following key elements: Governance, Strategy, Risk management, Metrics and objectives, classifying the impact as low, medium and high and defined in three time horizons, short, medium and long term. Following the impact assessment, the probability of the risk occurring should be evaluated. Likewise, we rolled out plans to make the best possible use of the opportunities that climate change may offer us, which will more than compensate for any potential impacts, albeit limited, that may arise.

In view of the business activities carried on by the Group, 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 these notes to the accompanying consolidated financial statements.

The Group considers that it complies with applicable environmental protection legislation and has procedures designed to ensure such compliance. In 2021 and 2020, the Group did not recognise any provisions to address potential environmental risks as it considered that there were no significant contingencies associated with potential lawsuits, compensation or other items. Lastly, the potential contingencies, compensation and other environmental risks that could be incurred by the Group are sufficiently covered by its third-party liability insurance policies.

24. Proposal of allocation of profit/loss

The proposed allocation of the Parent's net profit, formulated by the Board of Directors that will be presented at the next Parent's Annual General Meeting of the Shareholders, for 2021 is as follows:

	Thousands of Euros
Basis of allocation:	
Profit for the year	41,265
	41,265
Allocation:	
To dividends	21,453
To unrestricted reserves	19,812
Total	**41,265**

The proposed dividend of EUR 21,453 thousand corresponds to a gross amount of EUR 0.15 per share.

25. Segmented information

At 31 December 2021, the Group operates through four operating divisions and a holding division, each of which is considered to be a segment for financial reporting purposes.

The main operating segments are as follows:

- Applus+ Energy & Industry provides non-destructive testing, quality control and accreditation services, project management, supplier inspection, facility inspection and asset certification and integrity services. It also provides qualified staff recruitment and hiring services for the oil and gas, aircraft, energy, mining, telecommunications and construction industries.

- Applus+ Laboratories offers a wide range of laboratory testing, system certification, product development services across various industries and electronic payment systems, including the aerospace and industrial sectors.

- Applus+ Automotive offers mandatory vehicle roadworthiness testing services, verifying vehicles' compliance with safety and emissions regulations in force in the various countries in which it operates.

- Applus+ IDIADA offers design, engineering, testing and certification services mainly to car manufacturers.

a) Financial information by segment

The financial information, by segment, in the consolidated statement of profit or loss for 2021 and 2020 is as follows (in thousands of euros):

2021

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Revenue	942,458	153,214	456,756	224,296	22	**1,776,746**
Operating expenses	(883,027)	(127,637)	(356,853)	(204,841)	(29,145)	**(1,601,503)**
Adjusted Operating Profit	**59,431**	**25,577**	**99,903**	**19,455**	**(29,123)**	**175,243**
Amortisation of non-current assets identified in business combinations (Note 5)	(13,043)	(7,356)	(29,346)	(4,315)	-	**(54,060)**
Other results						**(19,685)**
Operating Profit						**101,498**

2020

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Revenue	907,335	92,928	355,847	201,482	22	**1,557,614**
Operating expenses	(865,954)	(83,194)	(273,320)	(189,970)	(26,773)	**(1,439,211)**
Adjusted Operating Profit	**41,381**	**9,734**	**82,527**	**11,512**	**(26,751)**	**118,403**
Amortisation of non-current assets identified in business combinations (Note 5)	(13,727)	(2,302)	(36,050)	(6,315)	-	**(58,394)**
Other results						**(177,429)**
Operating Profit						**(117,420)**

The Adjusted Operating Profit is the operating profit before the amortisation charge of the intangible assets allocated in the business combinations (PPA) (see Note 5), and other results (see Note 21.c).

The “Other results” are included under “Impairment and gains or losses on disposal of non-current assets” and “Other results” in the consolidated statement of profit or loss.

The "Other" segment includes the financial information corresponding to the Applus Group's holding activity.

The finance costs were allocated mainly to the "Other" segment as it is the Holding division who manages bank borrowings (see Note 14).

The current, non-current assets and liabilities, by business segment, at the end of 2021 and 2020 are as follows (in thousands of euros):

2021

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Goodwill	258,566	155,554	287,041	23,385	1,243	**725,789**
Other intangible assets	122,354	70,384	193,445	20,838	12,946	**419,967**
Rights of use	41,442	29,573	76,993	31,819	893	**180,720**
Property, plant and equipment	77,819	51,608	88,717	35,024	606	**253,774**
Investments accounted for using the equity method	520	-	-	-	-	**520**
Non-current financial assets	10,790	844	4,970	1,089	-	**17,693**
Deferred tax assets	22,882	2,392	8,335	3,881	23,534	**61,024**
Total non-current assets	**534,373**	**310,355**	**659,501**	**116,036**	**39,222**	**1,659,487**
Total current assets	**404,200**	**75,174**	**41,731**	**103,662**	**22,231**	**646,998**
Total liabilities	**328,323**	**107,305**	**265,407**	**129,981**	**809,123**	**1,640,139**

2020

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Goodwill	208,395	144,248	292,041	29,627	1,258	**675,569**
Other intangible assets	104,072	62,364	223,686	24,877	10,811	**425,810**
Rights of use	40,451	26,004	78,080	33,624	999	**179,158**
Property, plant and equipment	78,637	30,226	84,114	38,639	962	**232,578**
Investments accounted for using the equity method	542	-	-	-	-	**542**
Non-current financial assets	8,333	733	4,913	991	-	**14,970**
Deferred tax assets	21,535	1,940	9,202	3,210	28,273	**64,160**
Total non-current assets	**461,965**	**265,515**	**692,036**	**130,968**	**42,303**	**1,592,787**
Total current assets	**343,177**	**57,162**	**59,524**	**79,375**	**35,068**	**574,306**
Total liabilities	**277,522**	**95,800**	**287,004**	**123,490**	**749,404**	**1,533,220**

The additions to intangible assets and also to property, plant and equipment, by business segment, in 2021 and 2020 are as follows (in thousands of euros):

	Applus+ Energy &Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	**Total**
Capex 2021	19,228	15,022	16,772	9,970	2,085	**63,077**
Capex 2020	19,812	8,206	15,391	10,156	2,209	**55,774**

b) Financial information by geographic segment

Since the Group has presence in several countries, the financial information has been grouped geographically.

The sales, by geographical area, in 2021 and 2020, were as follows:

	Thousands of Euros	
	2021	2020
Spain	426,284	371,605
Rest of Europe	504,712	398,382
US and Canada	299,044	291,906
Asia and Pacific	205,163	179,542
Middle East and Africa	146,140	150,942
Latin America	195,403	165,237
Total	**1,776,746**	**1,557,614**

The non-current assets, by geographical area, in 2021 and 2020, are as follows (in thousands of euros):

Total non-current assets	Spain	Rest of Europe	US and Canada	Asia Pacific	Latin America	Middle East and Africa	Total
31 December 2021	806,432	417,291	199,300	142,373	73,086	21,005	**1,659,487**
31 December 2020	800,864	394,671	204,325	102,608	75,414	14,905	**1,592,787**

26. Leases

a) Amounts recognised in the consolidated statement of financial position

The amounts related to operating leases recognised in the consolidated statement of financial position as at 31 December 2021 and 2020 are as follows:

Rights of use

	Thousands of Euros	
	Net value	
	31/12/2021	31/12/2020
Rights of use		
Offices	116,242	121,269
Rights of use of facilities (fixed levies)	23,817	27,655
Vehicles	23,248	18,472
Machinery	11,118	6,295
Land	5,600	4,376
Hardware	695	1,091
Total	**180,720**	**179,158**

Lease liabilities

	Thousands of Euros	
	31/12/2021	31/12/2020
Maturity analysis - lease-related cash flows (not discounted)		
Within one year	54,509	51,553
Between one and five years	111,134	116,292
More than five years	50,686	50,343
Total lease-related cash flows (not discounted)	**216,329**	**218,188**

	Thousands of Euros	
	31/12/2021	31/12/2020
Lease liabilities		
Current	54,510	51,170
Non-current	141,968	144,379
Total	**196,478**	**195,549**

b) Amounts recognised in the consolidated statement of profit or loss

At 31 December 2021, the amounts related to leases recognised in the consolidated statement of profit or loss are as follows: amortisation of the right-of-use assets for an amount of EUR 52,400 thousand (2020: EUR 45,307 thousand), basically offices and vehicles; finance costs on lease liabilities for an amount of EUR 7,534 thousand (2020: EUR 7,552 thousand) (Note 22); operating expenses related to leases of low-value assets not considered in a short-term, short-term leases and, variable lease payments not included in the measurement of lease liabilities, for an amount of EUR 62,386 thousand (2020: EUR 44,633 thousand), which correspond, basically, to auto stations' variable rent levies of the Automotive division for an amount of EUR 37,488 thousand (2020: EUR 25,179 thousand); and income amounting to EUR 240 thousand (EUR 78 thousand in 2020) arising from contract modifications, basically as a result of terminations of leases which caused the de-recognition of the related right-of-use asset and lease liability.

In 2021, the consolidated EBITDA impact corresponds to minor operating lease expenses amounting EUR 60,336 thousand (2020: EUR 52,979 thousand).

c) Amounts recognised in the consolidated statement of cash flows

In the period ended at 31 December 2021, the total amount of cash outflows relating to leases amounted to EUR 60,336 thousand (2020: EUR 52,979 thousand).

d) Leases in which the Group acts as lessee

All amounts recognised in the consolidated statement of financial position relate to leases in which the Group acts as lessee.

The main rights of use assets of the Group include two levies of surface rights of Applus+ Laboratories in Bellaterra and Applus+ IDIADA in L'Albornar (Catalonia, Spain) with maturities 2033 and 2024 respectively.

In 2021 and 2020, the Group has not recognised gains or losses arising from sale and leaseback transactions.

Additionally, new lease contracts were registered as additions amounting to EUR 35 million, corresponding mainly to laboratories of companies acquired during 2021 (see Note 2.b.e.), vehicle inspection testing centres and extensions of equipment's and vehicle's contracts.

Lastly, it should be noted that no renegotiations were held that have led to reductions or forgiveness of rent or other economic incentives resulting in a significant positive effect on the consolidated statement of profit or loss.

27. Obligations acquired and contingencies

a) Guarantees and obligations acquired

The Group has guarantees required by the business activities of the Group companies amounting to EUR 114.4 million (31 December 2020: EUR 101.1 million), as shown in the following detail by segment (in millions of euros):

Guarantees provided	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
31 December 2021	65.8	8.6	31	4.5	4.5	**114.4**
31 December 2020	58.9	7.3	30.2	4.5	0.2	**101.1**

There are guarantees included in Applus+ Laboratories, Applus Automotive and Applus+ IDIADA divisions amounting to EUR 18.2 million (31 December 2020: EUR 18.3 million) provided to the Catalonia Autonomous Community Government in connection with the incorporation of the subsidiaries IDIADA Automotive Technology, S.A. and LGAI Technological Center, S.A. and with the management of vehicle roadworthiness testing service.

The guarantees provided by Applus+ Energy & Industry relate mainly to guarantees provided to companies or public-sector agencies as provisional or final guarantees to submit bids or to assume liability for contracts awarded.

The Group also has certain obligations and guarantees under the financing agreement (see Notes 14.a.1 and 14.a.2). 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 certain mergers, changes of business activity, share redemptions, and the financial obligation to achieve certain financial ratios, among others.

The Parent’s Directors do not expect any material liabilities as a result of the transactions described in this Note and in addition to those recognised in the accompanying consolidated statement of financial position.

b) Contingencies

b.1. Auto Catalonia

Current legislation on access to the provision of the vehicle roadworthiness testing activities (ITV) stipulates a quota-bound administrative authorisation system, which was challenged by certain operators on the basis that the Services Directive should be applicable and hence, a free market be set.

In line with the Judgment given by the European Court of Justice (in the Reference for preliminary ruling from the Spanish Supreme Court), which concluded that the Services Directive does not apply to roadworthiness testing activities as those are part of “services in the field of transport” falling within the scope of Title VI of the EU Treaty, the Supreme Court confirmed in its judgments of 21 April and 6 May 2016 that the Catalan ITV regime and the authorisations granted in 2010 to the Group until 2035, were in conformity with applicable law and additionally that restrictions on the maximum market share and minimum distance between roadworthiness testing centres of a single operator were void (as these restrictions to the freedom of establishment were not justified).

By judgment of 25 April 2016, the Supreme Court declared null the call for tender to access the authorisation of new roadworthiness testing centres provided as established under the territorial plan, as it included the restrictions of maximum market share and minimum distance between vehicle roadworthiness testing centres licensed to the same undertaking, which had been declared void.

In addition, in the referred judgment of May 6, 2016, the Supreme Court declared void the “Disposición Adicional Segunda” of the Decree 30/2010 that provided for the right to use the assets and rights owned by the Administration by those operators who had been originally concessionaires, as well as the Order regulating the economic consideration for the use of such assets (in a judgment of 4 May 2016). As a result, in another litigation opened before the High Court of Justice of Catalonia (TSJC), the latter has issued a judgment on 24 April 2017, declaring void the Instruction of the General Director of Energy, Mines and Industrial Safety defining the criteria set to define the economic consideration for the use of said public assets; this decision was finally upheld by the Supreme Court.

The Parent’s Directors believe that the 2016 judgments of the Supreme Court confirmed the validity of the roadworthiness testing activities’ regime in Catalonia - quota authorization- as well as the titles upon which Applus operates in that territory, however the Generalitat de Catalunya (Autonomous Government of Catalonia) shall implement the appropriate measures to comply with the Supreme Court judgments referred to above.

As of November 10th 2020 the Catalan Government approved a preliminary report for a draft bill on the automotive inspection services in Catalonia. On November 17th 2020, the Government approved a law-decree 45/2020 on the transitory and extraordinary authorisation to continue the automotive inspection services, which however was finally repealed by the Catalan Parliament on December 3rd. The process for the approval of a draft bill was started, with a public consultation period open and consultation with operators and stakeholders. More recently, the Catalan Parliament passed a Law 2/2021, of 29 December, of fiscal, financial, administrative and public sector measures (published on DOGC the 31 of December 2021) which incorporates an exceptional and transitory allowance for current authorized auto inspection operators so they continue rendering the service in the same conditions, until the reversion processes end and until a new law is passed by the Parliament, whilst potential new authorizations’ requests are suspended. Additionally, the law includes a requirement to the Government so that it presents a draft bill in twelve months from the application of the law.

b.2. Other contingencies

Two subsidiaries of the Group are facing a number of lawsuits from former employees regarding the amount of hours of over-time worked. In any case, the impact of these lawsuits would not be significant for the attached consolidated financial statements. The Parent’s Directors consider that the outcome of all above proceedings will not entail material additional liabilities to those in the consolidated financial statements at 31 December 2021.

At 2021 year-end, the Parent’s Directors were not aware of any significant claims brought by third parties or of any ongoing legal proceedings against the Group that, in their opinion, could have a material impact on these consolidated financial statements.

28. Transactions and balances with related parties

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

- The significant shareholders of Applus Services, S.A., are 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 Parent’s Board of Directors.

- The Directors and Senior Executive, as well close members of those persons' family. "Director" means a member of the Board of Directors and "Senior Executive" means persons reporting directly to the Board or to the Chief Executive Officer (CEO) of the Group.

- Associates of the Group.

The transactions between the Parent and its subsidiaries were eliminated on consolidation and are not disclosed in this Note.

The transactions between the Group and its related companies disclosed below, are performed at arm's length and in line with market conditions.

Transactions with related companies

In 2021 and 2020 the Parent and its subsidiaries performed the following transactions with related companies:

	Thousands of Euros					
	2021			2020		
	Operating revenue	Procurements	Other expenses	Operating revenue	Procurements	Other expenses
Velosi (B) Sdn Bhd	40	-	2	69	-	83
Total	**40**	**-**	**2**	**69**	**-**	**83**

The transactions with related companies correspond to commercial transactions.

Balances with related companies

a) Receivables from related companies:

	Thousands of Euros	
	Trade receivables from related companies	
	31/12/2021	31/12/2020
Velosi (B) Sdn Bhd	221	253
Total	**221**	**253**

b) Payables to related companies:

	Thousands of Euros	
	Trade and other payables to related companies	
	31/12/2021	31/12/2020
Velosi (B) Sdn Bhd	1	-
Total	**1**	**-**

The transactions and balances between the Applus Group and related parties (Directors and Senior Executives) are detailed in Note 29.

During 2021 and 2020 there have been no transactions and there are no significant amounts outstanding at year end with significant shareholders.

29. Disclosures on the Board of Directors and the Senior Executives

Remuneration and obligations to the Board of Directors

The detail of the remuneration (social benefits included) earned by the Executive Directors and by the different members of the Parent's Board of Directors at 2021 and 2020 year-end is as follows:

a) Annual remuneration:

	Thousands of Euros					
	31/12/2021			31/12/2020		
	Executive Directors	Members of the Board of Directors	Total	Executive Directors	Members of the Board of Directors	Total
Fixed remuneration	1,076	-	**1,076**	999	-	**999**
Variable remuneration	812	-	**812**	382	-	**382**
Other items	65	-	**65**	91	-	**91**
Non Executive Chairman and Independent Directors	-	648	**648**	-	620	**620**
Corporate Social Security Committee	-	52	**52**	-	46	**46**
Appointments & Compensation Committee	-	58	**58**	-	65	**65**
Audit Committee	-	90	**90**	-	83	**83**
Total	**1,953**	**848**	**2,801**	**1,472**	**814**	**2,286**

The fixed remuneration of the Executive Directors includes a portion in the form of RSUs amounting to EUR 58 thousand per year. In February 2019, 2020 and 2021, 5,838, 5,317 and 6,648 RSUs, respectively, were granted. These RSUs will be convertible to shares three years after the date on which they were granted. In February 2021 the Group effected delivery of 2,933 net shares relating to the plan granted in February 2018.

59.51% of the Executive Directors' variable remuneration is given in cash, with the rest comprising RSUs convertible to shares three years after the date on which they are granted, 30% of which are granted in each of the first two years and the remaining 40% are granted in the third year. These RSUs amounted to EUR 329 thousand in the year. At 2021 year-end, three RSU plans were in force, having been granted in March 2019, 2020 and 2021 for 30,607, 34,645 and 17,618 RSUs, respectively. In February 2021 the Group effected delivery of 12,471 net shares.

The plans in force at the end of the year in relation to the RSUs granted in 2019, 2020 and 2021 can be consulted in the Remuneration Report.

b) Long-term incentive (“LTI”):

Under the remuneration policy in force, the Executive Directors shall annually receive PSUs (performance stock units) that are convertible into shares of the Parent three years after the date on which they are granted. The expense recognised in 2021 in this connection amounted to EUR 489 thousand as a result of the fulfilment of the variables established for them. At 2021 year-end, three PSU plans were in force, having been granted in 2019, 2020 and 2021 for 50,874, 46,338 and 57,939 PSUs, respectively. The detail of the PSU plans in force can be consulted in the Remuneration Report. In February 2021 the Group did not effect the delivery of net shares relating to the plan granted in February 2018 due to the non-achievement of the variables established for them.

In 2021, the Executive Directors and the members of the Board of Directors did not earn or receive any termination benefits.

The pension plan benefits earned by the Executive Directors in 2021 amounted to EUR 45 thousand not included in the above table

At 31 December 2021, no loans or advances had been granted to the members of the Parent’s Board of Directors.

Applus Services, S.A. took out a third-party liability insurance policy. The insured persons under this policy are the Directors and Executives of the Group companies the Parent of which is Applus Services, S.A. The Parent's Directors are included among the insured persons of this policy. The premium paid in 2021 for this insurance policy amounted to EUR 156 thousand (2020: EUR 89 thousand).

The Parent's Board of Directors at 31 December 2021 is made up of 6 men and 4 women (7 men and 3 women at 31 December 2020).

Information relating to conflicts of interest on the part of the Parent's Directors

It is hereby stated that the Parent's Directors, their individual representatives and the persons related thereto do not hold any investments in the share capital of companies engaging in identical, similar or complementary activities to those of the Group 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.

Remuneration of and obligations to Senior Executives

Senior Executives are considered to be those who make up the Group's Management. For the purposes of information on remuneration the internal auditor is also included, as defined in current accounting legislation and, in particular, in the "Report of the Special Working Group on the Good Governance of Listed Companies" published by the Spanish National Securities Market Commission (CNMV) on 16 May 2006.

The breakdown of the remuneration earned in 2021 and 2020 by the Group's Senior Executives is as follows:

a) Annual remuneration:

	Thousands of Euros	
	2021	2020
Fixed remuneration	3,706	3,730
Variable remuneration	1,742	1,060
Other items	561	477
Termination benefits	1,456	204
Pension plans	85	128
Total	**7,550**	**5,599**

The fixed remuneration of certain Senior Executives includes a portion in RSUs amounting to EUR 232 thousand, which are convertible to shares three years after the date on which they are granted. The plans in force at the end of 2021 relate to shares granted in February 2019, 2020 and 2021 for 29,504, 20,370 and 26,473 RSUs, respectively. In February 2021 the Group effected delivery of 11,150 net shares relating to the plan granted in February 2018.

68.2% of the Senior Executives' variable remuneration is given in cash, with the rest comprising RSUs convertible to shares three years after the date on which they are granted, 30% of which are granted in each of the first two years and the remaining 40% are granted in the third year. Additionally, certain members of the Group's Senior Executives have a LTI variable incentive granted on a discretionary basis in February. The RSU plans in force at the end of 2021 relate to the RSUs granted in February 2019, 2020 and 2021 for 79,069, 81,598 and 70,291 RSUs, respectively. In March 2021 the Group effected delivery of 47,595 net shares relating to the plans granted in 2018 (40%), 2019 (30%) and 2020 (30%). EUR 887 thousand were charged to the consolidated statement of profit or loss for 2021 in this connection.

In 2021, EUR 1,456 thousand of termination benefits were registered (EUR 204 thousand in 2020).

b) Multiannual remuneration and long-term incentive in PSUs:

Under the current remuneration policy, certain members of the Group's Senior Executives annually receive PSUs (performance stock units) that are convertible into shares of the Parent three years after the date on which they are granted. The expense recognised in this connection amounted to EUR 333 thousand in 2021 as a result of the achievement of the variables established for them. The PSU plans in force at the end of 2021 relate to the PSUs granted in February 2019, 2020 and 2021 for 39,507, 30,624 and 30,747 PSUs, respectively. In February 2021 the Group did not effect the delivery of net shares relating to the plan granted in February 2018 due to the non-achievement of the variables established for them.

Also, the Group has life insurance obligations to certain Senior Executives; the related expense is included under "Other Items" in the tables above.

The Group's Senior Executives, not counting the internal auditor, comprised 14 men and 4 women at 31 December 2021 (15 men and 3 women at 31 December 2020).

30. Events after the reporting period

The Board of Directors of the Parent Company has approved on 26th January 2022 to launch a programme to buy back the Company's shares, pursuant to the authorisation granted by the General Meeting of Shareholders of the Company held on 29 May 2020, under item Seventh of its agenda. The Programme shall be carried out with the aim of reducing the Company's share capital by the redemption of the treasury shares acquired under the Programme. Such share capital reduction is expected to be submitted for approval at the Annual General Meeting of Shareholders of 2022. The Share Buyback Programme's maximum net investment amounts to Eur 75,000,000. The maximum number of Company's shares to be acquired under the Share Buyback Programme, is set at 7,150,922 shares, representing 5% of the share capital as of this date. The Share Buyback Programme will start on 1 February 2022, and will remain in force until 31 January 2023, both included. Further details of the terms and conditions of the Programme can be found on the CNMV Inside Information dated 27th January 2022.

The Programme shall be carried out in accordance with the provisions of Regulation (EU) 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse ("Regulation (EU) 596/2014") and of Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016, supplementing Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buyback programmes and stabilisation measures ("Delegated Regulation (EU) 2016/1052").

31. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.a). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform to other generally accepted accounting principles and rules.

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

Appendix I - Companies included in the scope of consolidation

Name	Applus Servicios Tecnológicos, S.L.U	Azul Holding 2, S.à.r.l.	Libertytown RE, SA	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 Iteuve Brasil Serviços LTDA
Registered office	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	7, rue Robert Stümper | L-2557–Luxembourg (Luxembourg)	23 avenue Monterey, L-2163 (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)	Avenida Paulista 726, Cj. 1207, 12ª andar, Sala 36, Sao Paulo (Brazil)
Line of business	Holding company	Holding company	Captive reinsurance 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	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
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

Name	Applus Technologies, Inc.	Janx Holding, Inc	Jan X-RAY Services, Inc.	Libertytown USA 1, Inc.	Libertytown USA Finco, Inc.	Applus Iteuve Technology, S.L.U	IDIADA Automotive Technology, S.A	Applus Argentina, S.A.
Registered office	3225 Gateway Road, Suite 450, Brookfield, WI 53045 (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)	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)
Line of business	Vehicle roadworthiness testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Holding company	Holding company	Vehicle roadworthiness testing	Engineering, testing and certification	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	100%	100%	80%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	IDIADA Fahrzeugtechnik, GmbH.	CTAG-Idiada Safety Technology, S.L.	Applus Chile, S.A.	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
Registered office	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)	Polígono Ugaldeguren I Parcela 8, 48710 Zamudio, Vizcaya (Spain)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)	Høje Taastrup Boulevard 23, 2th, 2630 Taastrup (Denmark)	Prazska 320/8,500 04, Hradec Králové (Czech Republic)	Joukahaisenkatu 6, 20520 Turku Finland
Line of business	Engineering, testing and certification	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	80%	40%	100%	100%	100%	100%	80%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Inspecció Tècnica de vehicles i serveis, S.A.	Idiada Automotive Technology India PVT, ltd	Shangai IDIADA Automotive Technology Services Co., Ltd	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
Registered office	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)	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, nª 342, Vila Margarida, CEP 09750-060 (Brasil)	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)
Line of business	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Holding company	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Engineering, testing and certification
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	50%	80%	80%	100%	100%	80%	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 Iteuve Galicia, S.L.U.	Inversiones Finisterre, S.L.	Supervisión y Control, S.A.U.	RITEVE SyC, S.A.	Inspecciones y Avalúos SyC, S.A.	Idiada Automotive Technology Rus, LLC	Applus Idiada Karco Engineering, LLC	IDIADA Automotive Technology USA, LLC
Registered office	Ctra. N-VI, Km. 582,6 - 15168 Espiritu Santo - Sada, A Coruña (Spain)	Estación I.T.V. de O Espíritu Santo.Ctra. N-VI, Km. 582 15168 Espiritu Santo - Sada, A Coruña (Spain)	Estación I.T.V. de O Espíritu Santo.Ctra. N-VI, Km. 582 - 15168 Espiritu Santo - Sada, A Coruña (Spain)	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)	Russian Federation, 603004, Nijniy Novgorod, prospect Lenina, 115 (Russia).	9270 Holly Road. 92301 Adelanto, Califorina (USA)	9270 Holly Road, Adelanto, CA 92301 (USA).
Line of business	Holding company	Holding company	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Engineering, testing and certification
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	80%	80%	44%	44%	80%	67%	80%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	CTAG - Idiada Safety Technology Germany, GmbH	Inversiones y Certificaciones Integrales SyC, S.A.	Applus Inspection Services Ireland, Ltd.	Idiada Automotive Technology Mexico S de RL de CV	Iteuve Canarias, S.L.	Iteuve Canarias Aeropuerto el Matorral, S.L.	Iteuve India Private Limited	Besikta Bilprovning i Sverige Holding AB
Registered office	Manfred-Hochstatter-Straße 2, 85055 Ingolstadt (Germany)	Heredia-Heredia Ulloa, exactamente en Lagunilla, cien metros este de la Bomba Uno, edificio a mano derecha color blanco (Costa Rica)	3026 Lake drive, Citiwest business campus, Naas Road, Dublin 24 (Ireland)	Carretera Lateral Mexico Puebla, 7534, 72110, Puebla (Mexico)	Los Rodeos, Camino de San Lázaro, 166, 38206 San Cristobal de la Laguna, Santa Cruz de Tenerife (Spain)	C/ Concejal Garcia Feo, número 30, Las Palmas de Gran Canaria, Las Palmas (Spain)	1 & 2 Upper Ground Floor, Kanchenjunga Building 18, Barakhamba Road, Connaught Place New Delhi 110001 (India)	Källvattengatan 7, SE-212 23 MALMÖ (Sweden)
Line of business	Engineering, testing and certification	Business and management services advice	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	40%	89%	100%	80%	100%	50%	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	Besikta Bilprovning i Sverige AB	ClearCar AB	CRpplus Services Costa Rica S.A.	Applus Iteuve Mexico, SA de CV	ZYX Metrology S.L.U.	Reliable Analysis Inc.	Shanghai Reliable Auto Analysis Testing Ltd.	Liuzhou Reliable Auto Analysis Testing Ltd.
Registered office	Källvattengatan 7, SE-212 23 MALMÖ (Sweden)	Källvattengatan 7, SE-212 23 MALMÖ (Sweden)	Provincia de Heredia, cantón Heredia, distrito Ulloa, cien metros Este de la estacion de servicio UNO, oficinas centrales del Country Manager (Costa Rica)	Boulevard Manuel Avila Camacho, 184, piso 4° "b" – Colonia Reforma Social, Miguel Hidalgo - 11650 Ciudad de México (Mexico)	Torre Mateu nº 29, de Ripollet (Spain)	32201 N. Avis Drive, Madison Heights, MI 48071 (USA)	12A, Lane 1365, Kangqiao East Road, Kangqiao Industrial Zone, Pudong New Area, Shanghai (China)	No.417, 4th Floor, Building 7, No.12 Fuxin Road, Liuzhou (China)
Line of business	Vehicle roadworthiness testing	Vehicle roadworthiness testing	General trading activity	Vehicle roadworthiness testing	Performing engineering, industrial metrology, calibration and legal metrology services	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	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	Shanghai Reliable Testing Technology Ltd.	QPS Evaluation Services Inc	QPS America, Inc	QPS Europe B.V.	Applus Ingenieria y Consultoria, SAS	Adicora Servicios de Intermediación de Ingeniería, S.L.U	Ingeniería, Estudios y Construcciones, S.A.U.	Shanghai Reliable Analysis Scientific Testing Co., Ltd.
Registered office	Building 5, No.450 Yinxi Road, Jiuting Town, Songjiang District, Shanghai (China)	8-81 Kelfield Street, Toronto, Ontario, M9W 5A3 (Canada)	2271 Centreville Road, Suite 400, Wilmington, Delaware, 19808 (USA)	Berg en Dalsewerg 122, 6522 BW Nijmegen (The Netherlands)	Calle 17, núm. 69-46 Bogotá (Colombia)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Calle Alameda de Urquijo, 28, 48010 Bilbao (Spain)	Building 1, No. 1288, Huateng Road, Huaxin Town, Qingpu District, Shanghai (China)
Line of business	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers	Testing, certification, field evaluation and other related services to enable customers to meet their regulatory, national and international requirements, including but not limited to those related to the product safety of electrical & electronic equipment	Testing, certification, field evaluation and other related services to enable customers to meet their regulatory, national and international requirements, including but not limited to those related to the product safety of electrical & electronic equipment	Testing, certification, field evaluation and other related services to enable customers to meet their regulatory, national and international requirements, including but not limited to those related to the product safety of electrical & electronic equipment	Civil engineering and consulting services in energy, rail and road infrastructure, building, sanitation and supply and telecommunications	Technical advice and project implementation and execution.	Industrial engineering studies and projects.	Certification services, inspection ans testing services.
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	88%	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	IMA Materialforschung und Anwendungstechnik GmbH	WIAM GmbH	SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH	Enertis Solar, S.L.U.	Enertis UK Limited	Enertis Solar, Inc	Enertis Mexico S.A. de C.V.	Enertis Colombia S.A.S.
Registered office	Wilhelmine-Reichard-Ring 4, 01109 Dresden (Germany)	Wilhelmine-Reichard-Ring 4, 01109 Dresden (Germany)	Wilhelmine-Reichard-Ring 4, 01109 Dresden (Germany)	Avda De Bruselas 31, 1 ºA, 28108, Alcobendas, Madrid (Spain)	Devonshire House, 60 Goswell Road, EC1M7AD, London (UK)	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, Delaware (US)	Hamburgo 213-15 Despacho C, 06600, Ciudad de Mexico (Mexico)	Calle 98 # 10- 32 Oficina 302, Bogotá D.C (Colombia)
Line of business	Renders technical and scientific services and research, in the fields of materials testing, components, structural and product testing and inspections, certification and calibration in general. Development and distribution of software and databases for material and testing application	Development and commercialization of software technology and software products. Commercialization of licenses of rights of use of software technologies.	Conducts research in the area of technical mechanics, especially structural and mechanics of material.	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
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	Enertis Chile, SpA	Enertis S.A.S.	Enertis South Africa (PTY) Ltd	Enertis AM Chile, SpA	Applus Organismo de Control, S.L.U.	LGAI Technological, Center, S.A.	Applus México, S.A. de C.V.	LGAI Chile, S.A.
Registered office	Nueva de Lyon 145 oficina 503, Providencia, Santiago de Chile (Chile)	Uruguay 469 10º C 1015, Buenos Aires (Argentina)	1st floor convention towers - CNR Heerengracht & walter sisulu streets - 8001 - Ciudad del Cabo (Republic of South Africa)	Nueva de Lyon 145 oficina 503, Providencia, Santiago de Chile (Chile)	Carretera Nacional N-VI, Km. 582,6, 15168 – Sada, A Coruña (Spain)	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)
Line of business	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Inspection, quality and quantity control and regulatory inspection	Certification	Quality system audit and certification	Quality system audit and certification
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	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	Applus Costa Rica, S.A	Applus Norcontrol, S.L., Sociedad Unipersonal	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.
Registered office	Oficentro Ejecutivo La Sabana, Edificio 6, 4 piso, San José (Costa Rica)	Crta. Nacional VI-Km 582, 15168, Sada, A Coruña (Spain)	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)	Agustinas Nº 640, Piso 9, 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 Pínula (Guatemala)
Line of business	Quality system audit and certification	Inspection, quality control and consultancy services	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	95%	100%	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	Applus Norcontrol Colombia, Ltda	Norcontrol Nicaragua, S.A.	Röntgen Technische Dienst Holding BV	Applus Czech Republic, s.r.o.	Applus RTD Deutschland inspektions-Gesellschaft, Gmbh	Röntgen Technische Dienst B.V.	RTD Quality Services, Inc (Canada)	RTD Quality Services Nigeria Ltd.
Registered office	Calle 17, núm. 69-46 Bogotá (Colombia)	Colonia Los Robles, Km. 6,500 Carretera Masaya, Managua (Nicaragua)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	U Stadionu 89, 530 02 Pardubice (Czech Republic)	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	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	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	Certification services through non-destructive testing
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	96%	95%	100%	100%	100%	100%	100%	49%
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 PTE, Ltd (Singapore)	Applus Colombia, Ltda.	Applus (Shangai) Quality inspection Co, Ltd	Applus RTD Certification, B.V.	Applus PTY, Ltd (Australia)	Arctosa Holding, B.V.
Registered office	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Industriestr. 34. D-44894, Bochum (Germany)	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)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)
Line of business	Certification services through non-destructive testing	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	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	95%	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	Libertytown USA 2, Inc.	Libertytown Australia, PTY, Ltd.	Applus UK, Ltd	Applus RTD SP, z.o.o.	Applus Energy, S.L.U.	RTD Slovakia, s.r.o.	APP Management, S. de R.L. de C.V.	Libertytown Applus RTD Germany Gmbh
Registered office	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)	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)
Line of business	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	Provision of professional, technical, administrative and human resources services	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
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	Applus Norcontrol Maroc, Sarl	Applus RTD Gulf DMCC.	Applus Qualitec Serviços de Engenheria, Ltda.	Applus Lgai Germany, Gmbh	BK Werstofftechnik-Prufstelle Für Werkstoffe, Gmbh	Ringal Brasil Investimentos, Ltda.	Assinco-Assesoria Inspeçao e Controle, Ldta	Applus Norcontrol Perú, S.A.C.
Registered office	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, nª450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Zur Aumundswiede 2, 28279 Bremen (Germany)	Zur Aumundswiede 2, 28279 Bremen (Germany)	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nª450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Rua Petrovale, quadra 01, lote 10, integrante da area B, nº 450, Bloco 2 - 1º andar, Bairro Distrito Industrial Marsil, EP 32400-000 Cidade de Ibirité, Estado de Minas Gerais (Brazil)	Avenida el Derby, 254, Oficina 901. Edificio Lima Central Tower. Surco. Lima (Peru)
Line of business	Inspection, quality control and consultancy services	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification	Certification	Holding company	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	100%	100%	95%	95%	100%	100%	96%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Kiefner &Associates Inc.	John Davidson & Associates PTY, Ltd	Applus PNG Limited	PT Applus Energi dan Industri	Applus Norcontrol Consultoría e Ingeniería, SAS	Applus Mongolia, LLC	Applus Laboratories, AS.	Applus Arabia L.L.C
Registered office	4480 Bridgeway Avenue, Suite D, Columbus, Ohio 43219 (USA)	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (Australia)	Unit 11, Section 53, Allotment 15 & 16, Ume Street, Gordons, Port Moresby, National Capital District (Papua New Guinea)	Gedung Pondok Indah Office Tower 2, Lantai 16, Suite 1602, Jalan Sultan Iskandar Muda Kav. VTA RT 004 RW 003 Pondok Pinang Kebayoran Lama, Jakarta Selatan 12310 (Indonesia)	Calle 17, núm. 69-46 Bogotá (Colombia)	The Landmark, 7th Floor, Chinggis Avenue – 13, Sukhbaatar District, Ulaanbaatar (Mongolia)	Langmyra 11, 4344 Bryne (Norway)	Building No.500 Office 19 Al Sahaba Rd. Ishbiliyah - Riyadh (Saudi Arabia)
Line of business	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	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	0%	94%	100%	95%	74%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Portugal, Lda	Ringal Invest, S.L.U	Applus Velosi DRC, Sarl.	Ingelog Consultores de Ingeniería y Sistemas, S.A.	Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.	Ingeandina Consultores de Ingeniería, S.A.S.	Ingelog Costa Rica S.A.	NRAY Services, Inc.
Registered office	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)	Agustinas Nº 640, Piso 9, Santiago de Chile (Chile)	Ciudad de Guatemala (Guatemala)	Calle 17, núm. 69-46 Bogotá (Colombia)	Mata Redonda, Sabana Sur, Oficentro Ejecutivo la Sabana, torre 6, piso 4, oficinas T&L Consultores, San José (Costa Rica)	56A Head Street, Dundas, ON L9H 3H7 (Canada)
Line of business	Inspection, quality control and consultancy services	Holding company	Provision of permanent contract services	Counselling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counselling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counselling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counselling and consulting services in the areas of engineering, infrastructure, environment, etc.	Inspection of the based neutron radiation services
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	100%	100%	100%	100%	100%	98%	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 USA Aerospace Holding, Inc.	X-RAY Industries, Inc.	Applus Laboratories USA, Inc.	Arcadia Aerospace Industries, Llc.	Applus RTD USA Services, Inc.	Libertytown USA 3, Inc.	Applus Management Services, Inc.	SKC Engineering Ltd
Registered office	5700 Crooks Rd. Suite 450 Troy, MI 48089 (USA)	5700 Crooks Rd. Suite 450 Troy, MI 48089 (USA)	615 S. DuPont Highway, Kent County, Dover, Delaware 19901 (USA)	28000 Mooney Avenue, Building #110, Punta Gorda Florida 33982 (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)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)
Line of business	Holding company	X-ray metallurgical, management, retail equipment, equipment manufacturing, non-destructive; testing services	Holding company	Industrial contract and inspection services	Any lawful act or activity in order for companies to organize themselves under the Delaware General Corporation Law	Any lawful act or activity in order for companies to organize themselves under the Delaware General Corporation Law	Provision of professional, technical, administrative and human resources services	Ensure quality, training, inspection, proof and design and welding engineering services.
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	95%	86%	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	MxV Engineering,Ltd	Applus Norcontrol República Dominicana, S.R.L	Emilab, SRL	AC6 Metrología, S.L.	Applus RVIS, B.V.	Applus Servicios Integrales, S.A.S.	Tunnel Safety Testing, S.A.	Trámites, Informes, Proyectos, Seguridad y Medio Ambiente, S.L.U.
Registered office	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)	Plaza El Avellano, Calle Dr. Jacinto Ignacio Mañón No. 5 Local No. 08 Primer Piso. Ensanche Paraíso, Santo Domingo (Dominican Republic)	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)	Calle 17 # 69 - 46, Bogotá (Colombia)	LG Centro Experimental San Pedro de Anes s/n, Siero 33189, Asturias (Spain)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)
Line of business	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	Inspection, quality control and consultancy services	Fire testing in tunnels, fire suppression product testing and fire training.	Inspection, quality control and consultancy services
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	95%	95%	95%	51%	95%	89%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	3C Test Limited	DatapointLabs, Llc.	DatapointLabs India, Inc.	Matereality, Llc.	Applus Middle East Engineering Consultancy, LLC	SARL Apcontrol Energie et Industrie Algerie	Talon Test Laboratories (Phoenix) Inc.	Talon Test Laboratories Incorporated
Registered office	Silverstone Technology Park, Silverstone Circuit, Silverstone, Towcester, Northamptonshire, NN12 8GX (UK)	23 Dutch Mill Rd, Ithaca, New York 14850 (USA)	23 Dutch Mill Rd, Ithaca, New York 14850 (USA)	23 Dutch Mill Rd, Ithaca, New York 14850 (USA)	Office 201, Abu Dhabi Business Hub, Building B, Mussafah (United Arab Emirates)	Planta 12 Centre Commercial et d'Affaires El Qods, Chéraga, Argel (Algeria)	5700 Crooks Rd. Suite 450 Troy, MI 48089 (USA)	5700 Crooks Rd. Suite 450 Troy, MI 48089 (USA)
Line of business	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.	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	95%	95%	95%	47%	47%	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	Laboratorio de Ensayos Metrológicos, S.L.	A2M Industries, SAS (A2MI)	Applus Tanzania Limited	Applus and Partner Engineering Consultancy	Applus Fomento de Control, S.A.	Servicios SEFF S.A. Chile	LEM Laboratorios y Asistencia Técnica Limitada Chile	TIC Investments Chile SpA
Registered office	Avenida Can Sucarrats, 110, nave 11, Rubí (Spain)	ZA du Parc - Secteur, Rue de la Gampille, 42490 Fraisses (France)	Kimwery Avenue, Msasani, Tirdo Complex, Dar Es Salaam (Tanzania)	Building No. 500, Office 20, Al Sahaba Rd crossing with Imam Abdullah Ibn Saud Ibn Abdulaziz Rd, Ishbiliyah, 3795. Riyadh (Saudi Arabia)	11, rue El Wahda, Résidence Imam Ali, Apt 2, Casablanca (Morocco)	Calle Potrerillos N°4141, Puerto del Inca, ciudad de Calama (Chile)	Avenida Huaytiquina N°1601, ciudad de Calama (Chile)	Avenida Huaytiquina N°1601, ciudad de Calama (Chile)
Line of business	Laboratory of metrological tests and calibration of measuring instruments	Mechanical and material tests.	Provision of services, training and consulting, including though not limited to inspection, testing, verification, NDT services, maintenance and technical assistance for the industrial and construction sectors and related areas, as well as the consulting activities for business and management.	Engineering consultancy services	The provision of verification services for industrial products imported into the Kingdom of Morocco (Law No. 24-09, Morocco)	Personnel Transport	Development of projects, consultancies and technical quality control consultants for construction, referring to the quality of materials and industrial elements used for construction and its condition of application of building works.	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	95%	75%	48%	85%	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 Brasil Investimentos, Ltda
Registered office	Rua Dom José de Barros, nº 177, 6ª andar, conjunto 601, sala 602, Vila Buarque, CEP 01038-100, Sao Paulo (Brazil)
Line of business	Holding company
Active / Inactive	Active
Ownership interest held by Group companies:	
Direct	-
Indirect	100%
Method used to account the investment	Full consolidation

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. Inflancka 4 00-189 Warszawa (Poland)	Unit 18 Dawkins Road Poole BH15 4JY (UK)	Unit 18 Dawkins Road Poole BH15 4JY (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	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
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	Applus International Italy, Srl	Applus Italy, SRL	Applus Norway A/S	Applus Turkey Gozetim Hizmetleri Limited Sirketi	Velosi LLC	Velosi Malta I Ltd	Velosi Malta II Ltd	Velosi Industries Sdn Bhd
Registered office	23807 Merate (LC), via De Gasperi, 113, Merate (Italy)	Via Cinquantenario, 8 - 24044 Dalmine, Bergamo (BG) (Italy)	Sveiogata 40, 5514 Haugesund (Norway).	1042. Cadde 1319.Sokak No.9/5 Ovecler, Ankara (Turkey)	Azadlig Avenue 189, Apt 61, AZ1130 Baku (Azerbaijan)	The Bastions, Office No. 2 Emvim Cremona Street, Floriana, FRN 1281 (Malta)	The Bastions, Office No. 2 Emvim Cremona Street, Floriana, FRN 1281 (Malta)	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).
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	Investments, investment property and provision of engineering services
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
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

Name	Applus Malaysia Sdn Bhd	Velosi Plant Design Engineers Sdn Bhd	Applus Singapore PTE Ltd	Velosi (HK) Ltd	Velosi Saudi Arabia Co Ltd	Applus China Co., Ltd	Velosi Siam Co Ltd	Applus (Thailand) Company Limited
Registered office	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia)	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)	11/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong (China)	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)	412, Sukhumvit 95, Bang Chak, Phra Khanong, Bangkok 10260 (Thailand)	412, Sukhumvit 95, Bang Chak, Phra Khanong, Bangkok 10260 (Thailand)
Line of business	Provision of engineering and inspection services	Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess	Provision of specialized 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 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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	60%	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 Corporate Services Sdn Bhd	Velosi International Holding Company BSC (c)	Velosi Certification Services LLC	Velosi Certification for Consulting CO. W.L.L.	PT Java Velosi Mandiri	Velosi Certification WLL	Velosi PromService LLC	Velosi LLC
Registered office	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)	# 201, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi (United Arab Emirates)	Yaal Mall, Al Fahaheel, Al Dabbous Street, Block# 11, Building# 11, 11th Floor, Office# 12 (Kuwait)	Pondok Indah Office Tower 2, 16th Floor, Suite 1602, Jl. Sultan Iskandar Muda Kav. VTA Pondok Indah, Jakarta Selatan 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)	Kurilskaya Str., 38, 693000 Yuzhno-Sakhalinsk, Sakhalin Region, (Russia)
Line of business	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	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	49%	24%	0%	24%	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 Bahrain WLL	Velosi LLC	Velosi Quality Management International LLC	Applus Kazakhstan LLC	Velosi (B) Sdn Bhd	Velosi Certification Services LLC	Velosi Philippines Inc	Dijla & Furat Quality Assurance, LLC.
Registered office	Flat 11, Building 1033, Road 3721, Block 337, Menama / UMM Alhassam (Bahrain)	Block no 227 Stella Building, Post Box 231 Hamriya. Way nº 2748 (Oman)	Unit 201, 2nd floor, Emaar Business Park 4, Sheikh Zayed Road, The Greens, PO Box 337201, Dubai (United Arab Emirates)	Building #31A, Akzhal lane, Atyrau, Atyrau Oblast, 060002 (Kazakshtan)	Lot 5211, Spg. 357, Jln 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)	Ramadan Area, District 623-S, No.1, Baghdad (Iraq)
Line of business	Provision of quality control and standardization services, industrial inspection services and general services	Provision of certification, engineering and inspection services	Provision of certification, engineering and inspection, onshore and/or offshore 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 quality control and training services
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	50%	49%	80%	30%	80%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Equity method	Full consolidation	Full consolidation	Full consolidation

Name	Applus Korea Co, Ltd.	Oman Inspection and Certification Services	Applus Japan KK	Applus Senegal SURL	Soil and Foundation Company Limited	Geotechnical and Environmental Company Limited	Soil and Foundation Company Limited Egypt	Applus Steel Test (Pty) Ltd
Registered office	194 Myeongbonggeonam-ro, Onsan-eup, Ulju-gun, Ulsan (Republic of Korea).	P.O. Box 15, South Alkhuawir, Bawshar, Muscat Governorate (Oman)	Yamauchi Building 3F 3-24-8 Nishi Shimbashi, Minato-ku, Tokyo (Japan).	Almadies, route de Ngor, immeuble SIA, 14er étage, Dakar (Senegal)	Jeddah. Al Faisalliyah District. Sari Street. Building Number 2969 (Saudi Arabia)	Riyadh. King Abdulaziz District. Salah Aldeen Al Ayoubi Street (Saudi Arabia)	Villa7, Block8, Street9, Al Tijarien City, Mokattam, Cairo (Egypt)	28 Senator Rood Road, 1939 Vereeniging (Republic of South Africa)
Line of business	Provision of training and consulting for services related to technical engineering, hiring-out of manpower and materials and leasing of properties.	Provision of non-destructive testing services (NDT), environmental and safety services (HSE), quality control and engineering services.	Provision of quality and inspection services, man power, NDT tests and industrial consulting	Provide quality assurance and quality control services to the oil and gas industry in Senegal and in the CDEAO	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Pipe and steel thickener testing
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	50%	100%	100%	74%	74%	100%	75%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Velosi (Ghana) Ltd	Velosi Superintendend Nigeria Ltd	Velosi Uganda LTD	Applus Velosi SA (Pty) Ltd	Velosi Gabon (SARL)	Applus Steel Test Secunda (PTY), LTD.	Applus Velosi Egypt, LLC	Velosi Mozambique LDA
Registered office	2nd Floor, Design House, Ring Road East, Accra (Ghana)	3A Alabi Street, Off Toyin Street, Ikeja - Lagos (Nigeria)	3rd Floor, Rwenzori House, Plot 1, Lumumba Avenue, PO Box 10314 Kampala (Uganda)	128 Senator Rood Road, 1939 Vereeniging (Republic of South Africa)	Cité Shell, Port-Gentil in Gabon, BP: 2 267 (Gabon)	11 Viscount, Road Bedfordview 2007, (Republic of South Africa)	27, Ali El-Gendy St., Nasr City, Cairo (Egypt)	Avenida Kim Il Sung, 961 - Bairro Sommershield - Distrito Urbano 1, Maputo Cidade (Mozambique)
Line of business	Provision of inspection, quality control and certification services	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	Provision of business consulting and management services	Provision of services related with the quality of the oil and gas industries	Provision of security and environmental services (HSE), quality control and engineering in the oil and gas sector.	Inspection of pipes and steel thickness	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	49%	30%	100%	100%	75%	100%	100%	74%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Velosi Angola, Lda.	Applus India Private Limited	Applus Mozambique Limitada	K2 Do Brasil Services Ltda	Applus Velosi America LLC	Applus Velosi Canada Ltd	Applus K2 America, LLC	Velosi Australia Pty Ltd
Registered office	Condominio Mirantes de Talatona, Rua das Acácias, casa B13, Luanda (Angola)	#402, Vijaysri Nivas, Prakash Nagar, Begumpet, Hyderabad – 500 016. Telenagana (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)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA).	2600 Manulife Place 10180 - 101st Street, Edmonton, AB T5J 3Y2 (Canada)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (Australia)
Line of business	Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialized 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 quality inspections 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	Provision of labor supply services for the oil and gas industries	Provision of labor supply services for the oil and gas industries	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	49%	100%	49%	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

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

Appendix II - Out of the scope of consolidation

Name	Velosi Turkmenistan	Velosi Services L.L.C. (Russia)	Velosi Cameroun Sàrl	Applus Velosi Kenya Limited	Velosi Do Brasil Ltda	Idiada Homologation Technical Service, S.L.U.	Applus Centro de Capacitación, S.A.	Applus RTD UK Holding, Ltd
Registered office	Ashgabat City, Kopetdag District, Turkmenbashy, Avenue, No. 54 (Turkmenistan)	Kommunistichesky prospect, 32, suit 610, Yuzhno-Sakhalinsk, Sakhalin Region (Russia)	Douala, PO Box 15805, Akwa (Cameroon)	3rd floor, Kiganjo House, Rose Avenue Off Denis Pritt Road L.R No 1/1870, Nairobi P.O.Box 50719 - 00200, Nairobi (Kenya).	Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro (Brazil)	L'Albornar s/n 43710 Santa Oliva - Tarragona (Spain)	Agustinas Nº640, Piso 9, Santiago de Chile (Chile)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)
Line of business	No line of business	No line of business	No line of business	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	No line of business	Engineering, testing and certification	Provision of training services	Holding company
Active / Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	98%	80%	95%	100%

Name	Velosi Asia Kish (Iran)	Velosi Energy Consultants Sdn Bhd	Velosi CBL (M) Sdn Bhd	Velosi Ukraine LLC	Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power, LLC.	Midstream Technical Inspection Services, LLC	QA Management Services Pty Ltd	Velosi Jorson Sdn Bhd (Brunei)
Registered office	No. 7, Second Floor, Block B28, Pars Commercial Complex, South-West of the Port Area (Iran)	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)	5A Piterska Street, 03087 Kyiv (Ukraine)	Al-Shamasiyah District Section No. 316 Street 15 house 37|1, Basra (Iraq)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (Australia)	LOT 5211. Simpang 357, Jalan Maulana, Kuala Belait KA2931, Brunei Darussalam (Brunei)
Line of business	No line of business	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, platforms, petrochemical plants and the supply of qualified labor	Provision of equipment inspection services	Provision of auxiliary services in the oil and natural gas industries	Buy, lease, ownership of personal property, intellectual property and the sale of said goods	Supply of certifications for pipelines belonging to the oil and gas sector	Provision of quality assurance services, such as worldwide inspection and ISO 9000 Quality Management Consultancy, training courses, quality control software packages and specialized labor services	Provision of non-destructive testing services (NDT), technological development, transformation and technical consulting.
Active / Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	97%	100%	100%	100%	100%	100%	100%	15%

Name	Janx Integrity Group Inc.
Registered office	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)
Line of business	No line of business
Active / Inactive	Inactive
Ownership interest held by Group companies:	
Direct	-
Indirect	100%

This declaration is a translation for informative purposes only of the original document issued in Spanish, which has been signed for approval by every Board member. In the event of discrepancy, the Spanish-language version prevails.

The Board of Directors of Applus Services, S.A., in compliance with the current mercantile legislation, have authorised for issue on February 24, 2022 the Consolidated Financial Statements and Consolidated Director's Report, which include the non-financial information statement and the Annual Corporate Governance Report for 2021, in accordance with the formatting and markup established Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). The aforementioned Financial Statements and Director's Report are integrated in the digital file with the BACB592B71729831B26580775A279A8A7D96B3DC004C9BB81C559A18E7955442 hash code included in the ZIP file with number 213800M9XCA6NR98E873-2021-12-31 (2)

The members of the Board of Directors declare signed, through this Diligence, the aforementioned Consolidated Financial Statements and Consolidated Directors' Report for 2021. They have been authorised for issue unanimously, awaiting on the auditors' verification and subsequent approval by the Parent's Annual General Meeting.

Barcelona, 24 February 2022

Mr. Christopher Cole
Chairman

Mr. Ernesto Gerardo Mata López
Director

Mr. Fernando Basabe Armijo
Director

Mr. Nicolás Villén Jiménez
Director

Ms. Maria Cristina Henríquez de Luna Basagoiti
Director

Ms. Maria José Esteruelas Aguirre
Director

Ms. Essimari Kairisto
Director

Mr. Joan Amigó i Casas
Director

Ms. Marie-Françoise Madeleine Damesin
Director

Mr. Brendan Wynne Derek Connolly
Director