

Applus Services, S.A.

Financial Statements for the year
ended 31 December 2019 and
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.

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Report on the Financial Statements

Opinion

We have audited the financial statements of Applus Services, S.A. (the Company), which comprise the balance sheet as at 31 December 2019, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2019, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

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

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

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

Key Audit Matters

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

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

Description

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

The measurement of the recoverable amount of those ownership interests and loans requires the use of significant estimates and judgements by management, both when choosing the valuation method and discounting future cash flows and when taking into consideration the key operating assumptions used for each method in question. As a result of the foregoing, as well as the significance of the investments held and loans granted, which amounted to EUR 1,440 million and EUR 446 million, respectively, at 2019 year-end, this matter was determined to be a key matter in our audit.

Procedures applied in the audit

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

In addition, we evaluated the reasonableness of the discount rates applied, taking into consideration the cost of capital of comparable organisations, as well as perpetuity growth rates, among others.

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

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

Recovery of deferred tax assets

Description

Notes 8.1 and 8.5 detail the deferred tax assets amounting to EUR 27.4 million that are recognised in the balance sheet at 2019 year-end, corresponding to tax losses, tax credits and temporary differences amounting to EUR 22.5 million, EUR 4.4 million and EUR 0.5 million, respectively. The Company belongs to the Spanish tax group described in Note 4.3.

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

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

Procedures applied in the audit

Our audit procedures to address this matter included, among others, evaluating the methodology and assumptions used by the Company and, in particular, those related to the growth of sales and expenses that determine the projection of future taxable profits, as well as verifying the consistency of the assumptions taking into account both historical information and the market situation and the applicable tax legislation, which was verified with the assistance of internal tax experts. We also reviewed the consistency of the models with the financial information used by Company management in performing its impairment tests on ownership interests in, and loans to, Group companies, stressing those assumptions that have the greatest effect on determining the recoverable amount of the tax assets.

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

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

Other Information: Directors' Report

The other information comprises only the directors' report for 2019, the preparation of which is the responsibility of the Company's directors and which does not form part of the financial statements.

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

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

Based on the work performed, as described above, we observed that the information described in section a) above was provided in the directors' report and that the other information in the directors' report was consistent with that contained in the financial statements for 2019 and its content and presentation were in conformity with the applicable regulations.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit committee dated 21 February 2020.

Engagement Period

The Annual General Meeting held on 30 May 2019 appointed us as auditors for a period of one year from the year ended 31 December 2018, i.e., for 2019.

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

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



Ana Torrens Borrás
Registered in ROAC under no. 17762

21 February 2020

Appendix I to our auditor's report

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the entity's audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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

Applus Services, S.A.
Financial Statements
for the year ended 31 December 2019
and Directors' Report, together with
Auditors' Report

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



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

APPLUS SERVICES, S.A.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

(Thousands of Euros)

ASSETS	Notes	31/12/2019	31/12/2018	EQUITY AND LIABILITIES	Notes	31/12/2019	31/12/2018
NON-CURRENT ASSETS:		1.626.938	1.561.857	EQUITY:		1.221.255	1.192.963
Non-current investments in Group companies and associates-		1.599.519	1.530.840	SHAREHOLDERS' EQUITY-		1.221.255	1.192.963
Equity instruments	5.1	1.439.765	1.439.765	Share capital	6.1	14.302	14.302
Loans to companies	5.1 & 10.2	159.754	91.075	Share premium	6.2	449.391	449.391
Deferred tax assets	8.1	27.419	31.017	Reserves	6.2	710.861	700.678
				Treasury shares	6.3	(4.102)	(3.406)
				Profit for the year		50.803	31.997
				NON-CURRENT LIABILITIES:		450.739	457.834
				Non-current payables	7	354.811	419.100
				Non-current payables to Group companies and associates	10.2	93.001	35.807
				Deferred tax liabilities	8.1	2.927	2.927
CURRENT ASSETS:		345.605	311.978	CURRENT LIABILITIES:		300.549	223.038
Trade and other receivables-		16.179	13.305	Current payables-		55.882	3.106
Receivable from Group companies and associates	10.2	1.459	1.575	Bank borrowings	7	55.882	3.106
Other receivables		237	105	Current payables to Group companies and associates	10.2	241.662	215.149
Corporate income tax receivables	8.1	14.483	11.625	Trade and other payables-		3.015	4.783
Current investments in Group companies and associates-	5.2 & 10.2	328.347	298.429	Sundry accounts payable		575	1.104
Short-term loans to Group companies and associates		286.239	296.321	Remuneration payable		2.162	2.123
Other financial assets		42.108	108	Tax payables	8.1	278	1.556
Cash and cash equivalents	5.3	1.079	244				
TOTAL ASSETS		1.972.543	1.873.835	TOTAL EQUITY AND LIABILITIES		1.972.543	1.873.835

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of financial position as at 31 December 2019.

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

APPLUS SERVICES, S.A.

STATEMENT OF PROFIT OR LOSS FOR 2019 (Thousands of Euros)

	Notes	2019	2018
CONTINUING OPERATIONS:			
Revenue-			
Services	9.1 & 10.1	65.540	58.421
Services		3.530	3.530
Dividend revenue		47.758	36.743
Finance revenue to Group companies and associates		14.252	18.148
Staff costs-	9.2	(3.398)	(3.375)
Wages, salaries and similar expenses		(3.239)	(3.169)
Employee benefit costs		(159)	(206)
Other operating expenses-		(2.524)	(2.615)
Outside services		(2.391)	(2.190)
Taxes other than income tax		(133)	(425)
PROFIT FROM OPERATIONS		59.618	52.431
Finance income-		85	93
From marketable securities and other financial instruments of third parties		85	93
Finance costs-		(18.500)	(24.187)
On debts to Group companies and associates	10.1	(9.300)	(11.091)
On debts to third parties		(9.200)	(13.096)
Exchange differences		2.152	(592)
FINANCIAL LOSS		(16.263)	(24.686)
PROFIT BEFORE TAX		43.355	27.745
Corporate income tax	8	7.448	4.252
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		50.803	31.997
DISCONTINUED OPERATIONS:			
Profit for the year from discontinued operations net of tax		-	-
PROFIT FOR THE YEAR		50.803	31.997

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2019.

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

APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2019

A) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of Euros)

	2019	2018
PROFIT PER INCOME STATEMENT (I)	50.803	31.997
Income and expense recognised directly in equity:		
Total income and expense recognised directly in equity (II)	-	-
Transfers to profit or loss:		
Total transfers to profit or loss (III)	-	-
Total recognised income and expense (I+II+III)	50.803	31.997

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2019.

8

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

APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2019

B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of Euros)

	Share capital	Share premium	Reserves	Treasury shares	Profit (Loss) for the year	Total
2017 ENDING BALANCE	14.302	449.391	688.256	(1.186)	31.059	1.181.822
Total recognised income and expense	-	-	-	-	31.997	31.997
Allocation of 2017 profit	-	-	12.467	-	(31.059)	(18.592)
- Transactions with treasury shares	-	-	(45)	(2.219)	-	(2.264)
2018 ENDING BALANCE	14.302	449.391	700.678	(3.405)	31.997	1.192.963
Total recognised income and expense	-	-	-	-	50.803	50.803
Allocation of 2018 profit	-	-	10.544	-	(31.997)	(21.453)
- Transactions with treasury shares	-	-	(361)	(697)	-	(1.058)
2019 ENDING BALANCE	14.302	449.391	710.861	(4.102)	50.803	1.221.255

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2019.

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

APPLUS SERVICES, S.A.

STATEMENT OF CASH FLOWS FOR 2019

(Thousands of Euros)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES (I):		14.255	32.407
Profit for the year before tax		43.355	27.745
Adjustments for-			
Dividend revenue	10.1	(47.758)	(36.743)
Finance income		(14.337)	(18.241)
Finance costs		18.500	24.187
Exchange differences		(2.152)	592
Changes in working capital-			
Trade and other receivables		1.368	823
Trade and other payables		41	321
Other current assets		(1.278)	(1.249)
Other current liabilities		1.249	947
Other cash flows from operating activities-			
Dividends received	10.1	5.758	36.743
Interest paid		(16.116)	(20.194)
Interest received		15.478	18.651
Corporate Income tax paid		10.147	(907)
Other receivables and payables		-	(268)
CASH FLOWS FROM INVESTING ACTIVITIES (II):		(63.041)	38.214
Proceeds from disposal-			
Group companies and associates		52.510	389.910
Payments due to investment-			
Group companies and associates		(115.551)	(351.696)
CASH FLOWS FROM FINANCING ACTIVITIES (III):		50.732	(72.473)
Proceeds and payments relating to financial liability instruments-			
Proceeds from issue of bank borrowings		53.775	542.029
Proceeds from issue of borrowings from Group companies and associates		112.658	45.248
Repayment of bank borrowings		(67.475)	(604.465)
Repayment and amortisation of borrowings with Group companies and associates		(23.800)	(33.132)
Other payments		(2.973)	(3.559)
Dividend payments and remuneration of other equity instruments-			
- Dividends		(21.453)	(18.592)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV):		(1.111)	(581)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		835	(2.433)
Cash and cash equivalents at beginning of year		244	2.677
Cash and cash equivalents at end of year		1.079	244

The accompanying Notes 1 to 14 and Appendix I are an integral part of the statement of profit or loss for 2019.

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

Applus Services, S.A.

Notes to the financial statements for the year ended 31 December 2019

1. Company activities

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

The Company purpose is as follows:

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

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

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

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

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

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

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

2. Basis of presentation of the financial statements

2.1. Regulatory financial reporting framework applicable to the Company

The present financial statements for 2019 were authorised for issue by the Company's Directors at the Board of Directors Meeting held on 21 February 2020. The present financial statements were formally prepared in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

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

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

2.2. Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2019. These financial statements, which were formulated by the Company's Directors, will be submitted for approval at the Annual General Meeting, that will be held on 29 May 2020 and it is considered that they will be approved without any changes.

The financial statements for 2018 were approved at the Annual General Meeting held on 30 May 2019.

2.3. Non-obligatory accounting principles applied

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

All obligatory accounting principles were applied.

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

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

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

Although these estimates were made on the basis of the best information available at 2019 year-end, events that take place in the future might make it necessary to change them (upwards or downwards) in the coming years. Changes in accounting estimates would be applied prospectively.

2.5. Comparative information

The information relating to 2019 contained in these notes to the financial statements is presented, for comparison purposes, with information relating to 2018.

2.6. Grouping of items

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

2.7. Changes in accounting policies

In 2019 there were no changes in accounting policies with respect to those applied in 2018.

2.8. Correction of errors

In preparing the accompanying financial statements no errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2018.

3. Proposal of allocation of profit

The proposed allocation of the Company's net profit, formulated by the Board of Directors and presented at the next Company's Annual General Meeting of the Shareholders, for 2019 is as follows:

	Thousands of Euros
Basis of distribution:	
Profit of the year	50,803
	50,803
Allocation of the profit:	
To dividends	31,464
To unrestricted reserves	19,339
Total	50,803

The Company's Board of Directors will present a proposal at the next Shareholders Annual General Meeting, to distribute ordinary dividends allocated from the 2019 profit, amounting to EUR 31,464 thousand and corresponding to a gross dividend of EUR 0.22 per share.

4. Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2019 and 2018, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1. Financial instruments

Financial assets

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

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

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

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

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

The Company has majority ownership interests in the share capital of certain companies. The financial statements do not reflect the increases or decreases in the value of the Company's ownership interests which would arise from the application of consolidation methods. It should also be noted that the Company will prepare consolidated financial statements separately under International Financial Reporting Standards ("EU-IFRS"). These consolidated financial statements have been authorised for issue by the Board of Director's on the meeting held on 21 February 2020.

In accordance with current legislation, the Company prepares consolidated financial statements separately. The consolidated financial statements of the Applus Group for 2019 were formally prepared by the directors at the Board of Directors Meeting held on 21 February 2020.

The main aggregates in the consolidated financial statements for 2019 prepared, as stipulated in Final Provision Eleven of Law 62/2003, of 30 December, in accordance with International Financial Reporting Standards approved by European Commission Regulations, are as follows:

	Thousands of euros	
	2019	2018
Total Assets	2,172,565	1,997,470
Equity attributable to the shareholders of the parent	775,928	756,203
Revenue of the consolidated operations	1,777,944	1,675,942
Net profit (loss) attributable to the parent	55,650	41,208

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

Financial liabilities

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

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

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

At 31 December 2019 the Company does not hold any financial derivative products.

Impairment of financial assets

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

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

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

The projections were prepared on the basis of past experience and of the best estimates available at the date on which the impairment tests were carried out.

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

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

Country/geographical area	2019	2018
Spain	7.3% - 8.8%	7.5% - 8.7%
Rest of Europe	6.2% - 7.4%	6.3% - 7.5%
US and Canada	6.3% - 8.7%	7.6% - 8.2%
Latin America	10.4% - 12.4%	11.6% - 14.0%

4.2. Foreign currency transactions

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

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

4.3. Corporate income tax

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

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

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

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

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

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

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

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

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

Companies	
Applus Services, S.A.	Applus Energy, S.L.U.
Applus Servicios Tecnológicos, S.L.U.	Ringal Invest, S.L.U.
IDIADA Automotive Technology, S.A.	Autoservices Online, S.L.U.
Applus Norcontrol, S.L.U.	Applus Iteuve Technology, S.L.U.
Novotec Consultores, S.A.U.	Tunnel Safety Testing, S.A.
Applus Iteuve Galicia, S.L.U.	Inversiones Finisterre, S.L.
LGAI Technological Center, S.A.	IDIADA Homologation Technical Service, S.L.
Trámites, Informes, Proyectos, Seguridad y Medio Ambiente, S.L.U.	Supervisión y Control, S.A.U.

The Company is head of the tax group and files consolidated VAT returns as part of VAT group number 0036/11. The Company manages the accounts receivable and payable generated in this connection.

The Spanish VAT group is comprised by the following companies:

Companies	
Applus Services, S.A.	Ringal Invest, S.L.U.
Applus Servicios Tecnológicos, S.L.U.	Autoservices Online, S.L.U.
LGAI Technological Center, S.A.	Applus Iteuve Technology, S.L.U.
Applus Energy, S.L.U.	

4.4. Revenue and expense recognition

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

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

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

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

4.5. Provisions and contingencies

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

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

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

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

4.6. Termination benefits

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

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

4.7. Environmental assets and liabilities

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

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

4.8. Transactions with Group companies, associates and related companies

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

Associates are companies over which the Company is in a position to exercise significant influence, but not control or joint control. Normally this capacity exists because the Company holds (directly or indirectly) between 20% and 50% of the voting power of the subsidiary.

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

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

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

4.9. Leases

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

Finance leases

At 31 December 2019 and 2018, the Company did not have any finance leases.

Operating leases

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

The Company only holds certain vehicles under operating leases which has not a significant impact.

4.10. Current/Non-current classification

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

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

4.11. Employee benefit obligations

The Company has established specific remuneration plans with its key employees:

- a) Annual variable remuneration to certain Company employees based on the achievement of certain objectives in 2019.
- b) Variable remuneration plan entailing the annual delivery of a given number of Restricted Stock Units (RSUs) (convertible into Company shares) to the Executive Directors and certain members of the Executive Team. This plan is approved annually and is convertible into shares three years from the grant date at a rate of 30% in each of the first two years and 40% in the third year. At 31 December 2019, three plans had been approved and ratified (see Note 10.3).
- c) The "long-term incentive" plan granted to the Executive Directors and certain members of the Executive Team consists of the delivery of Performance Stock Units (PSUs) to the Chief Executive Director General Manager, and the delivery of RSUs and PSUs to the Chief Executive Director Financial Officer and members of the management, both RSUs and PSUs being convertible into Company shares in three years from the grant date. The first conversion to shares from the aforementioned plans related to the plan granted in 2016 and took place in February 2019 (see Note 10.3).



4.12. Treasury shares

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

5. Financial assets (non-current and current)

5.1. Non-current investments in Group companies and associates

The changes in "Non-current investments in Group companies and associates" in the statement of financial position in 2019 and 2018 were as follows (in thousands of euros):

Categories	31/12/19	31/12/18
Equity investments in Group companies, jointly controlled entities and associates	1,439,765	1,439,765
Credits (loans) to Group companies (Note 10.2)	159,754	91,075
Total Non-current investments in Group companies and associates	1,599,519	1,530,840

Equity investments in Group companies and associates

The changes in 2019 and 2018 in "Equity investments in Group companies, jointly controlled entities and associates" were as follows (in thousands of euros):

2019

Categories	01/01/19	Additions	31/12/19
Equity investments in Group companies, jointly controlled entities and associates	1,439,765	-	1,439,765
Total	1,439,765	-	1,439,765

2018

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

The value of direct shareholdings at 31 December 2019 and 2018 are as follows (in thousands of euros):

Subsidiary	31/12/19	31/12/18
Applus Servicios Tecnológicos, S.L.U.	1,337,553	1,337,553
Azul Holding 2 S.à.r.l.	102,212	102,212
Total equity investments in group companies, joint ventures and associates	1,439,765	1,439,765

The most significant information in relation to subsidiaries in which the Company had a direct ownership interest at 2019 year-end is as follows:

Name / Registered office	% of ownership	Thousands of euros					Total equity	Carrying amount
		Share capital	Profit (Loss)		Other equity items	Gross Cost		
			From operations	Net				
Applus Servicios Tecnológicos, S.L.U.	100%	134,487	(2,109)	52,725	536.667	723.879	1,337,553	
Azul Holding 2, S.à.r.l.	100%	13	(26)	3,340	101,525	104,878	102,212	
Total		134,500	(2,135)	56,065	638.192	828.757	1,439,765	

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

5.2. Current investments in Group companies and associates

The detail of the balances of "Current Investments in Group Companies and Associates" at 31 December 2019 and 2018 is as follows (in thousands of euros):

Categories	31/12/19	31/12/18
Credits (loans) and receivables from Group companies	279,247	289,517
Short-term interest receivable from Group companies	6,992	8,804
Account receivable relating to dividends	42,108	108
Total current investments in Group companies and associates (Note 10.2)	328,347	298,429

5.3. Cash and cash equivalents

"Cash and Cash Equivalents" includes all cash recognised in current accounts, which amounted to EUR 1,079 thousand. The total balance on 31 December 2018 was EUR 159 thousand.

At the end of 2019 the Company had credit facilities with a balance of EUR 54,256 thousand due by the Company (Note 7). Also, in 2018 the Company had credit facilities with a balance of EUR 1,190 thousand which are classified under "current bank borrowing" in the accompanying statement of financial position.

"Current bank borrowing" also includes payable balances recognised as a result of a banking product arranged in 2015, the "Multi Currency Notional Pooling", which allows the Company to obtain liquidity in eight different currencies and which amounted to EUR 3,684 thousand at 31 December 2019 (debit balance of EUR 85 thousand at 31 December 2018:).

At 31 December 2019 and 2018, no amount recognised under "Cash and Cash Equivalents" had been pledged.

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

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

a) Credit risk:

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

The accounts receivable at 31 December 2019 and 2018 relate mainly to balances with Group companies for services provided by the Company.

The Company's Directors consider that there was no significant credit risk at 31 December 2019 and 2018.

b) Liquidity risk:

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

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

c) Market risk:

Both the Company's cash and part of its bank borrowings are exposed to interest rate risk, which variations could have an effect on financial profit or loss and cash flows. In addition in order to follow Applus Group strategy of minimizing risks, part of the new debt has been secured at a fixed interest rate. Private placement debt represents at 31 December 2019 a 64% of total debt drawn.

In 2019 the Company's Directors decided not to arrange interest rate hedges, although this is considered to be a risk that Company's management should monitor closely on a continuous basis.

In addition, some of the balances with Group companies are in foreign currencies.

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

c.1) Interest rate risk:

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

	2019	2018
Average interest rate	1.86%	1.78%
Average financial debt drawn (thousands of euros)	407,331	469,317

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:

	2019	2018
Change in interest rate +0.50%		
Change in borrowing costs (thousands of euros)	887	1,802

c.2) Foreign currency risk:

At 31 December 2018 and at 31 December 2019, there is no financial debt disposed in foreign currency so the Company is not exposed to foreign currency risk. The detail is as follow:

	Thousands of Euros	
	2019	2018
Financial debt subject to foreign currency risk	-	-
Average financial debt drawn subject to foreign currency risk	-	11,445

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

	2019		2018	
	-	-	+ 0.50%	-0.50%
Change in exchange rate	-	-	+ 0.50%	-0.50%
Change in borrowing costs (thousands of euros)	-	-	57	(57)

6. Equity and shareholders' equity

6.1. Share capital

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

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

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

Therefore, at 31 December 2019 and 2018, the share capital is represented by 143,018,430 fully subscribed and paid-up common shares of EUR 0.10 par value each.

Per the notifications of the number of shares submitted to the Spanish National Securities Market Commission (CNMV), the following shareholders owned significant direct and indirect interests in the Company's share capital, more than 3% of share capital, at 31 December 2019:

	% share
River & Mercantile Group P.L.C	5.048%
Threadneedle Asset Management Limited	4.993%
Norges Bank	4.983%
DWS Investment S.A.	3.476%

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

6.2. Reserves and Share premium

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

At the end of 2019 and 2018 the balance of this reserve amount to EUR 2,860 thousand and it had reached the legally minimum required.

At 31 December 2019 and 2018, the share premium reserves amounted to EUR 449,391 thousand and it is fully available.

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

6.3. Treasury shares

At 31 December 2019, the Company holds a total of 343,849 treasury shares at an average cost of EUR 11.93 per share. The value of these treasury shares totalled EUR 4,102 thousand, which is recognised under "Treasury Shares" in the accompanying statement of financial position as at 31 December 2019 (see Note 4.12).

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

7. Non-current and current payables

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

	31/12/19	31/12/18
Facilities Agreement	126,941	191,941
US Private Placement lenders	230,000	230,000
Debt Arrangement fees	(2,130)	(2,841)
Total non-current payables	354,811	419,100
Accrued interests	2,337	2,625
Debt Arrangement fees	(711)	(709)
Credit facilities	54,256	1,190
Total current payables	55,882	3,106
Total bank borrowings	410,693	422,206

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

In accordance with the law, the Company has therefore cancelled the original liabilities, recognised the new financial liability at amortised cost, and charged the arrangement expenses of the previous debt in the attached consolidated profit and loss account of year 2018 amounting EUR 2,782 thousand.

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

a) Syndicated loan and private placement debt

The syndicated loan bears interest at Euribor for tranches in Euros and at Libor for tranches in foreign currency (currently not drawn) plus a spread based on a leverage grid for each Facility.

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

The private placement debt was placed from two US institutional investors. The structure includes a tranche of EUR 150 million maturing at 27 June 2025 and a tranche of EUR 80 million maturing at 27 June 2028.

The structure of the financial debt and the amounts drawn at 31 December 2019 and 2018 are as follows:

2019

Tranche	Thousands of Euros			Maturity
	Limit	Drawn by the Company	Drawn by the Group	
Facility A "Term Loan "	200,000	11,941	200,000	27/06/2024
Facility B "Revolving Credit Facility"	400,000	115,000	115,000	27/06/2024
US Private Placement lenders - 7 years	150,000	150,000	150,000	27/06/2025
US Private Placement lenders - 10 years	80,000	80,000	80,000	27/06/2028
Accrued interests	-	2,337	2,808	
Debt arrangement expenses	-	(2,841)	(3,762)	
	830,000	356,437	544,046	

2018

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

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

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

At 31 December 2019, the ratio, calculated on the basis of the contractually established definitions of net consolidated debt and consolidated EBITDA, was 2.0x.

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



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

a.2) Guarantees given

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

The detail of the amounts drawn, by maturity, of "Non-Current Payables" and "Current Payables" is as follows (in thousands of euros):

2019

	2019 - Thousands of Euros						
	Limit	Short Term	Long Term				Total
			2021	2022	2023	2024 onwards	
Facility A "Term Loan"	200,000	-	-	-	-	11,941	11,941
Facility B "Revolving Credit Facility"	400,000	-	-	-	-	115,000	115,000
US Private Placement lenders	230,000	-	-	-	-	230,000	230,000
Accrued interest	-	2,337	-	-	-	-	2,337
Debt Arrangement expenses	-	(711)	(709)	(709)	(411)	(301)	(2,841)
Credit Facilities	135,000	54,256	-	-	-	-	54,256
Total	965,000	55,882	(709)	(709)	(411)	356,640	410,693

2018

	2018 - Thousands of Euros						
	Limit	Short Term	Long Term				Total
			2020	2021	2022	2023 onwards	
Facility A "Term Loan"	200,000	-	-	-	-	11,941	11,941
Facility B "Revolving Credit Facility"	400,000	-	-	-	-	180,000	180,000
US Private Placement lenders	230,000	-	-	-	-	230,000	230,000
Accrued interest	-	2,625	-	-	-	-	2,625
Debt Arrangement expenses	-	(709)	(711)	(709)	(709)	(712)	(3,550)
Credit Facilities	135,000	1,190	-	-	-	-	1,190
Total	965,000	3,106	(711)	(709)	(709)	421,229	422,206

8. Tax

8.1. Tax assets and tax liabilities

The detail of the current and non-current tax assets and tax liabilities at the end of 2019 and 2018 is as follows (in thousands of euros):

2019

	Tax assets	Tax liabilities
Non-current balances:		
Deferred tax assets	466	2,927
Tax credits for tax loss carryforwards (Note 8.5)	22,573	-
Withholding taxes and other tax credits	4,380	-
Total non-current balances	27,419	2,927
Current balances:		
Accrued social security taxes payable	-	10
VAT payable	-	156
Personal income tax withholdings payable	-	112
Income tax withholdings receivables	14,483	-
Total current balances	14,483	278

2018

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

8.2. Reconciliation of the accounting profit to the taxable profit

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

	2019	2018
Accounting profit before tax	43,355	27,745
Permanent differences	(47,758)	(36,743)
Temporary differences	(544)	(24,502)
Tax loss	(4,947)	(33,500)
Tax profits from subsidiaries	100,101	88,808
Tax losses from subsidiaries	(6,604)	(6,612)
Tax base before tax consolidation adjustments	88,550	48,696
Offset of tax losses	(22,137)	(12,174)
Taxable profit	66,413	36,522
Tax charge	16,603	9,130
Offset of tax credits	(10,473)	(6,934)
Tax withholdings and prepayments	(11,606)	(12,571)
Corporate Income tax refundable (-) / payable(+)	(5,476)	(10,375)

The permanent differences in 2019 relate mainly to the application of transitory rule 23 of the Spanish Income Tax Law (inspired by the former Article 30.6 of the Consolidated Spanish Income Tax Law), permitting the non-inclusion in the tax base of dividends received from the Spanish subsidiaries (and, therefore, their consideration as a reduction of the tax base of the ownership interest) and the claim for a double taxation tax credit, provided that there is evidence that the seller has effectively been taxed on an amount equal to the dividend received.

Pursuant to this rule, a portion of the dividend, was adjusted downwards, EUR 34,135 thousand, paid by the subsidiary Applus Servicios Tecnológicos, S.L.U, also included the remaining amount of the dividend of EUR 13,623 thousand, of a total of EUR 47,758 thousand, which is exempt based on article 21 on Spanish Income Tax Law (see Note 10.1). It should also be noted that the Company has opted to apply the tax regime for foreign-securities holding companies (ETVEs) envisaged in Articles 107 et seq. of the Spanish Income Tax Law.

During 2018 the permanent differences relate mainly to the application of transitory rule 23 of the Spanish Income Tax Law (inspired by the former Article 30.6 of the Consolidated Spanish Income Tax Law), permitting the non-inclusion in the tax base of dividends received from Spanish subsidiaries (and, therefore, their consideration as a reduction of the tax base of the ownership interest) and the claim for a double taxation tax credit, provided that there was evidence that the seller has effectively been taxed on an amount equal to the dividend received. Pursuant to this rule, a portion of the dividend, EUR 26,262 thousand, paid by the subsidiary Applus Servicios Tecnológicos, S.L.U., totalling EUR 36,743 thousand (see Note 10.1), was adjusted downwards. In addition, permanent differences also included the remaining amount of the dividend of EUR 10,481 thousand, which is exempt based on article 21 on Spanish Income Tax Law. It should also be noted that the Company opted to apply the tax regime for foreign-securities holding companies (ETVEs) envisaged in Articles 107 et seq. of the Spanish Income Tax Law.

The temporary differences for 2019 relate mainly, to the amount of prior years' deductible borrowing costs amounting to EUR 572 thousand recognised in 2019 pursuant to Article 16 of the Spanish Income Tax Law, and to the reversal of provisions considered non-deductible for tax purposes, amounting EUR 28 thousand.

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

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

The reconciliation of the accounting profit to the corporate income tax expense (benefit) for 2019 and 2018 is as follows (in thousands of euros):

	2019	2018
Accounting profit before tax	43,355	27,745
Permanent differences	(47,758)	(36,743)
Taxable accounting loss	(4,403)	(8,998)
Tax charge	(1,101)	(2,250)
Adjustments and recognitions/derecognition of tax credits and others	1,101	3,551
Deduction of unrecognised tax assets	(7,448)	(5,553)
Total corporate income tax expense (benefit) recognised in profit or loss	(7,448)	(4,252)

The unrecognised tax deductions applied during 2019 and 2018 financial years mainly correspond to the internal double taxation deduction.

8.4. Breakdown of corporate income tax benefit (expense)

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

	Thousands of Euros	
	2019	2018
Current tax:		
Continuing operations	(11,046)	(12,393)
Discontinued operations	-	-
Deferred tax:		
Continuing operations	3,598	8,141
Discontinued operations	-	-
Total tax expense (benefit)	(7,448)	(4,252)

8.5. Deferred tax assets recognised

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

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



At 31 December 2019 and 2018, the prior year's tax loss carryforwards of the company recognised in the accompanying statement of financial position were as follows:

2019

	Thousands of Euros	
	Tax loss carryforwards	Tax asset recognised (Note 8.1)
2009	4,348	1,087
2010	51,715	12,929
2011	34,230	8,557
Total	90,293	22,573

2018

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

Additionally, "Deferred Tax Assets" of the accompanying statement of financial position as at 31 December 2019 includes other positive temporary differences amounting to EUR 466 thousand in 2019 and EUR 471 thousand in 2018.

Finally, "Deferred Tax Assets" includes EUR 4,380 thousand corresponding to the recognition of withholding taxes for domestic double taxation (same amount in 2018).

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

The factors taken into consideration by the Company's Directors to recognise as a deferred tax asset, including tax credit for tax loss carryforwards, withholding taxes and tax credits for temporary differences at 31 December 2019, which support their future recoverability, are as follows:

- In 2019 and 2018 the consolidated tax group in Spain obtained taxable income of EUR 88,550 and EUR 48,696 thousand which enabled it to use unrecognised tax losses from prior years amounting to EUR 6,152 and 2,540 respectively.

8.6. Deferred tax assets not recognised

The detail of the tax losses not recognised in the accompanying statement of financial position as at 31 December 2019 and 2018 is as follows:

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

The detail of the withholding taxes and other tax credits not recognised in the accompanying statement of financial positions at 31 December 2019 and 2018 is as follows (in thousands of euros):

Year	Description	31/12/19	31/12/18
2013	Domestic double taxation tax credit	17,962	23,774
2014	Domestic double taxation tax credit	4,313	4,313
2015	Domestic double taxation tax credit	4,227	4,227
2016	Domestic double taxation tax credit	3,996	3,996
2017	Domestic double taxation tax credit	5,021	5,021
2018	Domestic double taxation tax credit	4,727	4,727
2019	Domestic double taxation tax credit	6,144	-
	Total	46,390	46,058

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

Year	Description	31/12/19	31/12/18
2009	Specific activities taxation tax credit	322	-
2010	Specific activities taxation tax credit	1,033	1,033
2011	Specific activities taxation tax credit	1,118	1,118
2012	Specific activities taxation tax credit	1,600	1,600
2013	Specific activities taxation tax credit	1,161	1,161
2014	Specific activities taxation tax credit	1,477	1,477
2015	Specific activities taxation tax credit	1,138	1,138
2016	Specific activities taxation tax credit	1,000	1,153
2017	Specific activities taxation tax credit	720	868
2018	Specific activities taxation tax credit	156	-
	Total	9,725	9,548

8.7. Open years for review and tax audits

In 2019 the tax authorities commenced tax audits on certain Spanish companies belonging to consolidated tax group number 238/08 relating to the following taxes: Income tax (2014 to 2017), VAT group number 0036/11 (2015 to 2017) and personal income tax withholdings and pre-payments (2015 to 2017). The tax audits are at the documentation submission phase. In view of the criteria that the tax authorities might adopt in relation to the years open for inspection, certain contingent tax liabilities that cannot be objectively quantified may arise. However, the possible tax contingencies are not expected to have a significant impact on the Group's equity position. Also, at 2019 year-end the Company had the statute of limitations tolled for 2012 for income tax and 2013 and 2014 for VAT

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 Company who are authorised representatives for accounts abroad held by a subsidiary of the Company non-resident in Spain, since such information is duly recorded and detailed in the Company's accounting records pursuant to Article 42 bis 4.b of Royal Decree 1065/2007.

9. Income and expenses

9.1. Revenue

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

The detail of the revenue for 2019 and 2018 is as follows (in thousands of euros):

	2019	2018
Dividend revenue	47,758	36,743
Finance revenue	14,252	18,148
Management fee revenue	3,530	3,530
Total	65,540	58,421

9.2. Staff costs

The detail of "Staff Costs" in the statement of profit or loss for 2019 and 2018 is as follows (in thousands of euros):

	2019	2018
Wages and salaries	3,239	3,094
Termination benefits	-	75
Employer social security costs	101	94
Other employee benefit costs	58	112
Total	3,398	3,375

The average number of employees in 2019 and 2018, by category and gender, is as follows:

2019

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

2018

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

Also, the breakdown of the workforce, by gender and category, at the end of 2019 and 2018 is as follows:

2019

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

2018

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

In 2019 and 2018, Applus Services, S.A. has no employees with a disability equal to or greater than 33%.

10. Transactions and balances with Group and related companies

10.1. Transactions with Group and related companies

The detail of the transactions with Group and related companies in 2019 and 2018 is as follows:

2019

	Thousands of Euros			
	Dividend revenue	Finance income	Finance cost	Services rendered
Applus Servicios Tecnológicos, S.L.U.	47,758	2,874	1,176	3,530
Applus Iteuve Technology, S.L.U.	-	628	-	-
Arctosa Holding, B.V.	-	146	-	-
Röntgen Technische Dienst Holding, B.V.	-	1,358	811	-
Libertytown Usa 1, Inc.	-	3,264	-	-
Ringal Invest, S.L.U.	-	639	-	-
Libertytown Usa Finco, Inc.	-	-	-	-
Libertytown Australia Pty, Ltd.	-	583	-	-
Velosi Europe Ltd.	-	17	14	-
Velosi Industries Sdn Bhd.	-	637	-	-
Libertytown Applus Rtd Germany, GmbH.	-	586	26	-
Röntgen Technische Dienst, B.V.	-	629	433	-
John Davidson & Associates Pty, Ltd.	-	159	-	-
Applus RTD Norway, As.	-	390	-	-
Applus Pty Ltd.	-	162	-	-
Applus Norcontrol Guatemala, S.A.	-	372	-	-
LGAI Technological Center, S.A.	-	350	752	-
Velosi Certification Services L.L.C (Abu Dhabi)	-	210	-	-
Applus Energy, S.L.U.	-	111	-	-
Rtd Quality Services, Inc. (Canada)	-	394	61	-
Applus Norcontrol, S.L.U.	-	-	1,704	-
Applus Car Testing Service, Ltd.	-	-	970	-
Applus Iteuve Euskadi, S.A.U.	-	-	445	-
Novotec Consultores, S.A.U.	-	-	244	-
RTD Holding Deutschland, GmbH.	-	-	144	-
Applus RTD UK, Ltd.	-	182	44	-
Applus Velosi Canada Ltd.	-	94	93	-
TIC Investments Chile SpA.	-	90	-	-
SAST International Ltd.	-	-	688	-
Supervisión y Control S.A.U.	-	-	670	-
Velosi (HK) Ltd.	-	-	377	-
Others	-	377	648	-
Total	47,758	14,252	9,300	3,530

2018

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

On 28 June 2019, the subsidiary Applus Servicios Tecnológicos, S.L.U. approved the distribution of a dividend amounting to EUR 5,758 thousand out of profit for 2018. Subsequently, on 31 December 2018, the same subsidiary approved an interim dividend amounting EUR 42,000 thousand with charge to its profit for the year.

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

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

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

10.2. Balances with Group and related companies

The detail of the balances with related companies reflected in the statement of financial position as at 31 December 2019 and 2018 is as follows:

2019

	Thousands of Euros					
	Long-term credits (Note 5.1)	Short-term credits (Note 5.2)	Other financial assets (Note 5.2)	Long-term loans	Short-term loans	Trade receivables
Applus Servicios Tecnológicos, S.L.U.	-	82,906	42,000	-	22,942	1,072
Libertytown Usa 1, Inc.	48,561	780	-	-	-	-
Applus Iteuve Technology, S.L.U.	40,000	28,155	-	-	40,000	-
Ringal Invest, S.L.U.	-	21,441	-	-	102	-
Velosi Industries Sdn Bhd.	3,000	8,651	-	-	-	-
Libertytown Applus RTD Germany, Gmbh.	-	1,953	-	-	51,818	142
Libertytown Australia Pty, Ltd.	8,829	5,683	-	-	-	-
Röntgen Technische Dienst Holding, B.V.	33,075	40,598	-	-	210	-
Applus Iteuve Euskadi, S.A.U.	-	-	-	-	10,622	-
LGAI Technological Center, S.A.	-	12,801	-	24,724	359	-
Supervisión y Control, S.A.U.	-	4,960	-	23,000	210	-
Applus Car Testing Service, Ltd.	-	-	-	9,930	18,250	-
Applus Norcontrol, S.L.U.	-	1,007	-	-	48,462	-
Idiada Automotive Technology, S.A.	-	12,454	-	-	3,299	-
Applus RTD Norway, As.	-	6,453	-	-	-	-
Röntgen Technische Dienst, B.V.	-	9,680	-	-	115	35
Applus Norcontrol Guatemala, S.A.	6,449	628	-	-	-	-
Arctosa Holding, B.V.	-	5,696	-	-	-	-
John Davidson & Associates Pty, Ltd.	-	3,263	-	-	-	-
Applus Iteuve Galicia, S.L.U.	-	-	-	-	19,904	-
Applus Energy, S.L.U.	-	3,857	-	-	28	-
Applus Pty Ltd.	-	28	-	-	933	-
Velosi Certification Services L.L.C (Abu Dhabi)	-	6,067	-	-	-	37
Applus Deutschland inspektions-Gesellschaft, Gmbh	-	-	-	-	1,281	-
Applus RTD UK, Ltd.	-	5,022	-	-	535	-
Applus Velosi Canada Ltd.	-	1,656	-	-	1,553	-
Azul Holding, 2, S.à.r.l.	-	413	108	-	-	-
Norcontrol Inspección S.A. (Mexico)	-	-	-	1,180	21	-
3C Test Limited	-	-	-	2,802	33	-
RTD Quality Services, Inc. (Canada)	-	13,291	-	-	7	-
Applus II Meio Ambiente Portugal, Lda.	-	-	-	-	2,770	-
Velosi (HK) Ltd.	-	-	-	8,543	149	-
K1 Kasastajat, OY	-	-	-	3,400	224	-
RTD Holding Deutschland, Gmbh.	-	-	-	-	4,731	-
Novotec Consultores, S.A.U.	-	579	-	-	6,479	-
SAST International Ltd.	-	-	-	18,658	267	-
Applus Euskadi Holding, S.L.	7,000	6,062	-	-	-	-
TIC Investments Chile SPA.	11,920	90	-	-	-	-
Applus Singapore Pte. Ltd.	-	943	-	-	3,118	-
Tipsma, S.L.	-	507	-	-	-	-
Applus Norcontrol Republica Dominicana, S.R.L.	279	32	-	-	-	-
SKC Engineering Ltd.	-	-	-	-	1,155	-
BK Werkstofftechnik – Prüfstelle für Werkstoffe GmbH	-	-	-	-	547	-
Applus LGAI Germany GmbH	-	-	-	-	538	-
Autoservices Online, S.L.U.	-	-	-	-	500	-
Others	641	583	-	764	490	173
Total	159,754	286,239	42,108	93,001	241,652	1,459

2018

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

"Short-term credits from Group companies" and "Short-term loans to Group companies" include accounts receivable and accounts payable with various Group companies arising from the Company's inclusion as the head of the consolidated tax group, accounts receivable amounting at 31 December 2019 to EUR 25,723 thousand and accounts payable amounting to 5,958 EUR thousand (2018: accounts receivable EUR 30,294 thousand and accounts payable EUR 7,875 thousand included in Long-term credits from Group companies" and "Long-term loans to Group companies") (see Note 4.3).

In addition, under "Current Receivables" and "Current Payables", amounts of EUR 193,998 thousand and EUR 195,698 thousand are recognised, respectively, in relation to the cash-pooling agreement maintained with the other Group companies (EUR 180,045 and EUR 161,741 thousand respectively in 2018).

"Long-term credits to Group companies" include loans with related parties, which have a maturity between 2023 and 2024.

Also, under "Other financial assets" there are recognised the dividends receivable at the end of 2019 and 2018 (see Note 5.2).

Group credits and loans generate an interest at market rates.

10.3. Disclosures on Directors and Senior Executive

Remuneration of and obligations to the Board of Directors

At the Annual General Meeting held on 30 May 2019, the Shareholders resolved to expand the Board of Directors to comprise 10 members by ratifying the appointment of 2 new independent Directors and appointing a new Executive Director.

The detail of the remuneration (social benefits included) earned by the Executive Directors and the Company's Directors at 2019 and 2018 year-end is as follows:

a) Annual remuneration:

	Thousands of Euros					
	31/12/2019			31/12/2018		
	Executive Directors	Members of the Board of Directors	Total	Executive Director	Members of the Board of Directors	Total
Fixed remuneration	1,075	-	1,075	750	-	750
Variable remuneration	775	-	775	600	-	600
Other items	81	-	81	37	-	37
Non Executive Chairman and Independent Directors	-	646	646	-	588	588
Corporate Social Security Committee	-	50	50	-	50	50
Appointments & Compensation Committee	-	70	70	-	66	66
Audit Committee	-	84	84	-	70	70
Total	1,931	850	2,781	1,387	774	2,161

The fixed remuneration of the Executive Directors includes a portion in the form of RSUs amounting to EUR 58 thousand per year. In February 2017, 2018 and 2019, 5,451, 5,159 and 5,838 RSUs, respectively, were granted. These RSUs will be convertible to shares three years after the date on which they were granted. In February 2019 the Group effected delivery of 3,948 net shares relating to the plan granted in February 2016.

60.55% 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 140 thousand in the year. At 2019 year-end, three RSU plans were in force, having been granted in March 2017, 2018 and 2019 for 7,886, 7,425 and 30,607 RSUs, respectively. In March 2019 the Group effected delivery of 5,802 net shares.

The plans in force at the end of the year in relation to the RSUs granted in 2017, 2018 and 2019 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 Company three years after the date on which they are granted. The expense recognised in 2019 in this connection amounted to EUR 488 thousand. At 2019 year-end, three PSU plans were in force, having been granted in 2017, 2018 and 2019 for 41,900, 44,964 and 50,874 PSUs, respectively. The detail of the PSU plans in force can be consulted in the Remuneration Report. In February 2019 the Group effected delivery of 23,826 net shares relating to the plan granted in February 2016.

In 2019 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 2019 amounted to EUR 45 thousand.

At 31 December 2019, no loans or advances had been granted to the members of the Company's Board of Directors.

No material pension or life insurance obligations were incurred vis-à-vis the members of the Company's Board of Directors.

Lastly, Applus Services, S.A. took out a third-party liability insurance policy. The insureds under this policy are the directors and executives of the Group companies the Parent of which is Applus Services, S.A. The directors of Applus Services, S.A. are included among the insureds of this policy. The premium paid in 2019 for this insurance policy amounted to EUR 75 thousand (2018: EUR 70 thousand).

The Company's Senior Executives comprised 7 men and 3 women at 31 December 2019 (31 December 2018: 6 men and 1 woman).

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

It is hereby stated that the Company'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 those who are part of the Group's Executive Committee according to actual accounting legislation.

The breakdown of the remuneration earned in 2019 and 2018 by the Senior Executives is as follows:

a) Annual remuneration:

	Thousands of Euros	
	2019	2018
Fixed remuneration	463	645
Variable remuneration	288	455
Other items	52	80
Termination benefits	-	-
Pension plans	12	17
Total	815	1.197

The fixed remuneration of certain senior executives includes a portion in RSUs amounting to EUR 50 thousand, which are convertible to shares three years after the date on which they are granted. The plans in force at the end of 2019 relate to shares granted in February 2017, 2018 and 2019 for 4,672, 4,422 and 5,004 RSUs, respectively. In February 2019 the Group effected delivery of 3,457 net shares relating to the plan granted in February 2016.

50.3% 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. The RSU plans in force at the end of 2019 relate to the RSUs granted in February 2017, 2018 and 2019 for 13,225, 12,538 and 14,337 RSUs, respectively. In March 2019 the Group effected delivery of 11,190 net shares relating to the plans granted in 2016 (40%), 2017 (30%) and 2018 (30%). EUR 143 thousand were charged to the consolidated statement of profit or loss for 2019 in this connection.

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

Under the current remuneration policy, certain of the 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 62 thousand in 2019. The PSU plans in force at the end of 2019 relate to the PSUs granted in February 2017, 2018 and 2019 for 4,672, 4,422 and 8,757 PSUs, respectively. In February 2019 the Group effected delivery of 2,766 net shares relating to the plan granted in February 2016.

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

The Senior Executives comprised 2 men at 31 December 2019 (31 December 2018: 3 men).

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

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

11. Foreign currency balances and transactions

At 31 December 2019, the Company had granted loans to Group companies in currencies other than the euro amounting to EUR 144,842 thousand (31 December 2018: EUR 143,588 thousand) and had received foreign currency loans amounting to EUR 87,626 thousand (31 December 2018: EUR 92,544 thousand).

As a result of these balances, the Company's statement of profit or loss includes finance income in currencies other than the euro amounting to EUR 7,936 thousand at 31 December 2019 (31 December 2018: EUR 6,869 thousand) and finance costs in currencies other than the euro amounting to EUR 4,095 thousand (31 December 2018: EUR 3,425 thousand).

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

12. Other disclosures

12.1. Fees paid to auditors

In 2019 and 2018, the fees billed for financial audit and other services provided by the auditor of the Company, Deloitte, S.L., and companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows (in thousands of euros):

Description	Services provided by the auditor and by related firms	
	2019	2018
Audit services	234	220
Other attest services	164	83
Total audit and related services	398	303
Tax counselling services	63	-
Other services	-	-
Total professional services	461	303

12.2. Obligations and other guarantees

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

At 31 December 2019 and 2018, the Company's shares had not been pledged.

At 31 December 2019 and 2018, no banks had provided the Company with guarantees to third parties.

12.3. Disclosures on the payment periods to suppliers

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

	2019	2018
	Days	
Average payment period to suppliers	41	46
Ratio of transactions settled	43	47
Ratio of transactions not yet settled	22	28
	Amount (Thousands of Euros)	
Total payments made	2,623	3,409
Total payments outstanding	365	319

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

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

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

The maximum payment period applicable to the Spanish consolidated companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions, is 30 days. This period may be extended by agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2018).

However, most of this pending payment at year end has been paid during the first two months of the year 2020.

12.4. Amendment or extinguishment of agreements

In 2019 no transactions outside the course of the Company's ordinary business operations arose which required the amendment or early extinguishment of any agreement between the Company and any of its directors or persons acting on their behalf.

13. Events after the reporting period

In 2020 and until the date of authorization for issue of these financial statements, no relevant events took place which must be included in the notes to the financial statements or that significantly change or have a material effect on these financial statements for 2019.

14. Explanation added for translation to English

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

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

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

Applus Services, S.A.

Directors' Report for the year ended 31 December 2019

Formally prepared by the directors of Applus Services, S.A. in relation to the year ended 31 December 2019.

Dear Shareholders:

We are pleased to submit to you this report on the Company's performance in 2019 and on its progress up to the present date.

Company performance and earnings

Revenue for the year has increased compared to 2018, mainly due to higher dividend income received from subsidiaries, which offset the reduction in the income from group companies' credits.

Financial expenses were reduced due to the favorable exchange rates effect and the decrease in the expenses related to group companies' loans as a result of the restructuring of the Group's debt made in 2018.

The aforementioned variations enabled the profit before taxes to be significantly higher than in 2018.

The Board of Directors will propose to the shareholders in the General Annual Meeting a dividend of 22 cents per share (2018: 15 cents), an increase of 46,6% on the prior year. This is equivalent to EUR 31.5 million (2018: EUR 21.4 million).

The financing agreement on the syndicated bank debt of the group is sufficient to ensure the liquidity needs in the medium and long term.

Main risks

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

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

Treasury share transactions

At 31 December 2019, the Company holds a total of 343,949 treasury shares at an average cost of EUR 11.93 per share. The value of these treasury shares amounts to EUR 4,102 thousand.

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

Use of financial instruments

The Group policy establishes the use of financial derivatives to eliminate or significantly reduce certain interest rate and foreign currency risks relating to its assets if needed. The Company do not hold any derivative financial instruments at the end of 2019.

Significant events after the reporting period

No events have occurred since 31 December 2019 other than those described in the notes to the accompanying consolidated financial statements.

Disclosures on the payment periods to suppliers

Information on deferred payments made to suppliers is detailed in note 12,3 of the Annual Accounts report for the year ended 31 December 2019.

Annual Corporate Governance Report

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

www.cnmv.es

www.applus.com

Applus Services, S.A.

**Preparation of the Financial Statements and
Management report for the year ended 2019**

In accordance with the provisions of article 253 of the Spanish Companies Act and article 34 of the Spanish Code of Commerce, the Board of Directors of Applus Services, S.A., in its meeting 21 February 2020, has drawn up the financial statements (comprising the balance sheet, the profit and loss account, the statement of changes in equity, the statement of cash flows and the explanatory notes) and the management report for year 2019, which are included in the documents preceding this signature page and their annexes, all of them correlatively ordered.

Barcelona, 21 February 2020



Mr. Christopher Cole
Chairman



Mr. Ernesto Gerardo Mata López
Director



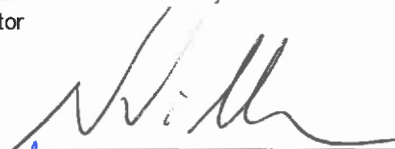
Mr. John Daniel Hofmeister
Director



Mr. Fernando Basabe Armijo
Director



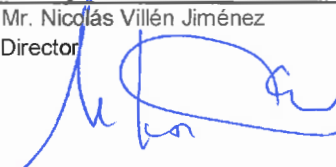
Mr. Richard Campbell Nelson
Director



Mr. Nicolás Villén Jiménez
Director



Ms. Maria Cristina Henríquez de Luna Basagoiti
Director



Ms. María José Esteruelas
Director



Ms. Essimari Kairisto
Director



Mr. Joan Amigó i Casas
Director

For identification purposes, all the pages of the financial statements and the management report for the year ended on 31 December 2019, as approved by the Board of Directors, are initialized by the Secretary of the Board of Directors, Mr. Vicente Conde Viñuelas.



Appendix I - Companies included in the scope of consolidation

Name	Applus Servicios Tecnológicos, S.L.U	Azul Holding 2, S.à.r.l.	Applus Iteuve Argentina, S.A.	Applus Santa Maria del Buen Ayre, S.A.	Applus Uruguay, S.A.	Revisiones Técnicas Applus del Ecuador Applusiteuve, S.A.	Applus Iteuve Brasil Serviços LTDA	Applus Technologies, Inc.
Registered office	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	7, rue Robert Stümper L 2557-Luxembourg (Luxembourg)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Jurisdicción de la Ciudad autónoma de Buenos Aires (Argentina)	Guayabos nº 1718, escritorio 505 Montevideo (Uruguay)	Avda Patria nºE4-41 Intersección Avda Amazonas edificio Patria Piso 10 Oficina 01, Pichincha, Quito (Ecuador)	Avenida Paulista 726, Cj. 1207, 12º andar, Sala 36, Sao Paulo (Brazil)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)
Line of business	Holding company	Holding company	Vehicle roadworthiness testing	Right and compliance of the obligations corresponding to public services concessions relating to the obligatory Technical Verification of Vehicles	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Holding company	Vehicle roadworthiness testing
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 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	Inspecció Tècnica de vehicles i serveis, S.A.	Idiada Automotive Technology India PVT, Ltd
Registered office	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)	Pražská 320/8, 500 04, Hradec Králové (Czech Republic)	Joukahaisenkatu6, 20520 Turku Finland	Ctra de Bixessarri s/n, Aixovall AD600 (Andorra)	Unit no. 206, 2nd Floor, Sai Radhe Building Raja Bahadur Mill Road, off Kennedy Road, Pune 411 001 (India)
Line of business	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	80%	100%	50%	80%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

2

Name	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	CTAG - Idiada Safety Technology Germany, GmbH	Inversiones y Certificaciones Integrales SyC, S.A.
Registered office	Ctra. N-VI, Km. 582,6 - 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, California (USA)	9270 Holly Road, Adelanto, CA 92301 (USA).	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)
Line of business	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Engineering, testing and certification	Engineering, testing and certification	Business and management services advice
Active / inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	80%	44%	100%	80%	67%	80%	40%	89%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Inspection Services Ireland, Ltd.	Idiada Automotive Technology Mexico S de RL de CV	LGAI Technological, Center, S.A.	Applus México, S.A. de C.V.	LGAI Chile, S.A.	Applus Costa Rica, S.A	Applus Norcontrol, S.L., Sociedad Unipersonal	Novolec Consultores, S.A., Sociedad Unipersonal
Registered office	3026 Lake drive, Citivest business campus, Naas Road, Dublin 24 (Ireland)	Carretera Lateral Mexico Puebla, 7534, 72110, Puebla (Mexico)	Campus de la UAB, Ronda de la Font del Carme, s/n, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Bldv. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (Mexico)	Alberto Henckel 2317, Providencia, Santiago de Chile (Chile)	Oficentro Ejecutivo La Sabana, Edificio 7, Primer piso, Local 2, San José (Costa Rica)	Crta. Nacional VI-Km 582, 15168, Sada, A Coruña (Spain)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)
Line of business	Vehicle roadworthiness testing	Ingeniería, Ensayo y certificación	Certification	Quality system audit and certification	Quality system audit and certification	Quality system audit and certification	Inspection, quality control and consultancy services	Services related to quality and safety in industrial plants, buildings, etc.
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies: Direct Indirect Method used to account the investment	- 100% Full consolidation	- 80% Full consolidation	- 95% Full consolidation	- 95% Full consolidation	- 95% Full consolidation	- 95% Full consolidation	- 95% Full consolidation	- 100% Full consolidation

Name	Applus Panamá, S.A	Applus Norcontrol Panamá, S.A.	Norcontrol Chile, S.A.	Norcontrol Inspección, S.A. de C.V. – México	Applus Norcontrol Guatemala, S.A.	Applus Norcontrol Colombia, Ltda	Norcontrol Nicaragua, S.A.	Röntgen Technische Dienst Holding BV
Registered office	Calle Jacinto Palacios Cobos, Edificio 223, piso 3, locales A y C, Ciudad del Saber, Clayton, Ciudad de Panamá (Panama)	Calle Jacinto Palacios Cobos, Edificio 223, piso 3, locales A y C, Ciudad del Saber, Clayton, Ciudad de Panamá (Panama)	Alberto Henckel 2317, Providencia, Santiago de Chile (Chile)	Bldv. Manuel Avila Camacho 184, Piso 4-B, Col. Reforma Social, C.P. 11650 México, D.F (Mexico)	Km 14,5 Carretera a El Salvador, Santa Catarina Pinula (Guatemala)	Calle 17, núm. 69-46 Bogotá (Colombia)	Colonia Los Robles, Km. 6,500 Carretera Masaya, Managua (Nicaragua)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)
Line of business	Certification	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Inspection, quality control and consultancy services	Holding company
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	95%	95%	95%	95%	96%	95%	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 UK Holding, Ltd	Applus RTD PTE, Ltd (Singapore)	Applus Colombia, Ltda.	Applus (Shanghai) Quality Inspection Co, Ltd	Applus RTD Certification, B.V.	Applus PTY, Ltd (Australia)	Applus RTD Norway, AS	Arctosa Holding, B.V.
Registered office	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	521 Bukit Batok St 23, Unit 05-E, Singapore (Singapore)	Calle 17, núm 69-46, Bogotá (Colombia)	Jucheng Industrial Park, Building 23, 3999 Xiu Pu Rd, Nan Hui, Shanghai 201315 (China)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	Finnestadgeilen 38, 4029 Stavanger (Norway)	Delftweg 144, 3046 NC Rotterdam (The Netherlands)
Line of business	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	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%	95%	95%	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	Libertytown Applus RTD Germany GmbH	Applus Norcontrol Maroc, Sari	Applus RTD Gulf DMCC.	Applus Qualitec Serviços de Engenharia, Ltda.	Applus Lgai Germany, GmbH	BK Werstofftechnik-Prüfstelle Für Werkstoffe, GmbH	Ringal Brasil Investimentos, Ltda.	Assinco-Assesoria Inspeção e Controle, Ltda
Registered office	Industrie Strasse 34 b, 44894 Bochum (Germany)	INDUSPARC Module N°11BD AHL LOGHLAM Route de Tilt Mellil Chemin Terlaire 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, n°450, 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, n°450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Rua Petrovale, quadra 01, lote 10, integrante da área B, n° 450, Bloco 2 - 1º andar, Bairro Distrito Industrial Marsil, EP 32400-000 Cidade de Ibirité, Estado de Minas Gerais (Brazil)
Line of business	Holding company	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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	95%	100%	100%	95%	95%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Arabia L.L.C	Applus II Meio Ambiente Portugal, Lda	Ringal Invest, S.L.U	Applus Velosi DRC, Sarl.	Ingelog Consultores de Ingeniería y Sistemas, S.A.	Ingelog Servicios Generales, Ltda (Sergen)	Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.	Ingeandina Consultores de Ingeniería, S.A.S.
Registered office	Dammam (Saudi Arabia)	Complexo Petroquímico, Monte Feio, 7520-954 Sines (Portugal)	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Lubumbashi, Avenue Lumumba, N. 1163, Quartier Industriel, Commune Kampemba (Congo)	Alberto Henckel 2317, Santiago de Chile (Chile)	Alberto Henckel 2317, Santiago de Chile (Chile)	Ciudad de Guatemala (Guatemala)	Calle 17, núm. 69-46 Bogotá (Colombia)
Line of business	Certification	Inspection, quality control and consultancy services	Holding company	Provision of permanent contract services	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Provision of transport and rental of vehicles	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	48%	95%	100%	100%	100%	100%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus RTD USA Services, Inc.	Libertytown USA 3, Inc.	Applus Management Services, Inc.	Applus Aerospace UK, Limited	Aerial Photography Specialist PTY, LTD	Applus RTD Canada Holding (2016), Inc.	SKC Inspection and Non Destructive Testing, Inc	SKC Engineering Ltd
Registered office	3 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 (USA)	3 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 (USA)	3 Sugar Creek Center Blvd, Suite 600 Sugar Land, TX 77478 (USA)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	1300 - 1969 Upper Water Street Purdy's Wharf Tower II Halifax NS B3J 3R7 (Canada)	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)
Line of business	Any lawful act or activity in order for companies to organise themselves under the Delaware General Corporation Law	Any lawful act or activity in order for companies to organise themselves under the Delaware General Corporation Law	Provision of professional, technical, administrative and human resources services	Non-destructive services from the aerospace business.	Manufacture, repair, sale and services related to drones	Holding company	Inspection and non-destructive testing	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%	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	3C Test Limited	DatapointLabs, Llc.	DatapointLabs India, Inc.	Matereality, Llc.	Technical Inspection Services, Lid	Applus Middle East Engineering Consultancy, LLC	SARL Apcontrol Energie et Industrie Algerie	Talon Test Laboratories (Phoenix) Inc.
Registered office	Silverstone Technology Park, Silverstone Circuit, Silverstone, Towcester, Northamptonshire, NN12 8GX (UK)	95 Brown Rd. #102 Ithaca, NY 14850 (USA)	95 Brown Rd. #102 Ithaca, NY 14850 (USA)	95 Brown Rd. #102 Ithaca, NY 14850 (USA)	Unit 21, Hither Green Industrial Estate, Clevedon, North Somerset, BS21 6XU (UK)	Office 201, Abu Dhabi Business Hub, Building B, Mussafah (United Arab Emirates)	Planta 12 Centre Commercial et d'Affaires El Gods, Chérage, Argel (Algeria)	5002 South 40th Street, Unit F, Phoenix, Arizona (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.	Certification by non-destructive testing services	Industrial support and consulting	Production of technical control devices and appliances for the calibration of machinery, mechanical testing and measurement, oil services, management consulting, hydrocarbon analysis, environmental prevention and cleaning programs	Non-destructive testing services
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	95%	95%	95%	95%	100%	49%	49%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	TIC Investments Chile SpA	Applus Brasil Investimentos, Ltda
Registered office	Avenida Huaytiquina N°1601, ciudad de Calama (Chile)	Rua Dom José de Barros, nº 177, 6º andar, conjunto 601, sala 602, Vila Buarque, CEP 01038-100, Sao Paulo (Brazil)
Line of business	Holding company	Holding company
Active / Inactive	Active	Active
Ownership interest held by Group companies:		
Direct	-	-
Indirect	100%	100%
Method used to account the investment	Full consolidation	Full consolidation

Name	Applus International Italy, Srl	Applus Italy, SRL	IES - Velosi Norge AS	Applus Turkey Gazetlim Hizmetleri Limited Sirketi	Velosi LLC	Velosi Malta I Ltd	Velosi Malta II Ltd	Applus Velosi Czech Republic, s.r.o.
Registered office	23807 Merate (LC), via De Gasperi, 113, Merate (Italy).	Via Cinquantenario, 8 - 24044 Dalmine, Bergamo (BG) (Italy).	Dølevægen, 86, Post Box. 2096 N-5541 Kolnes, Kongsberg (Norway).	1042. Cadde 1319.Sokak No.9/5 Ovecler, Ankara (Turkey).	Azadlig Avenue 189, Apt 61, AZ1130 Baku (Azerbaijan).	The Bastions, Office No. 2 Emyim Cremona Street, Floriana, FRN 1281 (Malta).	The Bastions, Office No. 2 Emyim Cremona Street, Floriana, FRN 1281 (Malta).	Prague 9, Ocelárská 35/1354 (Czech Republic).
Line of business	Provision of technical, engineering and industrial services	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Provision of auxiliary services for oil and gas companies	Holding company	Holding company	Manufacturing, trade and services not listed in Appendix 1-3 of the Trade License Activity
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	Velosi Saudi Arabia Co Ltd	Velosi Engineering Management Consultancy (Shanghai) Ltd Co.	Velosi Siam Co Ltd	Applus (Thailand) Company Limited	Velosi Corporate Services Sdn Bhd	Velosi International Holding Company BSC (c)	Velosi Certification Services LLC	Velosi Certification WLL
Registered office	Unit No. 1, Al-Qusur, Talal Al-Doha Building, Sub of Prince Mohammad bin Fahd Road, Dhahran, 34247-3229 (Saudi Arabia).	Room 1304, Shengkang LiaoShi Building No. 738 Shang Cheng Road Pudong, Shanghai PRC, 200120 (China).	ZEN @ ZEN World Tower, Level 12, Zen World Tower, 4, 4/5 Rajdamri Road, Pathumwan, Bangkok, 10330 (Thailand).	208 Wireless Road Building 14th Floor Room 1401 (16), Lumpini, Pathumwan, Bangkok 10330 (Thailand).	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Flat 42, Building 1033, Road 3731, Block 337, Menama/UMM Alhassam (Bahrain)	# 201, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi (United Arab Emirates).	Block 9, Building 24, Office 21, Ground Floor, East Ahmadi, Industrial Area, P O Box # 1589, Salmiya – 22016 (Kuwait).
Line of business	Provision of maintenance testing, fixing, examination of the welding and quality control for the pipes, machinery, equipment and other buildings in oil, gas and petrochemical facilities and to issue related certificates	Provision of consulting of Petroleum Engineering, technical consultation of mechanical engineering and consulting of business management	Holding company	Provision of engineering and technical services	Provision of 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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	60%	100%	100%	74%	100%	100%	49%	24%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Applus Kazakhstan LLC	Velosi (B) Sdn Bhd	Velosi Certification Services LLC	Velosi Philippines Inc	Velosi Ukraine LLC	Dija & Furat Quality Assurance, LLC.	Applus Korea Co, Ltd.	Oman Inspection and Certification Services
Registered office	Building #31A, Akzhai lane, Atyrau, Atyrau Oblast, postal code 060002 (Kazakhstan).	Lot 5211, Spg. 357, Jin Maulana, KA 2931 Kuala Belait, Negara Brunei Darussalam (Brunei).	17, Chinkent Street, Mirobod District, 100029 Tashkent (Uzbekistan).	1004, 10F, Pagibig WT Tower, Cebu Business Park, Ayala, Cebu City (Philippines).	5A Pilerska Street, 03087 Kyiv (Ukraine).	Ramadan Area, District 623 S, No.1, Baghdad (Iraq).	108, Jin-ha, Seo-sang, Uiju, Ulsan (Republic of Korea).	P.O. Box 15, South Alkhuawir, Bawshar, Muscat Governorate (Oman)
Line of business	Provision of services in the area of industrial safety	Provision of quality control and engineering services for the oil and gas industries	Provision of inspection, certification, monitoring and other types of business activity	Provision of inspection, quality control, certification and business process outsourcing	Provision of auxiliary services in the oil and natural gas industries	Provision of quality control and training services	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.
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	80%	30%	80%	100%	100%	100%	67%	50%
Method used to account the investment	Full consolidation	Equity method	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

Name	Steel Test Secunda (PTY), LTD.	Applus Velosi Egypt, LLC	Velosi Mozambique LDA	Applus Velosi Angola, Lda.	Applus India Private Limited	Applus Mozambique Limitada	K2 Do Brasil Services Ltda	Applus Velosi America LLC
Registered office	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).	Condominio Mirantes de Talatona, Rua das Acácias, casa B13, Luanda (Angola).	#402, Vjaysri 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).
Line of business	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	Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialised services in NDT and engineering.	Provision of labor supply services for the oil and gas industries	Provision of consulting and technical assistance services in the oil and gas industry, man power services, NDT specialized tests, controls and 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
Active / Inactive	Active	Active	Active	Active	Active	Active	Active	Active
Ownership interest held by Group companies:								
Direct	-	-	-	-	-	-	-	-
Indirect	100%	100%	74%	49%	100%	49%	100%	100%
Method used to account the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Integración global	Full consolidation	Full consolidation

Name	Applus Velosi Canada Ltd	Midstream Technical Inspection Services, LLC	Applus K2 America, LLC	Velosi Australia Pty Ltd	QA Management Services Pty Ltd
Registered office	2600 Manulife Place 10180 - 101st Street, Edmonton, AB T5J 3Y2 (Canada)	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA).	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA).	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (Australia)	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (Australia)
Line of business	Provision of labor supply services for the oil and gas industries	Supply of certifications for pipelines belonging to the oil and gas sector	Providing solutions for owners and operators of drilling rigs and FPSO in America, including inspection services, repair and maintenance, structural design and analysis and training services	Holding company	Provision of quality assurance services, such as worldwide inspection and ISO 9000 Quality Management Consultancy, training courses, quality control software packages and specialised labor services
Active / Inactive	Active	Active	Active	Active	Active
Ownership interest held by Group companies:					
Direct	-	-	-	-	-
Indirect	100%	100%	100%	100%	100%
Method used to account the investment	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.
Registered office	Ashgabat City, Kopetdag District, Turkmenbashi, 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).
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
Active / Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive
Ownership interest held by Group companies:						
Direct	-	-	-	-	-	-
Indirect	100%	100%	100%	100%	98%	80%

Name	Velosi Asia Kish (Iran)	VAIL Consultancy Services DMCC	Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power, LLC.	Velosi Jorson Sdn Bhd (Brunei)
Registered office	No. 7, Second Floor, Block B2B, Pars Commercial Complex, South-West of the Port Area (Iran).	DMCC Business Centre - Level No 1 - Jewellery & Gemplex 3 Dubai (United Arab Emirates).	Al-Shamasiyah District Section No. 316 Street 15 house 3711, Basra (Iraq)	LOT 5211, Simpang 357, Jalan Maulana, Kuala Belait KA2931, Brunei Darussalam (Brunei).
Line of business	No line of business	No line of business	Buy, lease, ownership of personal property, intellectual property and the sale of said goods	Provision of non-destructive testing services (NDT), technological development and transformation and technical consulting.
Active / Inactive	Inactive	Inactive	Inactive	Active
Ownership interest held by Group companies:				
Direct	-	-	-	-
Indirect	97%	80%	100%	15%

The members of the Board of Directors of Applus Services, S.A. declare that, to the best of their knowledge, the individual financial statements of Applus Services, S.A. (comprising the statement of financial position, statement of profit or loss, the statement of changes in equity, the statement of cash flows and the explanatory notes) for the year ended at 31 December 2019, prepared in accordance with the accounting policies applicable and approved by the Board of Directors at its meeting on 21 February 2020, present fairly the equity, financial position and results of Applus Services, S.A., and that the management report accompanying such financial statements includes a fair analysis of the business' evolution, results and the financial position of Applus Services, S.A, as well as a description of the principal risks and uncertainties that the company faces. All the Directors have signed on this page to certify the above mentioned.

Barcelona, 21 February 2020

Mr. Christopher Cole
Chairman

Mr. Ernesto Gerardo Mata López
Director

Mr. John Daniel Hofmeister
Director

Mr. Fernando Basabe Armijo
Director

Mr. Richard Campbell Nelson
Director

Mr. Nicolás Villén Jiménez
Director

Ms. Maria Cristina Henríquez de Luna Basagoiti
Director

Ms. María José Esteruelas
Director

Ms. Essimari Kairisto
Director

Mr. Joan Amigó i Casas
Director