

Applus Services, S.A.

Financial Statements for the year
ended 31 December 2023 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 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.

Declaration of Responsibility of the Directors of Applus Services, S.A. for the content of the annual financial report for 2023

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

The members of the Board of Directors of Applus Services, S.A. declare that, to the best of their knowledge, the 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 2023, prepared in accordance with the accounting policies applicable and approved by the Board of Directors at its meeting on 21 February 2024, 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 to certify the financial statements except for Mrs. Cristina Henríquez de Luna Basagoiti and Mrs. Essimari Kairisto who both attended the meeting by video-conference and gave their approval verbally.

Barcelona, 21 February 2024

Mr. Christopher Cole
Chairman

Mr. Ernesto Gerardo Mata López
Director

Mr. Joan Amigó i Casas
Director

Mr. Nicolás Villén Jiménez
Director

Ms. Maria Cristina Henríquez de Luna Basagoiti
Director

Ms. Maria José Esteruelas Aguirre
Director

Ms. Essimari Kairisto
Director

Ms. Marie-Françoise Madeleine Damesin
Director

Mr. Brendan Wynne Derek Connolly
Director

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Report on the Financial Statements

Opinion

We have audited the financial statements of Applus Services, S.A. (the Company), which comprise the balance sheet as at 31 December 2023, 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 2023, 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), which at 31 December 2023 amounted to EUR 1,780 million and EUR 377 million, respectively. Also, in 2023 the Company recognised a reversal of impairment losses of EUR 20 million on the aforementioned ownership interests, and this amount was credited to the statement of profit or loss, as a result of the review of the recoverable amount of the interests.

The assessment of the recoverable amount of the ownership interests and loans requires the use of significant judgements and estimates by management, both when choosing the valuation method and discounting future cash flows and when considering the key operating assumptions used. As a result of the foregoing, as well as the significance of the investments and loans held, 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 conformity with the applicable regulatory financial reporting framework of the valuation method used in relation to the investment held and the clerical accuracy of the calculations made. We evaluated the reasonableness of the cash flow projections and the discount rates applied 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 plan 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.

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

Description

Procedures applied in the audit

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.

Recoverability of deferred tax assets

Description

Procedures applied in the audit

Notes 8.1 and 8.5 to the accompanying financial statements detail the deferred tax assets amounting to EUR 14.6 million that are recognised in the balance sheet at 2023 year-end, corresponding to tax losses, tax credits and temporary differences amounting to EUR 9.2 million, EUR 4.4 million and EUR 1 million, respectively. The Company is the head of 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.

Our audit procedures to address this matter included, among others, evaluating the methodology and assumptions used by the Company, as well as verifying the consistency thereof 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 the impairment test 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.

Recoverability of deferred tax assets

Description

At the end of each reporting period, Company management assesses the recoverability of the tax assets recognised based on the earnings projections used to estimate future taxable profits in a timeframe of no more than ten years, taking into account current legislation and the most recently approved business plan. 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

Also, we evaluated the historical accuracy of management in the process of preparing the earnings projections used to estimate taxable profits, comparing the actual figures for the year with the projections made in the preceding year.

Lastly, we evaluated whether the disclosures required by the applicable accounting regulations in connection with this matter had been included in Notes 4.3 and 8 to the accompanying financial statements.

Other Information: Directors' Report

The other information comprises only the directors' report for 2023, 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 directors' report, in accordance with the audit regulations in force, consists of:

- a) Solely checking that certain information included in the Annual Corporate Governance Report and the Annual Directors' Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.
- b) Evaluating and reporting on whether the other information included in the directors' report is consistent with the financial statements, based on the knowledge of the entity obtained in the audit of those financial statements, 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 had been furnished as provided for in the applicable legislation and that the other information in the directors' report was consistent with that contained in the financial statements for 2023 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 8 and 9 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital file in European Single Electronic Format (ESEF) of Applus Services, S.A. for 2023, which comprises an XHTML file including the financial statements for 2023, which will form part of the annual financial report.

The directors of Applus Services, S.A. are responsible for presenting the annual financial report for 2023 in accordance with the format requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (“ESEF Regulation”). In this regard, the Annual Corporate Governance Report and the Annual Directors’ Remuneration Report were included by reference in the directors’ report.

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

In our opinion, the digital file examined corresponds in full to the audited financial statements, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

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 2024.

Engagement Period

The Annual General Meeting held on 8 June 2023 appointed us as auditors for a period of one year from the year ended 31 December 2022, i.e., for 2023.

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

DELOITTE, S.L.

Registered in ROAC under no. S0692

Sergi Segura Rius

Registered in ROAC under no. 22961

21 February 2024

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 2023 and Directors' Report,
together with Independent Auditor's 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). This translation has been prepared by the Company for informative purposes only, has not been approved by the Board of Directors and has not the consideration of official or regulated information. 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 2023
(Thousands of Euros)

ASSETS	Notes	31/12/2023	31/12/2022	EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
NON-CURRENT ASSETS:		1,896,048	1,806,805	EQUITY:		1,160,367	1,193,060
Non-current investments in Group companies and associates-		1,881,254	1,790,197	SHAREHOLDERS' EQUITY-		1,160,367	1,193,060
Equity instruments	5.1 & 5.2	1,780,145	1,660,145	Share capital	6.1	12,907	13,587
Loans to companies	5.1 & 10.2	101,109	130,052	Share premium	6.2	449,391	449,391
Non-current financial investments		213	5	Reserves	6.2	676,958	721,618
Deferred tax assets	8.1	14,581	16,603	Treasury shares	6.3	(1,030)	(14,117)
				Profit for the year		22,141	22,581
				NON-CURRENT LIABILITIES:		744,051	628,646
				Non-current payables	7	553,614	526,083
				Non-current payables to Group companies and associates	10.2	190,437	102,563
CURRENT ASSETS:		288,508	234,824	CURRENT LIABILITIES:		280,138	219,923
Trade and other receivables-		10,523	11,510	Current payables-		47,419	23,272
Receivable from Group companies and associates	5.1 & 10.2	842	2,077	Bank borrowings	7	47,419	23,272
Other receivables		152	166	Current payables to Group companies and associates	10.2	223,240	190,270
Corporate income tax receivables	8.1	9,529	9,267	Trade and other payables-		9,479	6,381
Current investments in Group companies and associates-	5.1 & 10.2	275,880	223,098	Payable from Group companies and associates		32	-
Short-term loans to Group companies and associates		258,880	197,098	Other accounts payable		3,200	825
Other financial assets		17,000	26,000	Remuneration payable		4,679	5,120
Short-term accruals		125	171	Tax payables	8.1	1,568	436
Cash and cash equivalents	5.3	1,980	45				
TOTAL ASSETS		2,184,556	2,041,629	TOTAL EQUITY AND LIABILITIES		2,184,556	2,041,629

The accompanying Notes 1 to 14 and Appendices I and II are an integral part of the statement of financial position as at 31 December 2023.

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 2023

(Thousands of Euros)

	Notes	2023	2022
CONTINUING OPERATIONS:			
Revenue-	9.1 & 10.1	38,437	36,436
Services		3,493	3,895
Dividend revenue		17,000	26,000
Finance revenue to Group companies and associates		17,944	6,541
Staff costs-	9.2	(4,180)	(6,467)
Wages, salaries and similar expenses		(3,944)	(6,195)
Employee benefit costs		(236)	(272)
Other operating expenses-		(5,751)	(3,382)
Outside services		(5,670)	(3,232)
Taxes other than income tax		(81)	(150)
Impairment and gains and losses on disposals of financial instruments		20,000	-
PROFIT FROM OPERATIONS		48,506	26,587
Finance income-		1,121	257
From marketable securities and other financial instruments of third parties		1,121	257
Finance costs-		(37,038)	(17,943)
On debts to Group companies and associates	10	(16,016)	(4,651)
On debts to third parties	7	(21,022)	(13,292)
Exchange differences	11	177	2,187
FINANCIAL RESULT		(35,740)	(15,499)
PROFIT BEFORE TAX		12,766	11,088
Corporate income tax	8	9,375	11,493
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		22,141	22,581
DISCONTINUED OPERATIONS:			
Profit for the year from discontinued operations net of tax		-	-
PROFIT FOR THE YEAR		22,141	22,581

The accompanying Notes 1 to 14 and Appendices I and II are an integral part of the statement of profit or loss for 2023.

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
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR 2023
(Thousands of Euros)

	2023	2022
PROFIT PER INCOME STATEMENT (I)	22,141	22,581
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)	22,141	22,581

The accompanying Notes 1 to 14 and Appendices I and II are an integral part of the statement of recognized income and expense for 2023.

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 B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR 2023 (Thousands of Euros)

	Share capital	Share premium	Reserves	Treasury shares	Profit (Loss) for the year	Total
2022 BEGINNING BALANCE	14,302	449,391	753,955	(3,427)	41,265	1,255,486
Total recognised income and expense	-	-	-	-	22,581	22,581
Share capital reduction	(715)	-	(52,988)	-	-	(53,703)
Allocation of 2021 profit	-	-	20,944	-	(41,265)	(20,321)
- Transactions with treasury shares	-	-	(293)	(10,690)	-	(10,983)
2022 ENDING BALANCE	13,587	449,391	721,618	(14,117)	22,581	1,193,060
Total recognised income and expense	-	-	-	-	22,141	22,141
Share capital reduction	(680)	-	(46,933)	-	-	(47,613)
Allocation of 2022 profit (*)	-	-	1,953	-	(22,581)	(20,628)
- Transactions with treasury shares	-	-	320	13,087	-	13,407
2023 ENDING BALANCE	12,907	449,391	676,958	(1,030)	22,141	1,160,367

(*) The amount finally paid as dividends was EUR 20,628 thousand, corresponding to the number of outstanding shares entitled to receive a dividend on the date on which the payment occurs (excluding treasury stock)

The accompanying Notes 1 to 14 and Appendices I and II are an integral part of the statement of changes in total equity as at 31 December 2023.

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 2023
(Thousands of Euros)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (I):		1,732	(19,525)
Profit for the year before tax		12,766	11,088
Adjustments for-			
Dividend revenue	10.1	(17,000)	(26,000)
Finance income		(19,064)	(6,798)
Finance costs		37,038	17,943
Exchange differences		(177)	(2,187)
Reversal of impairment participation		(20,000)	-
Changes in working capital-			
Trade and other receivables		2,729	1,126
Trade and other payables		3,309	3,100
Other current assets		8	5
Other cash flows from operating activities-			
Dividends received		26,000	-
Interest paid		(32,960)	(18,376)
Interest received		13,288	6,406
Corporate Income tax paid		(4,205)	(5,832)
CASH FLOWS FROM INVESTING ACTIVITIES (II):		(54,431)	(9,979)
Proceeds from disposal-			
Group companies and associates		51,026	20,021
Payments due to investment-			
Group companies and associates	5.2	(105,257)	(30,000)
Other credits		(200)	-
		53,979	16,854
Proceeds and payments relating to financial liability instruments-			
Proceeds from issue of bank borrowings		215,464	142,762
Proceeds from issue of borrowings from Group companies and associates		62,100	52,054
Repayment and amortisation of bank borrowings		(163,422)	(92,855)
Repayment and amortisation of borrowings with Group companies and associates		(3,434)	-
Other payments		(36,101)	(64,786)
Dividend payments and remuneration of other equity instruments-			
- Dividends	6.2	(20,628)	(20,321)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV):		655	825
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		1,935	(11,825)
Cash and cash equivalents at beginning of year		45	11,870
Cash and cash equivalents at end of year		1,980	45

The accompanying Notes 1 to 14 and Appendices I and II are an integral part of the statement of cash flows for 2023.

Applus Services, S.A.

Financial Statements
for the year ended 31
December 2023
and Directors' 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). This translation has been prepared by the Company for informative purposes only, has not been approved by the Board of Directors and has not the consideration of official or regulated information. 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). This translation has been prepared by the Company for informative purposes only, has not been approved by the Board of Directors and has not the consideration of official or regulated information. 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 2023

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 (Spain).

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

The Company is the head of a group of subsidiaries, the Applus Group, and is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements for 2022, which were prepared in accordance with International Financial Reporting Standards (IFRSs), were approved by the shareholders at the Annual General Meeting of Applus Services, S.A. on 8 June 2023, and were filed at the Madrid Mercantile Register.

These financial statements relate to the Company individually. The Company prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) (see Note 4).

Information on the environment

Applus looks after the sustainability of its business and feels accountable for acting against climate change and supporting the transition to a low-carbon emissions economy through the services it provides and the management of its processes. Thus, the continuous improvement of a safety, healthy and sustainable environment constitutes the centre of the Company's and its subsidiaries environmental policy, reinforcing its commitment. Although the activities of the Parent's Company and its subsidiaries do not have a significant environmental impact, the consumption of energy in its facilities and the consumption of fuel to provide the services on clients' site generate the main impact of its operations. The Parent's Company and its subsidiaries work to reduce the carbon footprint by means of specific programs related to energy efficiency and the use of renewables.

Climate change offers opportunities which can result in different types of risk in the business of the Parent. The Parent's Company and subsidiaries main objective is to mitigate such risks and identify any potential opportunities to maximise our value to society, through a responsible management of the business, incorporating the interests and expectations of the Parent's stakeholders.

As in prior years, in 2023 the Parent's Company and subsidiaries have assessed qualitatively the risks and opportunities arising from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see Climate Change in section 7 from the Financial and non-financial Report (ESG)), is working to introduce the analysis of scenarios. According to that, the Parent's Company and subsidiaries have identified the potential impact of the risks and the probability of their occurrence, considering the substantial impacts, based on the following key elements: Governance, Strategy, Risk management, Metrics and objectives, classifying the impact as low, medium and high and defined in three time horizons, short, medium and long term. Following the impact assessment, the probability of the risk occurring should be evaluated. Likewise, we rolled out plans to make the best possible use of the opportunities that climate change may offer us, which will more than compensate for any potential impacts, albeit limited, that may arise.

In August 2023, SBTi (Science Based Targets Initiative) validated the long-term target of Applus+ to become net-zero by 2050. This environmental objective is aligned with the 1.5° scenario according to the COP of Paris. This objective complements the Group's short-term environmental targets (2030) validated by SBTi in 2022.

The commitment to net-zero emissions has allowed the Parent's Company and subsidiaries to be part of the "Business Ambition for 1.5 °C" campaign and the UNFCCC "Race to Zero" Campaign, which brings together entities from over the world to completely eliminate emissions by 2050.

It is worth mentioning that since 2019, when the Group established its baseline year for emissions, its emissions have been consistently reduced in line with the commitments we have made.

In view of the business activities carried on by the Parent's Company and subsidiaries, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the accompanying financial statements.

The Company considers that it complies with applicable environmental protection legislation and has procedures designed to ensure such compliance. In 2023 and 2022, the Company did not recognise any provisions to address potential environmental risks as it considered that there were no significant contingencies associated with potential lawsuits, compensation or other items. Lastly, the potential contingencies, compensation and other environmental risks that could be incurred by the Company are sufficiently covered by its third-party liability insurance policies.

2. Basis of presentation of the financial statements

2.1. Regulatory financial reporting framework applicable to the Company

The present financial statements for 2023 were issued by the Company's Directors at the Board of Directors Meeting held on 21 February 2024. 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 any other applicable Spanish corporate law.
- b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007, as amended by Royal Decrees 602/2016 and 1/2021, 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 supplementary legislation.
- d) All other applicable Spanish accounting legislation.

2.2. Fair presentation

The attached 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, fairly present the Company's equity, financial position, results of operations and cash flows for 2023. These financial statements, which were issued by the Company's Directors on 21 February 2024, will be submitted for approval by the shareholders at the Annual General Meeting. The Company's Directors consider that these financial statements will be approved without any changes.

The financial statements for 2022 were approved at the Annual General Meeting held on 8 June 2023.

In preparing these financial statements, the Company omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered not to be material in accordance with the concept of materiality defined in the conceptual framework of the 2007 Spanish National Chart of Accounts.

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

The Company's Directors are responsible for the information included in these financial statements, which shall be issued by them in accordance with the applicable regulatory financial reporting framework (see Note 2.1), as well as, for implementing the internal control measures that they consider necessary to ensure the financial statements do not have any material misstatement.

In preparing the attached financial statements, estimates were made based on historical experience and on other factors considered to be reasonable in view of the current circumstances; these estimates formed the basis for establishing the carrying amounts of certain assets, liabilities, income, expenses and obligations whose value is not readily determinable using other sources. The Company reviews its estimates on an ongoing basis.

The main assumptions regarding the future and other significant sources of uncertainty in the estimates at year-end that could have a significant effect on the financial statements in the coming year were as follows:

- The assessment of possible impairment losses on certain assets (see Note 4.1).
- The assumptions used in measuring the recoverable amount of financial instruments (see Note 4.1).
- The fair value of certain financial instruments (see Note 4.1).
- The calculation of certain provisions and contingent liabilities (see Note 4.5).
- The recovery of deferred tax assets (see Note 8.5).
- Corporate income tax and deferred tax assets and liabilities (see Note 8).

Although these estimates were made on the basis of the best information available as of 31 December 2023 future events might make it necessary to change these estimates (upwards or downwards) in the coming years. Changes in accounting estimates would be applied prospectively.

Voluntary tender offer for shares of the Applus Group

On 30 June 2023, Manzana Spain Bidco, S.L.U., a company indirectly owned by funds managed by indirect subsidiaries of Apollo Global Management, INC. ("Apollo") submitted an application for authorisation of a voluntary tender offer for all the Company's shares. The Spanish National Securities Market Commission (CNMV) admitted Apollo's tender offer for consideration on 17 July 2023 and the foreign investment was authorised without any conditions by the Spanish Cabinet on 27 December 2023.

The terms and conditions of Apollo's tender offer were initially detailed in the prospectus authorised by the CNMV on 17 January 2024 in which Apollo articulated its offer in the form of a purchase and sale. The consideration was EUR 9.5 per Applus share, subject to, among others, the acceptance of the tender offer by the holders of at least 75% of the share capital of Applus ("Minimum Acceptance Condition").

Subsequently, on 26 January 2024 Apollo announced that it had submitted an application for authorisation to the CNMV in order to modify its offer by increasing the consideration offered to EUR 10.65 per share, as a result of the execution of shares purchase agreements representing 21.85% of the share capital of Applus announced on 24 January 2024. The addendum to the offer prospectus containing the terms and conditions modifying the tender offer was approved by the CNMV on 2 February 2024 and the Minimum Acceptance Condition was eliminated, along with some other pending conditions.

In parallel, on 14 September 2023, Amber EquityCo, S.L.U., a company wholly owned indirectly by private equity funds managed by indirectly-owned subsidiaries of ISQ Holdings, L.L.C. and TDR Capital L.L.P. ("ISQ and TDR") (Amber EquityCo, S.L.U. is owned 50% by funds managed by subsidiaries of ISQ and 50% by funds managed by TDR), submitted an application for authorisation of a voluntary tender offer for all the Company's shares with an initial offer price of EUR 9.75 per Applus share. On 2 February 2024 ISQ and TDR announced their decision to increase the price of their offer to EUR 11 and reduce the Minimum Acceptance Condition to 50%. The Spanish Cabinet authorised the foreign investment without any conditions on 30 January 2024 and it was admitted for processing of the application for authorisation by the CNMV on February 16, 2024. However, at the date of issue of these financial statements, the prospectus has not been published and therefore the terms are still not known.

The period for the acceptance of Apollo's tender offer will not commence until the tender offer submitted by ISQ and TDR have been authorised or rejected by the CNMV.

In summary, at the end of 2023 and at the date of formal preparation of these financial statements there are two tender offer bids (one authorised and one pending authorisation by CNMV) the execution and potential outcome of which may eventually arise in the coming months of 2024.

The tender offer processes indicated above could have an impact on the financial situation and profit or loss of the Company and the Group in 2024 as a result of the change of control that could occur if either of the two tender offers were successful.

In this regard, the Company has certain debt, fundamentally, the syndicated loan and private debt placed with US investors (see Note 7.1), which at 31 December 2023 amounted to EUR 523.9 million (EUR 800.6 million for the Applus Group), which contractual conditions include a change of control clause that the lenders could activate, accelerating the repayment of the debt.

In accordance with the regulatory financial reporting framework applicable to the Company, the financial debt is presented as a non-current liability in the attached balance sheet on the basis of its contractual maturity at the end of 2023. The Directors, together with their legal counsel, consider that the change of control clause might carry the right to accelerate the repayment of the financing granted if there is a change of control, which can only be exercised, as the case may be, when such change of control occurs. Consequently, at 2023 year-end the lenders were not entitled to accelerate the repayment of the debt.

At the reporting date and at the date of formal preparation of the consolidated financial statements, taking into account the Group's current circumstances, it is not considered probable the demand for repayment would materialise in the future considering that a debt refinancing would immediately take place as explained in Apollo's (Manzana Spain Bidco, S.L.U.) prospectus and that this is common practice in these types of transactions.

Also, certain long-term share-based incentive plans of the Company's Management team and key employees provide, in the event of a change of control, for the early vesting of the plans and their settlement in cash at the price of the Applus shares on the date on which the change of control occurs.

The Company has therefore recognised a provision for the long-term incentive plans at 31 December 2023, and it is considered that the early vesting of the incentive plans will not have a significant impact on the amount recognised in 2023 or in relation to such shortfall in the related provision that might arise in 2024 in the event of the early vesting of the plans.

2.5. Comparative information

The accounting policies were applied on a consistent basis in 2023 and 2022 and, accordingly, no operations or transactions were accounted for following different accounting policies that might have given rise to discrepancies in the interpretation of the comparative figures in both years.

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. Correction of errors

In preparing the attached financial statements no errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2022.

3. Proposal of allocation of profit

The proposed allocation of the Company's net profit, formulated by the Board of Directors that will be presented at the next Company's Annual General Meeting of the Shareholders, for 2023 is as follows:

	Thousands of Euros
Basis of allocation:	
Profit of the year	22,141
	22,141
Allocation:	
To unrestricted reserves	22,141
Total	22,141

4. Accounting policies

As indicated in Note 2, the Company applied accounting policies in accordance with the accounting principles and rules included in the Spanish Commercial Code, implemented in the current Spanish National Chart of Accounts (2007 and Royal Decree 1/2021), and all other Spanish corporate law in force at the reporting date of these financial statements. In this connection, only those accounting policies that are specific to the Company's business activities and those considered significant on the basis of the nature of its activities are detailed below.

4.1. Financial instruments

Financial assets

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

- a) Financial assets at amortised cost: these include financial assets, including those admitted to trading on an organised market, for which the Company holds the investment in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In general, this category includes:

- i) Trade receivables: arising from the sale of goods or the rendering of services with deferred payment in the ordinary course business; and
 - ii) Non-trade receivables: arising from loans granted by the Company and other receivables with fixed or determinable payments.
- b) Financial assets at cost: this category includes investments in equity instruments of Group companies, jointly controlled entities and associates.

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 ventures.

Initial recognition

In general terms, financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs. However, transaction costs directly attributable to financial assets classified as at fair value through profit or loss are recognised in profit or loss.

Also, in the case of equity investments in Group companies affording control over the subsidiary, the fees paid to legal advisers and other professionals relating to the acquisition of the investment are recognised directly in profit or loss.

Subsequent measurement

Financial assets at amortised cost are accounted for using this measurement rule, and the related accrued interest is recognised in profit or loss using the effective interest method.

Investments classified in category b) above are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount of investments in equity instruments, 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, net of the related tax effect.

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, in accordance with current legislation, the Company prepares consolidated financial statements separately under International Financial Reporting Standards ("EU-IFRS"). These consolidated financial statements have been authorised for issue by the Board of Directors on the meeting held on 21 February 2024.

The main aggregates in the consolidated financial statements for 2023 prepared, as stipulated in Final Rule 11 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	
	2023	2022
Total Assets	2,440,687	2,432,604
Equity attributable to the shareholders of the parent	540,529	606,747
Revenue of the consolidated operations	2,057,916	1,898,514
Net profit (loss) attributable to the parent	20,191	48,600

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.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

Financial liabilities

Financial liabilities assumed or incurred by the Company are classified as financial liabilities at amortised cost, which are the Company's loans and payables that have arisen from the purchase of goods or services in the normal course of the Company's business and also those which, not having commercial substance or being derivative financial instruments, arise from loans and credits received by the Company.

These liabilities are initially recognised at the fair value of the items 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 2023 the Company does not hold any financial derivative products.

Impairment of financial assets

At least once a year, the Company tests financial assets not measured at fair value through profit or loss for impairment. 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.

The 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. For 2023, the Business Plan includes the 2024 budget approved by the Board of Directors of the Company together with the expectations for the following 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 using as a basis the business plan prepared by the Company Management. As a general rule, projections based on indefinite useful lives were used, applying a projected period of five years and a perpetual return from the sixth year onwards, except for the businesses with a finite useful life for which projections adjusted to the actual duration of the contract are used, considering in such cases the probability of renewal thereof. The cash flows generated by each asset were considered to grow to perpetuity at a rate equivalent to that of the growth of each industry in the territory 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	2023	2022
Spain	8.9%-9.7%	8.7%-9.9%
Rest of Europe	7.6%-8.9%	7.7%-8.4%
US and Canada	7.9%	8.3%
Latin America	12.4%	11.7%

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 by applying the exchange rates prevailing at the closing date. Any resulting gains or losses are recognised directly in the statement of profit or loss in the year in which they arise.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The resulting gains or losses are recognised in equity or in profit or loss by applying the same methods as those used to recognise changes in fair value, as indicated in Note 4.1 on Financial instruments.

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 payment benefits on the tax payable, excluding tax withholdings and pre-payments, and tax loss carry forwards 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 carry forwards. 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 are only recognised in the statement of financial position 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. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

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 related to the group corporate income tax.

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

Companies	
Applus Services, S.A.	Ringal Invest, S.L.
Applus Servicios Tecnológicos, S.L.U.	Applus Iteuve Technology, S.L.U.
IDIADA Automotive Technology, S.A.	Tunnel Safety Testing, S.A.
Applus Norcontrol, S.L.U.	jtsec Beyond IT Security, S.L.
Novotec Consultores, S.A.U.	Supervisión y Control, S.A.U.
Entidad IDV Madrid, S.L.U.	Laboratorio de Ensayos Metrológicos, S.L.
LGAI Technological Center, S.A.	ZYX Metrology, S.L.
Iteuve Canarias, S.L.	Applus Organismo de Control, S.L.U.
Enertis Solar, S.L.U.	Applus Energy, S.L.
Applus Certificación IDI, S.L.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.	Applus Energy, S.L.U.
Applus Servicios Tecnológicos, S.L.U.	Ringal Invest, S.L.U.
LGAI Technological Center, S.A.	Applus Iteuve Technology, S.L.U.

4.4. Revenue and expense recognition

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".

Revenue and expenses are recognised when the actual flow of the related goods or services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue from the sale of goods and the rendering of services is measured at the monetary amount received or, where appropriate, at the fair value of the consideration received or receivable, which, in the absence of evidence to the contrary, will be the price agreed on, net of any discounts, taxes and interest included in the nominal amount of the receivables. The estimated amount of variable consideration will be included in the measurement of revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue is recognised when (or as) control of a promised good or service is transferred to a customer.

For the recognition of the Company's revenue, be it in the form of dividends, interest or revenue from services rendered to Group companies, there is a single performance that is satisfied at a point in time the price of which is determined in contracts with customers and, accordingly, revenue recognition is not complex and the revenue is recognised when the performance obligation is satisfied.

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.

With respect to the dividends received, any distribution of unrestricted reserves shall be classified as a "distribution of profit" and, accordingly, shall give rise to the recognition of revenue in the shareholder's financial statements, provided that the investee or any Group company in which the latter holds an ownership interest has earned a profit exceeding the equity distributed from the acquisition date. The judgement as to whether a profit has been earned by the investee shall be based exclusively on the profits recognised in the separate statement of profit or loss from the acquisition date, unless there is no doubt that the distribution of the dividend out of the aforementioned profit for the year should be classified as a recovery of the investment from the perspective of the entity receiving the dividend.

Fees for attending general meetings and expenses incurred in holding such meetings are recognised when they are incurred under "Other Operating Expenses" in the accompanying statement of profit or loss since the amounts thereof are merely compensatory in nature.

4.5. Provisions and contingencies

When preparing the financial statements, the Company's Directors make 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 will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

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.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset when there are no doubts that the reimbursement will take place.

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.

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 an 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 Applus Services, S.A., 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 2023 and 2022, the Company did not have any finance leases.

Operating leases

Expenses resulting from operating leases are recognised in the statement of profit or loss in the year in which they are incurred.

The Company only holds certain vehicles under operating leases which do not have 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 based on the achievement of certain financial targets in 2023.
- b) Variable remuneration plan entailing the annual delivery of a given number of Restricted Stock Units (RSUs) (convertible into Company shares) to the Chief Executive Officer and certain members of the Executive Team and employees. 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 2023, three plans had been approved and ratified (see Note 10.3).
- c) The “long-term incentive” plan granted to the the Chief Executive Officer and certain Senior Executives consists of the delivery of Performance Stock Units (PSU's) convertible into Company's shares in three years from the grant date based on the achievement of certain targets (see Note 10.3).
- d) “Long-term Incentive” plan granted to the Chief Executive Officer and certain Senior Executives of the Company, that consists of the delivery of Performance Stock Units (PSU's) convertibles into shares with the schedule of 17%, 17% and 66%, for Senior Executives of the Company, and within three years for the Chief Executive Officer and subjected to the accomplishment of certain objectives (Earning per share, Return on capital employed and Environmental, Social and Governance), see Note 10.3.

4.12. Treasury shares

Treasury shares acquired by the Company during the year are recognised at acquisition cost, reducing equity until they are sold. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

5. Financial assets (non-current and current)

5.1. Breakdown of financial assets by measurement category

The carrying amount of “Non-Current Investments in Group Companies and Associates”, “Current Investments in Group Companies and Associates” and “Receivable from Group companies and associates” was classified for measurement purposes in the following categories at the end of 2023 and 2022 (in thousands of euros):

Categories	31/12/2023		31/12/2022	
	Long term	Short term	Long term	Short term
Financial assets at cost:				
Equity investments in Group companies and associates	1,780,145	-	1,660,145	-
Financial assets at amortised cost (Note 10.2):				
Credits (loans) to Group companies	101,109	250,760	130,052	194,759
Credits from commercial operations	-	842	-	2,077
Short-term interest receivable from Group companies	-	8,120	-	2,339
Account receivable relating to dividends	-	17,000	-	26,000
Total financial assets	1,881,254	276,722	1,790,197	225,175

5.2. Group companies and associates

Equity investments in Group companies and associates

The changes in 2023 and 2022 in “Non-current equity investments in Group companies and associates” were as follows (in thousands of euros):

2023

Categories	01/01/2023	Additions	Impairment loss	31/12/2023
Equity investments in Group companies and associates	1,660,145	100,000	20,000	1,780,145
Total	1,660,145	100,000	20,000	1,780,145

2022

Categories	01/01/2022	Additions	Impairment loss	31/12/2022
Equity investments in Group companies and associates	1,630,145	30,000	-	1,660,145
Total	1,630,145	30,000	-	1,660,145

In 2023, the Company has increased its ownership in the subsidiary Applus Servicios Tecnológicos, S.L.U. by EUR 100,000 thousand through a sole shareholder contribution recognised in the investee's equity for that amount. This increase in the ownership interest in Applus Servicios Tecnológicos, S.L.U. was mainly performed to enable this Company to acquire various companies, between them Ripórtico Engenharia Lda., Rescoll Group and Barlovento Group.

In 2023, the Company's Directors have re-estimated the recoverable amount of equity investments in their businesses and, as a consequence, it has become apparent that the accumulated impairment in the value of the investment in Applus Servicios Tecnológicos, S.L.U. amounting to EUR 20,000 thousand needed to be reversed to bring it into line with its recoverable amount, as described in Notes 2.4 and 4.1.

In 2022, the Company increased its ownership in the subsidiary Applus Servicios Tecnológicos, S.L.U. by EUR 30,000 thousand through a sole shareholder contribution recognised in the investee's equity for that amount. This increase in the ownership interest in Applus Servicios Tecnológicos, S.L.U. was mainly performed to enable this Company to acquire K2 Ingeniería, S.A.S. group.

Additionally, in 2022, a merger by absorption between the companies Azul Holding 2, S.à.r.l. and Velosi S.a.r.l. was carried out. As a result of this operation, the Company was the shareholder company of Velosi S.a.r.l. at the end of the financial year 2022. This merger applied a local tax neutrality regime, similar to that provided by the Spanish Law 27 /2014, of November 27, on Corporate Income Tax ("LIS"), in the country of residence (Luxembourg) of the aforementioned non-resident companies. Likewise, the Company, as a partner of the non-resident entities participating in the merger, proceeded to notify to the Tax Administration the acceptance of this operation in Spain under the tax neutrality regime provided for in Chapter VII of Title VII of the LIS.

The value of direct shareholdings at 31 December 2023 and 2022 are as follows (in thousands of euros):

Subsidiary	31/12/2023	31/12/2022
Applus Servicios Tecnológicos, S.L.U.	1,677,933	1,557,933
Velosi S.a.r.l.	102,212	102,212
Total equity investments in group companies and associates	1,780,145	1,660,145

The most significant information in relation to subsidiaries in which the Company had a direct ownership interest at 2023 and 2022 is as follows:

Name / Registered office	% of ownership	2023 - Thousands of euros					
		Share capital	Profit (Loss)		Other equity items	Total equity	Carrying amount
			From operations	Net			
Applus Servicios Tecnológicos, S.L.U.	100%	134,487	17,692	14,447	642,337	791,271	1,677,933
Velosi S.a.r.l.	100%	25	4,554	6,608	49,946	56,579	102,212
Total		134,512	22,246	21,055	692,283	847,850	1,780,145

Name / Registered office	% of ownership	2022 - Thousands of euros					
		Share capital	Profit (Loss)		Other equity items	Total equity	Carrying amount
			From operations	Net			
Applus Servicios Tecnológicos, S.L.U.	100%	134,487	(162,906)	(161,083)	720,372	693,775	1,557,933
Velosi S.a.r.l.	100%	26	1,268	(498)	52,519	52,048	102,212
Total		134,513	(161,638)	(161,581)	772,891	745,823	1,660,145

The Company's Directors have reviewed the cash flows of the companies included in both subgroups, and determined that, based on the business plans of the Group in which the Company is the Parent, the value of the investment at 31 December 2023 will be recovered.

As indicated in Note 4.1, at year-end the Company tests the investments recognised to ascertain whether there are any indications of impairment and, as the case may be, the recoverable amount of the assets.

To this end, firstly, the recoverable amount of the investments was estimated on the basis of the equity of the related investees.

In those cases where this method was used and it was disclosed that the carrying amount was higher, the recoverable amount of the investment was determined on the basis of the present value of the future cash flows generated by the investment, calculated using an estimate of the investor's share of the cash flows expected to be generated by the investee, or market value (price of recent similar transactions in the market) less the costs associated with the sale.

Where the investee engages mainly in the ownership of equity investments, its recoverable amount was calculated by aggregating the present value of the future cash flows from the investments in its subsidiaries.

The main steps carried out in order to determine the present value of the future cash flows arising from the investment were as follows:

1. The revenue and expense projections used in the impairment tests of the previous year were reviewed to evaluate possible variances. In this regard, in the review of the 2022 impairment tests using the actual results for 2023 no significant variances were detected.
2. Revenue and expense projections were prepared using the following general criteria:
 - To estimate business activity, the Company used as the reference the growth in the consumer price index (CPI) in each country in which the Company operates, as projected by the corresponding official bodies in each country (adjusted by the correctors applicable in each case).
 - In the case of expenses, the Company considered the CPI trends in each country and the projected business performance.
 - Taxes were also taken into account in the projections.
3. The cash flow projections obtained from the revenue and expense projection described above were discounted at the rate resulting from adding to the long-term time value of money the risk premium assigned by the market to each country where the activity takes place and the risk premium assigned by the market to each business (at long-term in both cases).
4. In general, the projections for the first few years are based on the 2023 year-end figures, on the 2024 budget and on the latest medium-term projection, and, from approximately the fifth year onwards, the projections are based on the growth rate of the activity. Certain projections cover cash flows for a period exceeding five years from the end of the reporting period because of the duration of the existing service contracts, be they concessions or administrative authorisations.

As a result of the foregoing, in 2023 it has been considered necessary to recognise the impairment loss reversion in Applus Servicios Tecnológicos, S.L.U. On the other hand, in 2022 it was not considered necessary to recognise impairment losses nor reversions.

The most significant assumptions used in determining the fair value of the investments in Group companies are detailed in Note 4.1.

Sensitivity to changes in key assumptions

In connection with the impairment tests on the investments in Group companies, the recoverable amount (determined on the basis of the fair value as stated above) obtained therefrom exceeds the carrying amount of the investments recognised and, therefore, if the assumptions used in the calculations changed significantly, there would be no indication of the existence of a significant impairment risk.

According to the sensitivity analysis performed, changes of +50 basis points in the discount rates, -50 basis points in the growth rates of the "g" terminal value and -500 basis points in the business growth rates would not lead to a significant impairment loss.

Thus, the recoverable amount obtained exceeds the carrying amount of the investments in Group companies, and the sensitivity analysis conducted on the projections shows clearly a high tolerance (above 20%) to changes in the key assumptions used.

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.

5.3. Cash and cash equivalents

The detail of the balances of "Cash and cash equivalents" at 31 December 2023 and 2022 is as follows (in thousands of euros):

Categories	31/12/2023	31/12/2022
Cash recognised in current accounts	1,980	45
Total cash and cash equivalents	1,980	45

At 31 December 2023 and 2022, no amount recognised under "Cash and cash equivalents" had been pledged.

At the end of 2023, the Company has short-term credit facilities which are partially drawn down. The amount drawn down amounts to EUR 11,038 thousand (2022: EUR 4,067 thousand) which are classified under "Current bank borrowings" in the accompanying statement of financial position (see Note 7).

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 required mechanisms to control exposure to interest rate and exchange rate fluctuations as well as 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 2023 and 2022 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 2023 and 2022.

Past-due or credit-impaired assets

The carrying amount less any accumulated impairment losses represents the maximum exposure to credit risk and also coincides with the carrying amount at which all the Company's financial assets are recognised.

Also, there are no significant financial assets that entail the recognition of income in the statement of profit or loss.

The detail of the age of the financial assets and of the related impairment losses is as follows:

	Thousands of euros			
	2023		2022	
	Book value	Accumulated correction for impairment	Book value	Accumulated correction for impairment
Amount not due	-	-	-	-
Overdue impaired amount:				
Less than 90 days	-	-	-	-
Between 90 and 180	-	-	-	-
Between 180 and 360	-	-	-	-
More than 360 days	228	(76)	237	(79)
	228	(76)	237	(79)

The carrying amount of the financial assets and financial liabilities constitutes an acceptable approximation to fair value.

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.

The detail by maturity of the financial liabilities with fixed or determinable maturities is shown in Note 7.

At 2023 year-end, the amount of the financial liabilities that was scheduled to mature in 2024, totalling EUR 47,419 thousand, was lower than the available funds, determined as the sum of: cash and cash equivalents and current financial assets; the annual cash flow expected to be generated in 2023; and the discount lines and credit facilities to which banks are committed that have not been used and that have an initial maturity of more than 12 months (see Note 7).

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 minimize the risk exposure, the Company has a private debt placement secured at a fixed interest rate. Private placement debt represents at 31 December 2023 a 56% of total debt drawn (60% at the end of 2022).

The Company's Directors continue to constantly monitor these risks.

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:

	2023	2022
Average interest rate	2.69%	2.08%
Average financial debt drawn (thousands of euros)	590,191	548,480

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:

	2023	2022
Change in interest rate +0,50%		
Change in borrowing costs (thousands of euros)	1,301	1,092

c.2) Foreign currency risk:

The Company's Management, based on activity in countries outside the eurozone, monitors the changes in the various currencies in which the Parent's Company Group operates and assesses the foreign currency risk that could affect its financial statements.

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

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

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

At 31 December 2023 financial debt has been drawn down in US dollars (at 31 December 2022 financial debt was drawn down in US dollars), so the Company is exposed to foreign currency risk as follows:

	Thousands of Euros	
	2023	2022
Financial debt subject to foreign currency risk	16,807	17,443
Average financial debt drawn subject to foreign currency risk	17,113	21,126

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:

	2023		2022	
	+0.50%	-0.50%	+0.50%	-0.50%
Change in exchange rate				
Change in borrowing costs (thousands of euros)	86	(86)	106	(106)

d) Inflation risk:

Despite the long period of historically low inflation, in 2022 inflation in the euro zone rose sharply, remaining stable in 2023. The great majority of the Company's expense contracts are indexed to inflation, being the main ones those related to leased infrastructure. Likewise, the great majority of the contracts between the Company and its clients are indexed to inflation, meaning that much of this risk is naturally mitigated.

e) Other risks:

The Directors, the Management of the Company and of its subsidiaries continue to observe closely the geopolitical and macroeconomic situation in the markets in which the Group operates and monitor the degree of achievement of the strategic plan presented in November 2021. In 2023 special attention was paid to the possible impacts of the war between Russia and Ukraine and the geopolitical and financial risks in the markets in which the Group operates and obtains its financing. In addition, special attention is paid to technology-related risks and those derived from cyberattacks, as well as to environmental regulatory and labour-related risks. In no case were any significant impacts detected for the Group. The Group's liquidity at year-end amounted to EUR 472 million.

6. Equity and shareholders' equity

6.1. Share capital

At 31 December 2022, the Parent's share capital is represented by 135,867,508 fully subscribed and paid-up common shares of EUR 0.10 par value each.

On 8 June 2023, the General Shareholders' Meeting approved the capital reduction through the redemption of 6,793,375 treasury shares, which represent the 5% of the share capital of the Parent Company. This capital reduction was duly registered in the Mercantile Registry of Madrid and has led to a reduction in the share capital of the Parent Company by EUR 679 thousand (with a nominal value of EUR 0.10 per share), a decrease in the value of own shares (see Note 6.3) for an amount of EUR 47,613 thousand (at an average price of EUR 7.01) and a reduction in reserves (see Note 6.2) for an amount of EUR 46,934 thousand.

Consequently, as at 31 December 2023, the share capital of the Parent Company is represented by 129,074,133 ordinary shares of EUR 0.10 par value each, fully subscribed and paid.

As 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, representing more than 3% of share capital, at 31 December 2023 were as follows:

	% Voting rights attached to shares	% Voting rights through financial instruments	% Total voting rights
Morgan Stanley	4.634%	6.652%	11.286%
Barclays Plc	0.041%	8.562%	8.603%
JP Morgan Chase & Co	6.625%	1.286%	7.911%
Davies, Simon (Sand Grove)	-	6.926%	6.926%
The Goldman Sachs Group Inc	5.858%	0.014%	5.872%
Samson Rock Capital Llp	-	5.859%	5.859%
DWS Investment GmbH	3.840%	-	3.840%
Santander Asset Management, S.A., SGIIC	3.771%	-	3.771%
Jefferies Financial Group Inc	-	3.043%	3.043%

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

At the end of 2023 and 2022 the balance of the legal reserve amount to EUR 2,860 thousand and it had reached the legally minimum required.

At 31 December 2023 and 2022, the share premium reserves amounted to EUR 449,391 thousand and it is fully available.

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

At the closing of the financial years 2023 and 2022, the Company owns reserves that add up to EUR 676,958 and EUR 721,618 thousand, respectively.

During 2023, reserves decreased by EUR 46,934 thousand as a result of the capital reduction mentioned in Note 6.1.

On 8 June 2023, the General Shareholders' Meeting of the Parent Company approved the allocation of the profit of the Parent Company for the year 2022 amounting to EUR 22,581 thousand, to dividends for an amount of EUR 0.16 per share for all the outstanding shares entitled to receive a dividend, which represented EUR 20,628 thousand, and the remaining to voluntary reserves of free disposal. The dividend was paid on 6 July 2023.

6.3. Treasury shares

At 31 December 2023, the Company holds a total of 146,997 treasury shares at an average cost of EUR 7.01 per share. The value of these treasury shares totalled EUR 1,030 thousand, which is recognised under "Treasury Shares" in the accompanying statement of financial position as at 31 December 2023 (see Note 4.12).

The Board of Directors of the Parent Company approved on 26 January 2022 to launch a programme to buyback the Company's shares, pursuant to the authorization granted by the General Meeting of Shareholders of the Company held on 29 May 2020, under item Seventh of its agenda. The share buyback programme started on 1 February 2022 and finalized on 13 May 2022. Further details of the terms and conditions of the programme can be found on the CNMV Inside Information dated 27 January 2022.

On 28 June 2022, the Annual General Shareholders Meeting approved the capital reduction by the redemption of 7,150,922 treasury shares, representing 5% of the Parent's Company share capital (see Note 6.1).

The Board of Directors of the Parent Company agreed on 7 November 2022 to launch a second Buyback program, under the authorization granted by the General Shareholders' Meeting of the Parent Company held on 28 June 2022, under item 10 of its agenda. The maximum net investment of the Buyback Program amounts to EUR 50 million. The maximum number of shares of the Company that may be acquired under the Buyback Program was set at 6,793,375 shares, representing 5% of the share capital at this date. The Share Buyback Program began on 9 November 2022 and finished on 17 May 2023.

On 8 June 2023, the Annual General Shareholders Meeting approved the capital reduction by the redemption of 6,793,375 treasury shares, representing 5% of the Parent's Company share capital (see Note 6.1).

At 31 December 2022, the Company held a total of 2,227,423 treasury shares at an average cost of EUR 6.34 per share. The value of these treasury shares totalled EUR 14,117 thousand, which is recognised under “Treasury Shares” in the accompanying statement of financial position as at 31 December 2022 (see Note 4.12).

In February and March 2023 the Company delivered to the Chief Executive Officer, Senior Executives and certain executives of the Group a total of 248,598 shares (212,503 shares in 2022), following the approved calendar in accordance with the incentive plans granted (see Note 10.3).

7. Non-current and current payables

7.1. Breakdown of financial liabilities by category

The balances of “Non-Current Payables” and “Current Payables” at the end of 2023 and 2022 relate in full to “financial liabilities at amortised cost”. The detail is as follows (in thousands of euros):

	31/12/2023	31/12/2022
Facilities Agreement	193,941	113,941
US Private Placement lenders	330,000	330,000
CaixaBank credit facility	-	65,000
Sabadell Loan	13,036	-
Polizas de crédito	16,807	17,444
Debt Arrangement fees	(170)	(302)
Total non-current payables	553,614	526,083
Accrued interests	3,164	2,949
Debt Arrangement fees	(131)	(411)
Bilateral facilities	-	16,667
CaixaBank credit facility	30,000	-
Sabadell Loan	3,348	-
Credit facilities (Note 5.3)	11,038	4,067
Total current payables	47,419	23,272
Total bank borrowings	601,033	549,355

At 31 December 2023, the Company’s debt structure is mainly composed of a portion of bank borrowings and placed private debt borrowings with US institutional investors. The bank borrowings consist of a multi-currency syndicated loan of EUR 600 million, which comprises a Facility A “Term Loan” of EUR 200 million and a Facility B “Revolving Credit Facility” of EUR 400 million. The total amount of the private debt is EUR 330 million and includes the new private debt placement of EUR 100 million carried out in 2021, bearing interest at a market rate and with final maturity in June 2036. The amount of the borrowings drawn down by the Company is disclosed in the foregoing table. The amount of the borrowings drawn down by the Group is disclosed in the consolidated financial statements of the Applus Group and in the table below in section a.

On 15 April 2021, the Applus Group entered a sustainability linked credit facility with CaixaBank limited to EUR 100 million maturing in 2023, with a one-year extension option that has been effective in 2022 of which EUR 30 million were drawn down at 31 December 2023.

On 2 May 2023, a loan agreement was signed with Banco Sabadell for an amount of EUR 18 million, with the first repayment scheduled for June 2023 and the final payment expected in June 2028. This loan accrues interest at the market rate.

The aforementioned borrowings include change of control covenants that entitle the financial creditors to demand repayment of the amounts drawn down. The Parent's Directors estimate that, in the event of a change of control, the aforementioned debt will be refinanced (see Note 2.4).

Note 5.4 to the financial statements contains information on the nature and level of risk of the financial instruments. In this regard, Group liquidity is also detailed in this Note.

The detail of the amounts drawn, by maturity, of "Non-Current Payables" and "Current Payables" is as follows:

2023

	Thousands of Euros						
	Limit	Short Term	Long Term				Total
			2025	2026	2027	2028 onwards	
Facility A "Term Loan"	200,000	-	11,941	-	-	-	11,941
Facility B "Revolving Credit Facility"	400,000	-	182,000	-	-	-	182,000
US Private Placement lenders	330,000	-	150,000	-	-	180,000	330,000
CaixaBank credit facility	100,000	30,000	-	-	-	-	30,000
Sabadell Loan		3,348	3,509	3,677	3,854	1,996	16,384
Accrued interest	-	3,164	-	-	-	-	3,164
Debt Arrangement fees	-	(131)	(82)	(36)	(36)	(16)	(301)
Credit Facilities	93,157	11,038	16,807	-	-	-	27,845
Total	1,123,157	47,419	364,175	3,641	3,818	181,980	601,033

2022

	Thousands of Euros						
	Limit	Short Term	Long Term				Total
			2024	2025	2026	2027 onwards	
Facility A "Term Loan"	200,000	-	-	11,941	-	-	11,941
Facility B "Revolving Credit Facility"	400,000	-	-	102,000	-	-	102,000
US Private Placement lenders	330,000	-	-	150,000	-	180,000	330,000
Bilateral facilities	16,667	16,667	-	-	-	-	16,667
CaixaBank credit facility	100,000	-	65,000	-	-	-	65,000
Accrued interest	-	2,949	-	-	-	-	2,949
Debt Arrangement fees	-	(411)	(131)	(82)	(36)	(53)	(713)
Credit Facilities	88,083	4,067	17,444	-	-	-	21,511
Total	1,134,750	23,272	82,313	263,859	(36)	179,947	549,355

a) Syndicated loan and private placement debt

The syndicated loan bears interest at Euribor for tranches in Euros and at SOFR for tranches in foreign currency (not drawn at 2023 year-end) 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 and, on 16 June 2020, they were extended to 27 June 2025.

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

The accompanying statement of profit or loss for 2023 reflects an expense associated with the syndicated loan and private debt placement amounting to EUR 21,022 thousand. Also, the statement of profit or loss for 2022 reflected an expense of EUR 13,292 thousand. The change was due to the increase in the average interest rate described in Note 5.4.c.

The structure of the financial debt and the amounts drawn at 31 December 2023 and 2022 are as follows:

2023

Tranche	Thousands of Euros			Maturity
	Limit of the Group	Drawn by the Company	Drawn by the Group	
Facility A "Term Loan"	200,000	11,941	200,000	27/06/2025
Facility B "Revolving Credit Facility"	400,000	182,000	270,600	27/06/2025
US Private Placement lenders - 7 years	150,000	150,000	150,000	11/07/2025
US Private Placement lenders - 10 years	80,000	80,000	80,000	11/07/2028
US Private Placement lenders - 10 años	50,000	50,000	50,000	10/06/2031
US Private Placement lenders - 15 años	50,000	50,000	50,000	10/06/2036
Accrued interests	-	2,547	2,733	
Debt arrangement expenses	-	(301)	(301)	
Total	930,000	526,187	803,032	

2022

Tranche	Thousands of Euros			Maturity
	Limit of the Group	Drawn by the Company	Drawn by the Group	
Facility A “Term Loan”	200,000	11,941	200,000	27/06/2025
Facility B “Revolving Credit Facility”	400,000	102,000	194,486	27/06/2025
US Private Placement lenders - 7 years	150,000	150,000	150,000	11/07/2025
US Private Placement lenders - 10 years	80,000	80,000	80,000	11/07/2028
US Private Placement lenders - 10 years	50,000	50,000	50,000	10/06/2031
US Private Placement lenders - 15 years	50,000	50,000	50,000	10/06/2036
Accrued interests	-	2,349	2,659	
Debt arrangement expenses	-	(713)	(841)	
Total	930,000	445,577	726,304	

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

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

At 31 December 2023, the ratio, calculated on the basis of the contractually established definitions of Net consolidated Debt and consolidated EBITDA, was 2.4x.

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

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

a.2) Guarantees given

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

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 2023 and 2022 is as follows (in thousands of euros):

2023

	Tax assets	Tax liabilities
Non-current balances:		
Deferred tax assets	982	-
Tax credits for tax loss carryforwards (Note 8.5)	9,219	-
Withholding taxes and other tax credits	4,380	-
Total non-current balances	14,581	-
Current balances:		
Accrued social security taxes payable	-	10
VAT payable	-	1,389
Personal income tax withholdings payable	-	169
Income tax withholdings receivables	9,529	-
Total current balances	9,529	1,568

2022

	Tax assets	Tax liabilities
Non-current balances:		
Deferred tax assets	464	-
Tax credits for tax loss carryforwards (Note 8.5)	11,759	-
Withholding taxes and other tax credits	4,380	-
Total non-current balances	16,603	-
Current balances:		
Accrued social security taxes payable	-	9
VAT payable	-	267
Personal income tax withholdings payable	-	160
Income tax withholdings receivables	9,267	-
Total current balances	9,267	436

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):

	2023	2022
Accounting profit before tax	12,766	11,088
Permanent differences	(35,882)	(22,926)
Temporary differences	(463)	277
Tax loss	(23,579)	(11,561)
Tax profits from subsidiaries	85,376	86,800
Tax losses from subsidiaries	(16,454)	(8,532)
Tax base before tax adjustments	45,343	66,707
50% limit current year tax losses	20,017	-
Tax base	65,360	66,707
Offset of tax losses from previous years	(16,260)	(16,669)
Taxable profit	49,100	50,038
Tax charge	12,275	12,510
Offset of tax credits	(6,416)	(6,428)
Tax withholdings and prepayments	(10,387)	(9,432)
Corporate Income tax refundable (-) / payable(+)	(4,528)	(3,350)

The permanent differences in 2023 relate mainly to the application to the reversal of the accumulated impairment in the value of the participation in Applus Servicios Tecnológicos, S.L.U. for an amount of EUR 20,000 thousand (EUR 0 in 2022) (see Note 5.2) and the total amount of the dividends received by the Company of EUR 17,000 thousand (EUR 26.000 thousand in 2022) (see Note 10.1) 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 and of the exemption of article 21 on Spanish Income Tax Law.

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.

The temporary differences for 2023 relate mainly, to the reversal of provisions considered non-deductible for tax purposes, amounting EUR 4,438 thousand and to the recognition of provisions considered non-deductible for tax purposes, amounting to EUR 3,976 thousand (EUR 1,630 thousand and EUR 1,907 thousand in 2022, respectively).

Since the individual tax base of the company is negative, additional provision 19 of the Corporate Tax Law, which establishes a temporary measure limiting the compensation of negative tax bases for tax periods beginning in 2023, introduced by Law 38/2022, of December 27, is applicable. According to this provision, the Tax Base of the consolidated group for fiscal year 2023 will be determined by applying the positive tax bases and 50% of the individual negative tax bases ("BINS") of each and every one of the entities comprising the tax group. The temporary measure additionally establishes that the amount of BINS not included in the group's taxable base, due to the application of this limitation, will be deducted in the ten subsequent years in equal parts, even if any of the entities with BINS are excluded from the tax group. Likewise, in the event of loss of the tax consolidation regime or extinction of the tax group, the amount of the individual tax losses pending to be deducted into the group's tax base will be integrated into the last tax period in which the group is taxed in the fiscal consolidation regime.

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 2023 and 2022 is as follows (in thousands of euros):

	2023	2022
Accounting profit before tax	12,766	11,088
Permanent differences	(35,882)	(22,926)
50% limit current year tax loss	11,790	-
Taxable accounting loss	(11,326)	(11,838)
Tax charge	(2,832)	(2,960)
Adjustments and recognitions/derecognition of tax credits and others	(406)	(2,278)
Deduction of unrecognised tax assets	(6,137)	(6,255)
Total corporate income tax expense (benefit) recognised in profit or loss	(9,375)	(11,493)

The unrecognised tax deductions applied during 2023 and 2022 financial years mainly correspond to the internal double taxation deduction.

8.4. Breakdown of corporate income tax expense (benefit)

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

	2023	2022
Current tax:		
Continuing operations	(11,397)	(15,277)
Discontinued operations	-	-
	(11,397)	(15,277)
Deferred tax:		
Continuing operations	2,022	3,784
Discontinued operations	-	-
	2,022	3,784
Total tax expense (benefit)	(9,375)	(11,493)

8.5. Deferred tax assets recognised

At 31 December 2023 and 2022, the prior year's tax loss carryforwards of the company recognised in the accompanying statement of financial position were as follows:

2023

	Thousands of Euros	
	Tax loss carryforwards	Tax asset recognised (Note 8.1)
2010	2,648	662
2011	34,230	8,557
Total	36,878	9,219

2022

	Thousands of Euros	
	Tax loss carryforwards	Tax asset recognised (Note 8.1)
2010	12,805	3,201
2011	34,230	8,558
Total	47,035	11,759

Additionally, "Deferred Tax Assets" of the accompanying statement of financial position as at 31 December 2023 includes other positive temporary differences amounting to EUR 982 thousand in 2023 and EUR 464 thousand in 2022 (see Note 8.1).

Finally, "Deferred Tax Assets" includes EUR 4,380 thousand corresponding to the recognition of withholding taxes for domestic double taxation (same amount as for 2022) (see Note 8.1).

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.

The factors taken into consideration by the Company's Directors to recognise as a deferred tax asset, including tax credit for tax loss carry forwards, withholding taxes and tax credits for temporary differences at 31 December 2023, which support their future recoverability, are as follows:

- In 2023 and 2022 the consolidated tax group in Spain obtained taxable income of EUR 65,360 thousand and EUR 69,582 thousand (according to the final corporate income tax return of 2022 fiscal year), respectively, which did not enable to use any unrecognised tax losses non recorded in the statement of financial position as of 31 December 2022 and 2023.
- The business plan of the tax group in Spain for the coming years will enable it to recover the deferred tax assets capitalised at 31 December 2023.

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 2023 and 2022 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 tax credit carryforwards not recognised in the accompanying statement of financial positions at 31 December 2023 and 2022 is as follows (in thousands of euros):

Year	Description	12/31/2023	12/31/2022
2014	Domestic double taxation tax credit	-	3,488
2015	Domestic double taxation tax credit	1,857	4,227
2016	Domestic double taxation tax credit	3,925	3,925
2017	Domestic double taxation tax credit	4,693	4,693
2018	Domestic double taxation tax credit	4,419	4,419
2019	Domestic double taxation tax credit	5,743	5,743
2020	Domestic double taxation tax credit	4,897	4,897
2021	Domestic double taxation tax credit	3,367	3,367
2022	Domestic double taxation tax credit	3,127	3,127
	Total	32,028	37,886

Additionally, the Company owns the following tax credits generated by the subsidiary Idiada Automotive Technology S.A. (in thousands of euros):

Year	Description	31/12/2023	31/12/2022
2012	Specific activities taxation tax credit	394	394
2013	Specific activities taxation tax credit	1,161	1,161
2014	Specific activities taxation tax credit	34	34
2015	Specific activities taxation tax credit	13	13
2016	Specific activities taxation tax credit	9	386
2017	Specific activities taxation tax credit	12	544
2018	Specific activities taxation tax credit	7	113
2019	Specific activities taxation tax credit	1	1
2020	Specific activities taxation tax credit	4	4
	Total	1,635	2,650

8.7. Open years for review and tax audits

In general, at 2023 year-end, the years open for review for corporate income tax are 2018-2022 and those fiscal years in which four years have not elapsed from the deadline for filing the corresponding returns for VAT and the rest of applicable taxes.

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.

On 18 January 2024, the Spanish Constitutional Court issued a ruling declaring unconstitutional certain income tax-related measures introduced by Royal Decree-Law 3/2016, of 2 December, in Spain, relating to the establishment of more severe limits for the offset of tax losses, the introduction of a limit on the deduction of double taxation tax credits and the obligation to automatically include in the tax base the impairment losses on equity interests that have been deducted in prior years. In this context, the Parent's directors, together with their legal counsel and tax advisers, considered that, despite having submitted claims in this connection amounting to EUR 23 million for the Spanish tax group for which the Company is the head, there are no grounds for their recognition in the accompanying statement of financial position because it is not considered that there is a significant probability of such claims being resolved in favour of the Group (virtually certain contingent asset). Also, in relation to the calculation of the income tax for 2023 and the estimate at the reporting date of the tax losses and deferred tax assets that may be recoverable in the future, it was considered that the impact of this ruling was not material with respect to the Group's annual financial statements.

9. Revenue and expense

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 2023 and 2022 is as follows (in thousands of euros):

	2023	2022
Dividend revenue	17,000	26,000
Finance revenue	17,944	6,541
Management fee revenue	3,493	3,895
Total	38,437	36,436

9.2. Staff costs

The detail of "Staff Costs" in the statement of profit or loss for 2023 and 2022 is as follows (in thousands of euros):

	2023	2022
Wages and salaries	3,944	6,195
Employer social security costs	98	90
Other employee benefit costs	138	182
Total	4,180	6,467

The average number of employees in 2023 and 2022, by category and gender, is as follows:

2023

Category	Men	Women	Total
Top management	3	-	3
Middle management	1	-	1
Operational employees and others	1	1	2
Total	5	1	6

2022

Category	Men	Women	Total
Top management	3	-	3
Middle management	1	-	1
Operational employees and others	1	1	2
Total	5	1	6

Also, the breakdown of the workforce, by gender and category, at the end of 2023 and 2022 is as follows:

2023

Category	Men	Women	Total
Top management	3	-	3
Middle management	1	-	1
Operational employees and others	1	1	2
Total	5	1	6

2022

Category	Men	Women	Total
Top management	3	-	3
Middle management	1	-	1
Operational employees and others	1	1	2
Total	5	1	6

In 2023 and 2022, 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 2023 and 2022 is as follows:

2023

	Thousands of Euros			
	Dividend revenue (Note 9.1)	Finance income (Note 9.1)	Finance expense	Services rendered (Note 9.1)
Applus Servicios Tecnológicos, S.L.U	17,000	7,388	7	3,493
Applus Iteuve Technology, S.L.U.	-	773	2,342	-
Arctosa Holding, B.V.	-	357	-	-
Röntgen Technische Dienst Holding, B.V.	-	-	267	-
Libertytown USA 1, Inc.	-	891	-	-
Ringal Invest, S.L.U.	-	1,093	-	-
Libertytown Australia Pty, Ltd.	-	1,009	-	-
Velosi Industries Sdn Bhd	-	-	259	-
Libertytown Applus Rtd Germany GmbH	-	1,215	-	-
Röntgen Technische Dienst, B.V.	-	-	451	-
John Davidson & Associates Pty, Ltd.	-	-	1,375	-
Applus Pty Ltd.	-	343	-	-
Applus UK, Ltd.	-	391	209	-
LGAI Technological Center, S.A.	-	-	3,512	-
Applus Technical Services L.L.C.	-	763	392	-
Applus Energy, S.L.U.	-	176	-	-
RTD Quality Services, Inc.	-	1,261	-	-
Applus Norcontrol, S.L.U.	-	32	216	-
Applus Car Testing Service, Ltd.	-	-	253	-
Applus Iteuve Euskadi, S.A.U.	-	-	214	-
Applus RTD Gulf, Dmcc.	-	163	425	-
RTD Holding Deutschland, GmbH.	-	-	236	-
Applus Velosi Canada, Ltd.	-	154	191	-
TIC Investments Chile SpA	-	198	-	-
Applus Arabia L.L.C	-	-	599	-
Supervisión y Control, S.A.U.	-	-	1,162	-
Velosi S.a.r.l.	-	101	267	-
Libertytown RE, S.A.	-	-	671	-
Applus Singapore PTE Ltd.	-	45	100	-
Applus Inspection Services Ireland, Ltd.	-	-	932	-
3C Test Limited	-	285	-	-
Others	-	1,306	1,936	-
Total	17,000	17,944	16,016	3,493

2022

	Thousands of Euros			
	Dividend revenue (Note 9.1)	Finance income (Note 9.1)	Finance cost	Services rendered (Note 9.1)
Applus Servicios Tecnológicos, S.L.U	26,000	1,197	79	3,895
Applus Iteuve Technology, S.L.U.	-	195	343	-
Arctosa Holding, B.V.	-	238	-	-
Röntgen Technische Dienst Holding, B.V.	-	-	35	-
Libertytown USA 1, Inc.	-	1,261	-	-
Ringal Invest, S.L.U.	-	315	-	-
Libertytown Australia Pty, Ltd.	-	282	-	-
Velosi Industries Sdn Bhd	-	-	197	-
Libertytown Applus Rtd Germany GmbH	-	494	-	-
Röntgen Technische Dienst, B.V.	-	-	104	-
John Davidson & Associates Pty, Ltd.	-	2	118	-
Applus Pty Ltd.	-	70	-	-
Applus Norcontrol Guatemala, S.A.	-	3	-	-
LGAI Technological Center, S.A.	-	-	941	-
Applus Technical Services L.L.C	-	811	12	-
Applus Energy, S.L.U.	-	59	-	-
RTD Quality Services, Inc.	-	471	2	-
Applus Norcontrol, S.L.U.	-	26	115	-
Applus Car Testing Service, Ltd.	-	-	56	-
Applus Iteuve Euskadi, S.A.U.	-	-	72	-
Novotec Consultores, S.A.U.	-	22	44	-
RTD Holding Deutschland, GmbH.	-	-	70	-
Applus Velosi Canada, Ltd.	-	110	81	-
TIC Investments Chile SpA	-	181	-	-
SAST International Ltd.	-	-	8	-
Supervisión y Control, S.A.U.	-	-	1,005	-
Applus Singapore PTE Ltd.	-	2	112	-
Applus Inspection Services Ireland, Ltd.	-	-	187	-
Others	-	802	1,070	-
Total	26,000	6,541	4,651	3,895

On 11 December 2023, the subsidiary Applus Servicios Tecnológicos, S.L.U. approved the distribution of a dividend amounting to EUR 13,000 thousand as an advance from the 2023 results and a distribution of a dividend amounting to EUR 4,000 thousand charged to contributions from shareholders, which were outstanding at the close of the 2023 fiscal year.

On 30 December 2022, the subsidiary Applus Servicios Tecnológicos, S.L.U. approved the distribution of a dividend amounting to EUR 26,000 thousand out of unrestricted reserves, which were pending to be earned at the end of 2022.

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 2023 and 2022 is as follows:

2023

	Thousands of Euros						
	Long-term credits (Note 5.1)	Short-term credits (Note 5.1)	Other financial assets (Note 5.1)	Long-term loans	Short-term loans	Credits from comercial operations (Note 5.1)	Trade payables
Applus Servicios Tecnológicos, S.L.U.	52,174	121,425	17,000	44,000	7,381	700	32
Libertytown USA Finco, Inc.	-	8	-	4,544	63	-	-
Applus Iteuve Technology, S.L.U.	12,838	6,598	-	-	63,428	-	-
Ringal Invest, S.L.U.	-	21,796	-	-	86	-	-
Enertis Solar, S.L.U.	-	3	-	5,795	72	-	-
Libertytown Applus RTD Germany GmbH.	-	25,264	-	-	-	-	-
Velosi Industries Sdn Bhd.	-	-	-	4,609	95	-	-
Libertytown Australia Pty, Ltd.	8,829	7,937	-	-	-	-	-
Röntgen Technische Dienst Holding, B.V.	-	-	-	-	17,523	-	-
Applus Iteuve Euskadi, S.A.U.	-	-	-	-	4,041	-	-
LGAI Technological Center, S.A.	-	1,748	-	69,724	20,172	-	-
Applus Inspection Services Ireland, Ltd.	-	-	-	-	18,956	-	-
Supervisión y Control, S.A.U.	-	5,482	-	-	30,651	-	-
Applus Car Testing Service, Ltd.	-	-	-	-	5,051	-	-
Applus Norcontrol, S.L.U.	227	31	-	8,000	4,828	-	-
Idiada Automotive Technology, S.A.	-	3,000	-	-	-	-	-
Röntgen Technische Dienst, B.V.	-	-	-	-	8,406	-	-
Arctosa Holding, B.V.	-	11,564	-	-	-	-	-
John Davidson & Associates Pty, Ltd.	-	-	-	19,149	776	-	-
Applus Organismo de Control, S.L.U.	-	313	-	-	3,123	-	-
Applus Energy, S.L.U.	-	1,867	-	-	175	-	-
Applus Pty Ltd.	-	1,651	-	-	-	-	-
Applus Technical Services L.L.C.	34	3,273	-	-	3,718	7	-
Applus Deutschland Inspektions-Gesellschaft, GmbH.	-	1,188	-	-	-	-	-
Applus UK Ltd.	-	8,830	-	-	6,530	-	-
Applus Velosi Canada Ltd.	-	2,964	-	-	3,576	-	-
Rescoll, S.A.	-	-	-	9,581	121	-	-
Norcontrol Inspección S.A.	-	-	-	992	51	-	-
3C Test Limited	5,028	97	-	-	-	-	-
RTD Quality Services, Inc.	-	18,570	-	-	-	-	-
Applus Portugal, Lda.	-	1,423	-	-	-	-	-
Besikta Bilprovning i Sverige Holding AB	-	3,822	-	-	-	-	-
RTD Holding Deutschland, GmbH.	-	-	-	-	4,825	-	-
Novotec Consultores, S.A.U.	-	438	-	-	3,327	-	-
Applus Euskadi Holding, S.L.	3,000	1,279	-	-	1	-	-
TIC Investments Chile SpA	1,591	104	-	-	-	-	-
Applus Singapore PTE Ltd.	-	1,215	-	-	2,417	-	-
Applus Norcontrol República Dominicana, S.R.L.	214	9	-	-	-	-	-
BK Werstofftechnik-Prufstelle Für Werkstoffe, GmbH	-	-	-	-	456	-	-
Applus LGAI Germany GmbH.	-	161	-	-	-	-	-
Applus RTD Gulf DMCC	-	2,798	-	-	7,882	-	-
Iteuve Canarias, S.L.	-	98	-	-	891	-	-
Libertytown RE, S.A.	-	-	-	6,000	503	-	-
Applus India Private Ltd.	1,181	23	-	-	-	-	-
SARL Apcontrol Energie et Industrie Algerie	560	74	-	-	-	-	-
Steel Test (Pty) Ltd.	409	73	-	-	-	-	-
Applus RTD Pte, Ltd.	-	-	-	1,027	17	-	-
Tunnel Safety Testing, S.A.	-	22	-	-	860	-	-
Velosi S.a.r.l.	3,585	100	-	-	-	-	-
Applus Qualitec Serviços de Engenharia, Ltda.	2,150	49	-	-	-	7	-
Applus Arabia L.L.C	-	-	-	14,248	359	2	-
AC6 Metrología, S.L.U.	1,600	25	-	-	418	-	-
Laboratorio de Ensayos Metrológicos, S.L.U.	-	204	-	-	728	-	-
ZYX Metrology S.L.U.	-	43	-	-	780	-	-
Reliable Analysis Inc.	2,457	97	-	-	-	-	-
Applus Laboratories, AS.	1,022	17	-	-	-	-	-
Applus Velosi Egypt, LLC	604	61	-	-	-	24	-
Otros	3,606	3,136	-	2,768	953	102	-
Total	101,109	258,880	17,000	190,437	223,240	842	32

2022

	Thousands of Euros					
	Long-term credits (Note 5.1)	Short-term credits (Note 5.1)	Other financial assets (Note 5.1)	Long-term loans	Short-term loans	Credits from commercial operations (Note 5.1)
Applus Servicios Tecnológicos, S.L.U.	17,313	48,614	26,000	-	1,765	1,614
Libertytown USA 1, Inc.	62,784	380	-	-	-	-
Applus Iteuve Technology, S.L.U.	12,838	7,671	-	-	41,964	-
Ringal Invest, S.L.U.	-	21,244	-	-	45	-
Libertytown Applus RTD Germany GmbH.	-	20,067	-	-	-	-
Velosi Industries Sdn Bhd.	-	107	-	4,870	53	345
Libertytown Australia Pty, Ltd.	8,829	7,023	-	-	-	-
Röntgen Technische Dienst Holding, B.V.	-	-	-	-	784	-
Applus Iteuve Euskadi, S.A.U.	-	-	-	-	4,096	-
LGAI Technological Center, S.A.	-	258	-	56,724	10,272	-
Applus Inspection Services Ireland, Ltd.	-	-	-	-	13,199	-
Supervisión y Control, S.A.U.	-	5,539	-	-	56,120	-
Applus Car Testing Service, Ltd.	-	-	-	-	4,435	-
Applus Norcontrol, S.L.U.	-	3,352	-	-	17	-
Idiada Automotive Technology, S.A.	-	4,398	-	-	-	-
Röntgen Technische Dienst, B.V.	-	-	-	-	10,761	-
Arctosa Holding, B.V.	-	4,591	-	-	-	-
John Davidson & Associates Pty, Ltd.	-	-	-	19,516	603	-
Applus Iteuve Galicia, S.L.U.	-	6,432	-	-	-	-
Applus Energy, S.L.U.	-	3,180	-	-	328	-
Applus Pty Ltd.	-	8,305	-	-	-	-
Velosi Certification Services L.L.C	38	22,094	-	-	9,575	-
Applus Deutschland Inspektions-Gesellschaft, GmbH.	-	579	-	-	-	-
Applus UK Ltd.	-	8,036	-	-	2,062	-
Applus Velosi Canada Ltd.	-	2,882	-	-	2,899	-
Norcontrol Inspección S.A.	-	-	-	1,031	12	-
3C Test Limited	3,456	23	-	-	-	-
RTD Quality Services, Inc.	-	13,969	-	-	-	-
Applus Portugal, Lda.	-	-	-	-	1,419	-
RTD Holding Deutschland, GmbH.	-	-	-	-	4,657	-
Novotec Consultores, S.A.U.	-	543	-	-	702	-
Applus Euskadi Holding, S.L.	3,000	412	-	-	1	-
TIC Investments Chile SpA	6,714	53	-	-	-	-
Applus Singapore PTE Ltd.	-	1,006	-	-	1,336	-
Applus Norcontrol República Dominicana, S.R.L.	222	5	-	-	-	-
BK Werstofftechnik-Prüfstelle Für Werkstoffe, GmbH	-	-	-	-	798	-
Applus LGAI Germany GmbH.	-	1,100	-	-	-	-
Applus RTD Gulf DMCC	-	2,745	-	-	8,330	-
Iteuve Canarias, S.L.	2,000	74	-	-	2,156	-
Libertytown RE, S.A.	-	-	-	5,000	49	-
Applus India Private Ltd.	1,369	14	-	-	-	-
SARL Apcontrol Energie et Industrie Algerie	500	42	-	-	-	-
Steel Test (Pty) Ltd.	425	57	-	-	-	-
Applus RTD Pte, Ltd.	-	-	-	566	7	-
Tunnel Safety Testing, S.A.	-	27	-	-	384	-
Velosi S.a.r.l.	-	-	-	5,563	77	-
Inversiones Finisterre, S.L.	-	624	-	-	7,513	-
Applus Arabia Co., L.L.C.	-	-	-	-	-	3
AC6 Metrología, S.L.	1,600	7	-	-	28	-
Laboratorio Ensayos Metrológicos S.L.	-	99	-	1,425	997	-
ZYX Metrology, S.L.U.	-	17	-	-	680	-
Reliable Analysis Inc.	1,605	34	-	-	-	-
Applus Laboratories AS	-	-	-	765	6	-
Applus Velosi Egypt, LLC	622	33	-	-	-	24
Others	6,737	1,462	-	7,103	2,140	91
Total	130,052	197,098	26,000	102,563	190,270	2,077

“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 2023 to EUR 12,898 thousand and accounts payable amounting to EUR 2.665 thousand (2022: accounts receivable EUR 21,187 thousand and accounts payable EUR 2,133 thousand) (see Note 4.3).

In addition, under "Short-term credits from Group companies" and "Short-term loans to Group companies", amounts of EUR 162,135 thousand and EUR 215,152 thousand are recognised, respectively, in relation to the cash-pooling agreement maintained with the other Group companies (EUR 129,484 and EUR 123,974 thousand respectively in 2022).

“Long-term credits to Group companies” include loans with related parties, which have a maturity between 2025 and 2028.

Also, under “Other financial assets” there are recognized the dividends receivable at the end of 2023 and 2022 (see Note 5.1).

Group credits and loans generate an interest at market rates.

10.3. Disclosures on Directors and Senior Executive Directors

Remuneration of and obligations to the Board of Directors

The detail of the remuneration (social benefits included) earned by the Executive Directors and the Company's Board of Directors at 2023 and 2022 year-end is as follows:

a) Annual remuneration:

	Thousands of Euros					
	12/31/2023			12/31/2022		
	Chief Executive Officer	Members of the Board of Directors	Total	Executive Directors	Members of the Board of Directors	Total
Fixed remuneration	600	-	600	909	-	909
Variable remuneration	480	-	480	663	-	663
Other items	90	-	90	105	-	105
Non-Executive Chairman and Independent Directors	-	737	737	-	727	727
Corporate Social Security Committee	-	70	70	-	70	70
Appointments & Compensation Committee	-	70	70	-	65	65
Audit Committee	-	90	90	-	90	90
Total	1,170	967	2,137	1,677	952	2,629

In 2023, Executive Directors include the Chief Executive Officer, being the sole Executive Director (CEO). In 2022, Executive Directors include the Chief Executive Officer and the Chief Financial Officer.

The fixed remuneration of the Executive Director during his position as Chief Executive Financial Officer included a portion in the form of RSUs amounting to EUR 37 thousand per year at the date on which they were granted. According to the plans in force, at the end of the fiscal year of the fixed RSUs granted in the month of February are from the years in which he held the position of Chief Executive Financial Officer 2021 and 2022 for 6,649 and 7,100 RSUs, respectively. The RSUs granted in 2021 will be convertible to shares three years after the date on which they were granted. The RSUs granted in 2022 will be 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. In February 2023, the Group effected delivery of 3,947 net shares relating to the plan granted in February 2020 and the 30% relating to the plan granted in February 2022.

Since 2022, 62,5% of the Executive Director' variable remuneration is given in cash (50% previously), 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 95 thousand in the year. At 2023 year-end, three RSU plans were in force, having been granted in February 2021, 2022 and 2023 for 5,206, 11,820 and 25,116 RSUs, respectively. In February 2023, the Group effected delivery of 4,878 net shares relating to 40% of RSUs bonus granted in 2020, 30% of RSUs bonus granted in 2021 and 30% of RSUs bonus granted in 2022.

The plans in force at the end of the year in relation to the RSUs granted in 2021, 2022 and 2023 can be consulted in the Remuneration Report.

“Other items” include the total of benefits that, according to the Remuneration Policy, accounts for 15% of the Fixed Remuneration without fixed RSUs. The table above does not include pension plans, as they are included afterwards.

b) Ordinary long-term incentive (“LTI”):

According to remuneration policy in force, the CEO shall annually receive PSUs (performance stock units) that are convertible into shares of the Parent three years after the date on which they are granted and according to the accomplishment of specific objectives. The expense recognised in 2023 relating to the three plans in force amounted to EUR 383 thousand as a result of the fulfilment of the variables established for them.

At 2023 year-end, three PSU plans were in force, having been granted in 2021, 2022 and 2023 for 6,649, 76,932 and 82,679 PSUs, respectively. The detail of the PSU plans in force can be consulted in the Remuneration Report. In February 2023 the Group effected the delivery of 3,382 net shares related to the plan granted in February 2020.

Regarding the previous CEO, who left the Company in 2022, there are 2 PSUs plans in force corresponding to the years 2021 and 2022 for 51,291 and 54,770 PSUs respectively. In the month of February 2023, 26,449 net shares were received under the plan granted in February 2020.

c) Extraordinary long-term incentive plan (one-off):

According to remuneration policy in force, with effect from 1 January 2022, the CEO participated in an incentive plan through which he receives a number of PSUs (Performance Stock Units) convertible into shares of the Parent Company based on compliance of certain objectives, which will be carried out within a period of three years after the date on which they are granted. The expense recognised in 2023 relating to the plan in force amounted to EUR 400 thousand as a result of the temporary pro rata since its validity (1 January 2022), assuming 100% compliance with the established objectives.

In 2023, the CEO and the members of the Board of Directors did not earn or receive any termination benefits.

The pension plan benefits earned by the CEO in 2023 amounted to EUR 2 thousand.

At 31 December 2023, no loans or advances had been granted to the members of the Parent's Board of Directors.

Applus Services, S.A. took out a third-party liability insurance policy. The insured persons under this policy are the Directors and Executives of the Group companies the Parent of which is Applus Services, S.A. The Parent's Directors are included among the insured persons of this policy. The premium paid in 2023 for this insurance policy amounted to EUR 171 thousand (2022: EUR 171 thousand).

The Parent's Board of Directors at 31 December 2023 is made up of 5 men and 4 women (5 men and 4 women at 31 December 2022).

Remuneration of and obligations to Senior Executives

Since 2022, Senior Executives are the ones who report directly to the Group's Chief Executive Officer (CEO).

The breakdown of the remuneration earned in 2023 and 2022 by the Senior Executives is as follows:

a) Annual remuneration:

	Thousands of Euros	
	2023	2022
Fixed remuneration	592	293
Variable remuneration	312	156
Other items	84	49
Termination benefits	-	-
Pension plans	2	2
Total	990	500

The fixed remuneration of certain Senior Executives includes a portion in fixed RSUs amounting to EUR 37 thousand in those cases in which the Senior Executive reported to the CEO in the date on which they were granted. These fixed RSU will be convertible into shares in the third year of the date of concession those granted in 2021 and in a period of three years from the day of their granting, being 30% in each of the first two years and 40% in the third year those granted in 2022 and 2023. The plans in force at the end of the year 2023 correspond to the shares granted in the month of February 2023 for 5,742 RSUs.

62,5% 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 2023 relate to the RSUs granted in February 2021, 2022 and 2023 for 5,864, 9,825 and 11,087 RSUs, respectively for the Senior Executives that reported to the CEO at 2023 year-end. In February 2023 the Group effected delivery of 4,805 net shares relating to the plans granted in 2020, 2021 and 2022 to the Senior Executives that reported to the CEO. EUR 68 thousand were charged to the consolidated statement of profit or loss for 2023 in this connection.

In 2023, the Senior Executives did not earn or receive any termination benefits.

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

According to remuneration policy in force, certain members of the Group's Senior Executives annually receive PSUs (Performance Stock Units) that are convertible into shares of the Parent's Company three years after the date on which they are granted. The expense recognised for the three plans in force amounted to EUR 56 thousand in 2023 as a result of the achievement of the variables established for them. The PSU plans in force at the end of 2023 relate to the PSUs granted in February 2021, 2022 and 2023 for 4,274, 4,564 and 14,354 PSUs, respectively, to the Senior Executives that reported to the CEO at 2023 year-end. In February 2023 the Group effected the delivery of 2,316 net shares relating to the plan granted in February 2020.

c) Extraordinary long-term incentive plan (one-off):

According to remuneration policy in force, with effect from 1 January 2022, some Senior Executives participated in an incentive plan through which they received a number of PSUs (Performance Stock Units) convertible into shares of the Parent Company based on the fulfilment of certain objectives, which will be carried out over a period of three years from the day of their grant to be received according to the vesting calendar of each one during 2023, 2024 and 2025. The expense recognised in 2023 relating to the plan in force amounted to EUR 398 thousand as a result of the compliance with the variables defined for them.

With this extraordinary plan, a total of 154,237 PSUs was delivered at the time of granting to the Senior Executives who reported at that time to the CEO. In the month of February 2023, 7,311 net shares were delivered for the plan granted in 2022.

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

At 31 December 2023, the Parent's Senior Executives is made up of 3 men (2 men at 31 December 2022).

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 2023, the Company had granted loans in currencies other than the euro amounting to EUR 85,766 thousand (31 December 2022: EUR 134,845 thousand) and had received foreign currency loans amounting to EUR 87,162 thousand (31 December 2022: EUR 102,273 thousand).

The Company's statement of profit or loss includes finance income in currencies other than the euro amounting to EUR 6,901 thousand at 31 December 2023 (31 December 2022: EUR 3,321 thousand) and finance costs in currencies other than the euro amounting to EUR 5,668 thousand (31 December 2022: EUR 2,441 thousand).

As a result of these balances, the Company's statement of profit or loss includes positive foreign exchange differences amounting to EUR 177 thousand at 31 December 2023 (31 December 2022: Positive amount of EUR 2,187 thousand).

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

12. Other disclosures

12.1. Fees paid to auditors

The detail of the amounts received by the Company's auditor, Deloitte, S.L., or by any firm in the same network as defined by current Spanish audit legislation, in 2023 and 2022 is as follows (in thousands of euros):

Description	2023	2022
Audit services	299	440
Services different from audit:		
Services required by the applicable regulatory framework	82	71
Other attest services	95	87
Tax counselling services	58	-
Total professional services	534	598

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 2023 and 2022, the Company's shares had not been pledged.

At 31 December 2023 and 2022, 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 Rule 3 "Disclosure Obligation" of Law 15/2010, of 5 July (amended by Final Rule 2 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.

	2023	2022
	Days	
Average payment period to suppliers	54	53
Ratio of transactions settled	54	57
Ratio of transactions not yet settled	51	33
	Amount (Thousands of Euros)	
Total payments made	2,600	2,605
Total payments outstanding	534	492

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 "Payables from Group companies and associates" and "Other accounts 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 2022).

However, most of the pending payment at year end has been paid during the first two months of the year 2024.

In accordance with the requirements established in Law 18/2022 of 28 September 2022, which modified Law 3/2004, of 29 December 2004, the Management has proceeded to calculate the number of invoices paid in a period lower than the maximum established in the regulations. As of 31 December 2023, 739 invoices were paid for a total of EUR 1,398 thousand. These invoices represent 86% of all the invoices paid during the fiscal year and 54% of the total amount in euros.

12.4. Amendment or extinguishment of agreements

In 2023 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 2024 and until the date of authorisation for issue of these financial statements, no relevant events took place other than those already included in these financial statements that should be included in, modify or significantly affect these financial statements for 2023 and, in particular, in relation with the voluntary tender offer process indicated in Note 2.4.

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.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company. This translation has been prepared by the Company for informative purposes only, has not been approved by the Board of Directors and has not the consideration of official or regulated information. 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 2023

Formally prepared by the Directors of Applus Services, S.A. in relation to the year ended 31 December 2023.

Dear Shareholders:

We are pleased to submit to you this report on the Company's performance in 2023 and on its progress up to the present date.

Company performance and earnings

The Company's turnover was slightly higher than in the previous year mainly due to the fact that the increase in financial income from interest on loans with Group companies was higher than the reduction in income from dividends received. In addition, an impairment reversal of EUR 20,000 thousand has been recorded due to the re-estimation of the value of the investment in Group companies (Note 5.2.). However, the financial result has decreased considerably with respect to 2022 due to the impact of the rise in interest rates.

The combined effect of the aforementioned variations results in a slightly higher profit before tax in 2023 compared to 2022.

The rest of items in the statement of profit or loss do not show significant variations.

The General Shareholders' Meeting of the Parent Company approved the allocation of the profit of the Parent Company for the year 2022 to dividends for an amount of EUR 0.16 per share (2022: EUR 0.15 per share) for all the outstanding shares entitled to receive a dividend, which represented EUR 20.6 million (2022: EUR 20.3 million), and the remaining to voluntary reserves of free disposal.

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 2023, the Company holds a total of 146,997 treasury shares at an average cost of EUR 7.01 per share. The value of these treasury shares amounted to EUR 1,030 thousand.

At 31 December 2022, the Company held a total of 2,227,423 treasury shares at an average cost of EUR 6.34 per share. The value of these treasury shares amounted to EUR 14,177 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 does not hold any derivative financial instruments at the end of 2023.

Significant events after the reporting period

In 2024 and until the date of authorisation for issue of the accompanying financial statements, no relevant events took place other than those already included in Note 13 of the Annual Accounts report that should be included in, modify or significantly affect, the accompanying financial statements for 2023.

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 2023.

Annual Corporate Governance Report

The Annual Corporate Governance Report for the year 2023 is included in the consolidated Directors' Report of Applus Services, S.A., in accordance with the provisions of Article 49.4 of the Commercial Code and in accordance with Article 538 of the Capital Companies Law. Likewise, this report will be available from the publication of these accounts on the Applus Group website and on the website "Comisión Nacional de Mercado de Valores (CNMV)".

Annual Directors' Remuneration Report

The Annual Directors' Remuneration Report for the year 2023 is included in the consolidated Directors' Report of Applus Services, S.A., in accordance with Article 538 of the Capital Companies Law. Likewise, this report will be available from the publication of these accounts on the Applus Group website and on the website "Comisión Nacional de Mercado de Valores (CNMV)".

www.cnmv.es

www.applus.com

Appendix I - Companies included in the scope of consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Applus Servicios Tecnológicos, S.L.U	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Holding company	Active	100%	-	Full consolidation
Libertytown RE, SA	23 avenue Monterey, L-2163 (Luxemburg)	Captive reinsurance company	Active	-	100%	Full consolidation
Applus Iteuve Argentina, S.A.	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Applus Santa Maria del Buen Ayre, S.A.	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Right and compliance of the obligations corresponding to public services concessions relating to the obligatory Technical Verification of Vehicles	Active	-	100%	Full consolidation
Applus Uruguay, S.A.	Guayabos nº 1718, escritorio 505 Montevideo (Uruguay)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Revisiones Técnicas Applus del Ecuador Applusiteuve, S.A.	Avda Patria nºE4-41 Intersección Avda Amazonas edificio Patria Piso 10 Oficina 01, Pichincha, Quito (Ecuador)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Applus Iteuve Brasil Serviços LTDA	Avenida Paulista 726, Cj. 1207, 12ª andar, Sala 36, Sao Paulo (Brazil)	Holding company	Active	-	100%	Full consolidation
Libertytown USA Finco, Inc.	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	Holding company	Active	-	100%	Full consolidation
Applus Iteuve Technology, S.L.U	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
IDIADA Automotive Technology, S.A	L'Albornar, s/n PO BOX 20,43710 Sta Oliva. Tarragona (Spain)	Engineering, testing, proving ground services and homologation	Active	-	80%	Full consolidation
Applus Argentina, S.A.	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Investments, investment property and provision of engineering services	Active	-	100%	Full consolidation
IDIADA Fahrzeugtechnik, GmbH.	Manchinger Straße 97, 85053 Ingolstadt (German)	Engineering, testing and homologation	Active	-	80%	Full consolidation
CTAG-Idiada Safety Technology, S.L.	Polígono A Granxa, Parcelas 249-250. 36410 Porriño, Pontevedra (Spain)	Engineering, testing and homologation	Active	-	40%	Full consolidation
Applus Chile, S.A.	Avenida Departamental 390, San Joaquin, Santiago de Chile (Chile)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Applus Iteuve Euskadi, S.A., Sociedad Unipersonal	Polígono Ugaldeguren I Parcela 8, 48710 Zamudio, Vizcaya (Spain)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Applus Revisiones Técnicas de Chile, S.A.	Avenida Departamental 390, San Joaquin, Santiago de Chile (Chile)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Applus Danmark, A/S	Høje Taastrup Boulevard 23, 2th, 2630 Taastrup (Denmark)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
IDIADA CZ, A.S.	Pražska 320/8,500 04, Hradec Králové (Czech Republic)	Engineering, testing and homologation	Active	-	80%	Full consolidation
Inspecció Tècnica de vehicles i serveis, S.A.	Ctra de Bixessarri s/n, Aixovall AD600 (Andorra)	Vehicle roadworthiness testing	Active	-	50%	Full consolidation
Idiada Automotive Technology India PVT, Ltd	Unit No. 304, 'B' Wing, 3rd Floor, Sai Radhe Building, 100-101, Raja Bahadur Mill Road, Off Kennedy Road, Pune 411001 (India)	Engineering, testing and homologation	Active	-	80%	Full consolidation
Shanghai IDIADA Automotive Technology Services Co., Ltd	Jucheng Pioneer Park, Building 23, 3999 Xiu Pu Road, Nan Hui 201315 Shanghai (Pudong District) (China)	Engineering, testing and homologation	Active	-	80%	Full consolidation
Applus Euskadi Holding, S.L.U.	Polígono Ugaldeguren, 1 parcela 8, Zamudio, Vizcaya (Spain)	Holding company	Active	-	100%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Applus Car Testing Service, Ltd.	3026 Lakedrive, Citywest Business Campus, Naas Road, Dublin 24 (Ireland)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Idiada Tecnologia Automotiva, Ltda.	Av. Senador Vergueiro, 2123 – Marco Zero Tower – 22nd. Floor, Sao Bernardo do Campo, 09750-001 (Brazil)	Engineering, testing and homologation	Active	-	80%	Full consolidation
Idiada Automotive Technology UK, Ltd.	St Georges Way Bermuda Industrial Estate, Nuneaton, Warwickshire CV10 7JS (UK)	Engineering, testing and homologation	Active	-	80%	Full consolidation
Shangdong Idiada Automotive and tire proving ground Co, Ltd	No.1, Jingang Road, Xinzhuang Town, Zhaoyuan 265400, Shandong Province, China 265400 Zhaoyuan	Engineering, testing and homologation	Active	-	80%	Full consolidation
Supervisión y Control, S.A.U.	Estación I.T.V. de O Espírito Santo.Ctra. N-VI, Km. 582 - 15168 Espírito Santo - Sada, A Coruña (Spain)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
RITEVE SyC, S.A.	Alajuela, Avenida Central, Calles 8 y 10, frente a Mundo Mágico, puerta metálica, segunda planta (Costa Rica)	Vehicle roadworthiness testing	Active	-	55%	Full consolidation
Idiada Automotive Technology Rus, LLC.	Russian Federation, 603004, Nijniy Novgorod, prospect Lenina, 115 (Russia).	Engineering, testing and homologation	Inactive	-	80%	Full consolidation
Applus Idiada Karco Engineering, LLC	9270 Holly Road. 92301 Adelanto. California (USA)	Engineering, testing and homologation	Active	-	67%	Full consolidation
Idiada Homologation Technical Service, S.L.U.	L'Albornar s/n 43710 Santa Oliva - Tarragona (Spain).	Homologation	Inactive	-	80%	Full consolidation
IDIADA Automotive Technology USA, LLC	9270 Holly Road, Adelanto, CA 92301 (USA).	Engineering, testing and homologation	Active	-	80%	Full consolidation
Inversiones y Certificaciones Integrales SyC, S.A.	Alajuela, Avenida Central, Calles ocho y diez, frente a Mundo Mágico, puerta metálica, segunda planta. (Costa Rica)	Business and management services advice	Active	-	100%	Full consolidation
Applus Inspection Services Ireland, Ltd.	3026 Lake drive, Citiwest business campus, Naas Road, Dublin 24 (Ireland)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Idiada Automotive Technology Mexico S de RL de CV	Carretera Lateral Mexico Puebla, 7534, 72110, Puebla (Mexico)	Engineering, testing and homologation	Active	-	80%	Full consolidation
Iteuve Canarias, S.L.	Los Rodeos, Camino de San Lázaro, 166, 38206 San Cristobal de la Laguna, Santa Cruz de Tenerife (Spain)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Iteuve Canarias Aeropuerto el Matorral, S.L.	C/ Concejal Garcia Feo, número 30, Las Palmas de Gran Canaria, Las Palmas (Spain)	Vehicle roadworthiness testing	Active	-	50%	Full consolidation
Iteuve India Private Limited	1 & 2 Upper Ground Floor, Kanchenjunga Building 18, Barakhamba Road, Connaught Place New Delhi 110001 (India)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Besikta Bilprovning i Sverige Holding AB	Källvattengatan 7, SE- 212 23 MALMÖ (Sweden)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Besikta Bilprovning i Sverige AB	Källvattengatan 7, SE- 212 23 MALMÖ (Sweden)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
CRpplus Services Costa Rica S.A.	Alajuela, Avenida Central, Calles ocho y diez, frente a Mundo Mágico, puerta metálica, segunda planta. (Costa Rica)	General trading activity	Active	-	100%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
WIAM GmbH	Wilhelmine-Reichard-Ring 4, 01109 Dresden (Germany)	Development and commercialization of software technology and software products. Commercialization of licenses of rights of use of software technologies.	Active	-	100%	Full consolidation
SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH	Wilhelmine-Reichard-Ring 4, 01109 Dresden (Germany)	Conducts research in the area of technical mechanics, especially structural and mechanics of material.	Active	-	100%	Full consolidation
Enerdis Solar, S.L.U.	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis UK Limited	6th Floor 9 Appold Street, EC2A 2AP, London (UK)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis Solar, Inc	230 California Street, Suite 508, 94111, San Francisco, California (US)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis Mexico S.A. de C.V.	Hamburgo 213-15 Despacho C, 06600, Ciudad de Mexico (Mexico)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis Colombia S.A.S.	Calle 98 # 10- 32 Oficina 302, Bogotá D.C (Colombia)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis Chile, SpA	Nueva de Lyon 145 oficina 503, Providencia, Santiago de Chile (Chile)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis S.A.S.	Uruguay 469 10° C 1015, Buenos Aires (Argentina)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis South Africa (PTY) Ltd	1st floor convention towers - CNR Heerengracht & walter sisulu streets - 8001 - Ciudad del Cabo (Republic of South Africa)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Enerdis AM Chile, SpA	Nueva de Lyon 145 oficina 503, Providencia, Santiago de Chile (Chile)	Engineering, consulting, testing and inspection services company for the provision of quality control and assurance for the solar photovoltaic industry	Active	-	100%	Full consolidation
Applus Organismo de Control, S.L.U.	Carretera Nacional N-VI, Km. 582,6, 15168 – Sada, A Coruña (Spain)	Inspection, quality and quantity control and regulatory inspection	Active	-	95%	Full consolidation
Lightship Security, Inc	150 Isabella Street, suite 1101. Ottawa, Ontario, K2S 1V7 (Canada)	Certification and cybersecurity testing	Active	-	100%	Full consolidation
Lightship Security USA, INC	251 Little Falls Drive, Wilmington, New Castle Delaware, 19808 (USA)	Certification and cybersecurity testing	Active	-	100%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Alpe Metrología Industrial, S.L.U.	Avenida de los Donantes de Navarra, número 8, Bajo, 31195 Berriozar, Navarra (Spain)	Industrial calibration	Active	-	95%	Full consolidation
Indoor Climate Management S.L.	Avenida Vía Augusta, número 15-25, 08174 Sant Cugat del Vallés, Barcelona (Spain)	Provision of energy efficiency and consultancy services	Active	-	30%	Equity method
Applus Certificación IDI, S.L.U.	Calle Campezo 1, Polígono Industrial Las Mercedes, Madrid (Spain)	Evaluation and certification	Active	-	100%	Full consolidation
JTSEC Beyond IT Security, S.L.	Av. de la Constitución, 20, Oficina 208, 18012 Granada (Spain)	Certification and cybersecurity testing	Active	-	100%	Full consolidation
K2 Ingeniería S.A.S.	Carrera 36 No. 36-26/28, Bucaramanga, Santander (Colombia)	Engineering and other consulting activities	Active	-	100%	Full consolidation
Riportico Engenharia, Lda	Rua Viriato 161, 3430 649 Carregai do Sal (Portugal)	Implementation and supervision of projects in the fields of engineering, architecture and construction, including topography, safety and quality control services as well as direction and coordination in construction sites. Additionally, carries out testing, technical analysis and consulting activities related to civil engineering and expertise	Active	-	100%	Full consolidation
Cámara Laboratorios y Metrología, S.L.	Plaza de la Victoria 1, Alcalá de Henares, Madrid (Spain)	Metrology activities	Active	-	80%	Full consolidation
Suzhou Chunfen Test Technology Services Co., Ltd (CFI)	No. 15 Laoliuhe Road, Chengxiang Town, Taicang City (China)	Analysis and tests on durability and performance of car components such as airbags, pipes and seats.	Active	-	100%	Full consolidation
Rescoll, S.A.	8 Allée Geoffroy Saint-Hilaire, CS 30021, 33600 Pressac (France)	Research and development in the physical and natural sciences. Manufacture, design and assembly of analysis and processes of control equipment	Active	-	100%	Full consolidation
Rescoll Manufacturing, S.L.	4 Chemin du Solarium, 33170 Gradignan (France)	Provision of industrial services, research and development, manufacturing and subcontracting for the materials industry	Active	-	100%	Full consolidation
Rescoll Production, S.L.	Rue du Bac Chezelles, 86530 Naintré (France)	Manufacture and marketing of all chemical, synthetic and dye products for trade and industry	Active	-	100%	Full consolidation
NTPT – Consultores Portugal, Lda	Avenida 5 de Outubro, nº 85, 5º. Distrito de Lisboa, Concelho: Lisboa Freguesia, Avenida Novas 1050 050 Lisboa (Portugal)	Advising, consulting, execution, direction, training and inspection services in any of the productive phases in the sectors of engineering, IT, civil, industrial, electric, energetic and environmental industries; including the provision, installation and assembly of machinery and equipment, either for public or private companies.	Active	-	100%	Full consolidation
AFC Ingenieros, S.L.	Paseo Imperial, 6, 2 D1, 28005, Madrid (Spain)	Performing analysis, tests, technical control, studies and reports related to the environment and the meteorology, as well as the commercialization, assembling and calibration of measuring instruments.	Active	-	100%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Barlovento Recursos Naturales, S.L.	Calle Pintor Sorolla 8, 1ªA, Logroño 26, La Rioja (Spain)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Barlovento Recursos Naturales S.A.S. (Colombia)	Calle 6 Sur 43 A 200, Ofifnca 510, Medellín, Antioquia (Colombia)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Barlovento Renovables Latinoamérica S.A.C. (Perú)	Calle Bolognesi n° 125, 1304 Miraflores, Lima (Peru)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Barlovento Brasil Energías Renováveis Ltda. (Brazil)	Avenida Presidente Wilson, 210, 13º andar, Centro, Rio de Janeiro – RJ, 20.030-021 (Brazil)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Barlovento Chile Limitada (Chile)	Lo Fontecilla 101, Oficina 909-910 Las Condes, Santiago de Chile Región Metropolitana (Chile)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
E2Q de México, S.A. de C.V. (México)	Avenida Hidalgo 2380, colonia Vallarta Norte, C.P. 44690, Guadalajara, Jalisco (Mexico)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Barlovento Dacia, S.R.L. (Rumania)	6 Topolovăț St, Bloc Td19, 6th floor, Apartment 40, room 1, Sector 6, Bucharest (Romania)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Energy to Quality, S.L. (Spain)	Calle Doctor Esquerdo 39, semisótano B. Madrid, 28, Madrid (Spain)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
Ingepower, S.L. (Spain)	Calle Doctor Esquerdo 39, semisótano B. Madrid, 28, Madrid (Spain)	Provision of engineering, consulting, testing and R&D&I services for the renewables energies sector, particularly in the wind and solar industries	Active	-	100%	Full consolidation
LGAI Technological, Center, S.A.	Campus de la UAB, Ronda de la Font del Carme, s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (Spain)	Certification	Active	-	95%	Full consolidation
Applus México, S.A. de C.V.	Bldv. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (Mexico)	Quality system audit and certification	Active	-	95%	Full consolidation
LGAI Chile, S.A.	Alberto Henckel 2317, Providencia, Santiago de Chile (Chile)	Quality system audit and certification	Active	-	95%	Full consolidation
Applus Costa Rica, S.A	Oficentro Ejecutivo La Sabana, Edificio 6, 4 piso, San José (Costa Rica)	Quality system audit and certification	Active	-	95%	Full consolidation
Applus Norcontrol, S.L., Sociedad Unipersonal	Crta. Nacional VI-Km 582, 15168, Sada, A Coruña (Spain)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Novotec Consultores, S.A., Sociedad Unipersonal	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Services related to quality and safety in industrial plants, buildings, etc.	Active	-	100%	Full consolidation
Applus Panamá, S.A	Calle Jacinto Palacios Cobos, Edificio 223, piso 3, locales A y C, Ciudad del Saber; Clayton, Ciudad de Panamá (Panama)	Certification	Inactive	-	95%	Full consolidation
Applus Norcontrol Panamá, S.A.	Calle Jacinto Palacios Cobos, Edificio 223, piso 3, locales A y C, Ciudad del Saber; Clayton, Ciudad de Panamá (Panama)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Norcontrol Chile, S.A.	Agustinas N° 640, Piso 9, Santiago de Chile (Chile)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Norcontrol Inspección, S.A. de C.V. – México	Bldv. Manuel Avila Camacho 184, Piso 4-B, Col. Reforma Social, C.P. 11650 México, D.F (Mexico)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Applus Norcontrol Guatemala, S.A.	Km 14,5 Carretera a El Salvador, Santa Catarina Pínula (Guatemala)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Applus Norcontrol Colombia, Ltda	Calle 17, núm. 69-46 Bogotá (Colombia)	Inspection, quality control and consultancy services	Active	-	96%	Full consolidation
Norcontrol Nicaragua, S.A.	Colonia Los Robles, Km. 6,500 Carretera Masaya, Managua (Nicaragua)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Röntgen Technische Dienst Holding BV	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	Holding company	Active	-	100%	Full consolidation
Applus Centro de Capacitación, S.A.	Agustinas N°640, Piso 9, Santiago de Chile (Chile)	Provision of training services	Inactive	-	95%	Full consolidation
Applus Czech Republic, s.r.o.	U Stadionu 89, 530 02 Pardubice (Czech Republic)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Applus RTD Deutschland inspektions-Gesellschaft, GmbH	Industriestraße 34b, D-44894 Bochum (Germany)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Röntgen Technische Dienst B.V.	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
RTD Quality Services, Inc (Canada)	5504 36 St NW, Edmonton, AB T6B 3P3 (Canada)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
RTD Quality Services Nigeria Ltd.	Warri Boat Yard, 28 Warri/Sapele Road, Warri, Delta State (Nigeria)	Certification services through non-destructive testing	Active	-	49%	Full consolidation
RTD Holding Deutschland, GmbH	Industriestraße 34b, D-44894 Bochum (Germany)	Holding company	Active	-	100%	Full consolidation
Applus RTD PTE, Ltd (Singapore)	521 BUKIT BATOK STREET 23, 05 - 0E, 659544, Singapore	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Applus Colombia, Ltda.	Calle 17, núm 69-46, Bogotá (Colombia)	Certification	Active	-	95%	Full consolidation
Applus (Shangai) Quality inspection Co, Ltd	Jucheng Industrial Park, Building 23, 3999 Xiu Pu Rd, Nan Hui, Shanghai 201315 (China)	Inspection services in quality processes, production processes, technical assistance and consultancy	Active	-	95%	Full consolidation
Applus PTY, Ltd (Australia)	C/- Prime Company Compliance, Level 1, 162 Grand Boulevard, Joondalup WA 6027 (Australia)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Arctosa Holding, B.V.	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	Holding company	Active	-	100%	Full consolidation
Libertytown Australia, PTY, Ltd.	C/- Prime Company Compliance, Level 1, 162 Grand Boulevard, Joondalup WA 6027 (Australia)	Holding company	Active	-	100%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Applus UK, Ltd	Block 2, Units C and D, West Mains Industrial Estate, Stirlingshire, FK3 8YE, Scotland (UK)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Applus RTD Certification, B.V.	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	Certification services	Inactive	-	100%	Full consolidation
Applus RTD SP, z.o.o.	Ul. Klodnicka 97/210, 41-706 Ruda Śląska, Poland	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Applus Energy, S.L.U.	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Provision of advisory services and auditing in the energy sector	Active	-	100%	Full consolidation
APP Management, S. de R.L. de C.V.	Bld. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (Mexico)	Provision of professional, technical, administrative and human resources services	Inactive	-	100%	Full consolidation
Libertytown Applus RTD Germany Gmbh	Industrie Strasse 34 b, D-44894 Bochum (Germany)	Holding company	Active	-	100%	Full consolidation
Applus Norcontrol Maroc, Sarl	INDUSPARC Module N°11BD AHL LOGHLAM Route de Tit Mellil Chemin Tertiaire Moumen 1015 Sidi 20400, Casablanca (Morocco)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Applus RTD Gulf DMCC.	Unit No. 15-PF-130, Detailed Retail 15, JLT-PH1-RET-15, Jumeirah Lakes Towers, Dubai (United Arab Emirates)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Applus Qualitec Serviços de Engenharia, Ltda.	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nº450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Applus Lgai Germany, Gmbh	Zur Aumundswiede 2, 28279 Bremen (Germany)	Certification	Active	-	95%	Full consolidation
BK Werstofftechnik-Prufstelle Für Werkstoffe, Gmbh	Zur Aumundswiede 2, 28279 Bremen (Germany)	Certification	Active	-	95%	Full consolidation
Ringal Brasil Investimentos, Ltda.	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nº450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brazil)	Holding company	Active	-	100%	Full consolidation
Applus Norcontrol Perú, S.A.C.	Avenida el Derby, 254, Piso 12 OF 1202. Surco. Lima (Peru)	Inspection, quality control and consultancy services	Active	-	96%	Full consolidation
John Davidson & Associates PTY, Ltd	C/- Prime Company Compliance, Level 1, 162 Grand Boulevard, Joondalup WA 6027 (Australia)	Provision of executive recruitment services	Active	-	100%	Full consolidation
Applus PNG Limited	Unit 11, Section 53, Allotment 15 & 16, Ume Street, Gordons, Port Moresby, National Capital District, (Papua New Guinea)	Provision of executive recruitment services	Active	-	100%	Full consolidation
PT Applus Energi dan Industri	Gedung Pondok Indah Office Tower 2, Lantai 16, Suite 1602, Jalan Sultan Iskandar Muda Kav. VTA RT 004 RW 003 Pondok Pinang Kebayoran Lama, Jakarta Selatan 12310 (Indonesia)	Provision of technical engineering and planning, conservation and operational services, technical training and human resource development	Active	-	0%	Full consolidation
Applus Norcontrol Consultoría e Ingeniería, SAS	Calle 17, núm. 69-46 Bogotá (Colombia)	Inspection, quality control and consultancy services in the industry and services sector	Active	-	94%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Applus Mongolia, LLC	The Landmark, 7th Floor, Chinggis Avenue – 13, Sukhbaatar District, Ulaanbaatar (Mongolia)	Provision of human resources consultancy in the area of recruitment, placement candidates and related services	Active	-	100%	Full consolidation
Applus Laboratories, AS.	Langmyra 11, 4344 Bryne (Norway)	Certification	Active	-	95%	Full consolidation
Applus Arabia L.L.C	Building No. 3215, Secondary No. 8367, Postal Code 13522, Anas Bin Malik Road - Al Malqa, Riyadh, Saudi Arabia	Certification	Active	-	75%	Full consolidation
Applus Portugal, Lda	Complexo Petroquímico, Monte Feio, 7520-954 Sines (Portugal)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Ringal Invest, S.L.U	Calle Campezo 1, edificio 3, Parque Empresarial Las Mercedes, Madrid (Spain)	Holding company	Active	-	100%	Full consolidation
Applus Velosi DRC, Sarl.	Lubumbashi, Avenue Lumumba, N. 1163, Quartier Industriel, Commune Kampemba (Congo)	Provision of permanent contract services	Active	-	100%	Full consolidation
Ingelog Consultores de Ingeniería y Sistemas, S.A.	Agustinas N° 640, Piso 9, Santiago de Chile (Chile)	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Active	-	100%	Full consolidation
Ingeandina Consultores de Ingeniería, S.A.S.	Calle 17, núm. 69-46 Bogotá (Colombia)	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Active	-	100%	Full consolidation
Ingelog Costa Rica S.A.	Mata Redonda, Sabana Sur, Oficentro Ejecutivo la Sabana, torre 6, piso 4, oficinas T&L Consultores, San José (Costa Rica)	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Active	-	98%	Full consolidation
NRAY Services, Inc.	56A Head Street, Dundas, ON L9H 3H7 (Canada)	Inspection of the based neutron radiation services	Active	-	100%	Full consolidation
Applus Technical Services USA, Inc.	7337 Empire Central Drive, Houston, TX 77040 (USA)	Holding company	Active	-	100%	Full consolidation
X-RAY Industries, Inc.	5700 Crooks, Rd. Suite 450, Troy, MI 48089 (USA)	X-ray metallurgical, management, retail equipment, equipment manufacturing, non-destructive; testing services	Active	-	100%	Full consolidation
Applus Laboratories USA, Inc.	615 S. DuPont Highway, Kent County, Dover, Delaware 19901 (USA)	Holding company	Active	-	95%	Full consolidation
Arcadia Aerospace Industries, Llc.	28000 Mooney Avenue, Building #110, Punta Gorda Florida 33982 (USA)	Industrial contract and inspection services	Active	-	86%	Full consolidation
Libertytown USA 3, Inc.	7337 Empire Central Drive, Houston, TX 77040 (USA)	Any lawful act or activity in order for companies to organize themselves under the Delaware General Corporation Law	Active	-	100%	Full consolidation
SKC Engineering Ltd	19165 94TH Avenue, Surrey BC, V4N 3S4 (Canada)	Ensure quality, training, inspection, proof and design and welding engineering services.	Active	-	100%	Full consolidation
Applus Norcontrol Dominicana, S.R.L	República Plaza El Avellano, Calle Dr. Jacinto Ignacio Mañón No. 5 Local No. 08 Primer Piso. Ensanche Paraíso, Santo Domingo (República Dominicana)	Inspection and technical assistance services	Active	-	95%	Full consolidation

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				Direct	Indirect	
Emilab, SRL	Via F.lli Solari 5/A 33020 Amaro (UD) (Italy)	Research in the areas of engineering, electromagnetic compatibility and electrical safety.	Active	-	95%	Full consolidation
AC6 Metrología, S.L.U.	Polígono Comarca I, Edificio Pasarela. 31160, ORKOIEN, Navarra (Spain)	Research, development and advisory services for metrology and industrial calibration activities.	Active	-	95%	Full consolidation
Applus RVIS, B.V.	Delftweg 144, NC 3046 Rotterdam (The Netherlands)	Remote Non-destructive Inspection and Testing	Active	-	51%	Full consolidation
Applus Servicios Integrales, S.A.S.	Calle 17 # 69 - 46, Bogotá (Colombia)	Inspection, quality control and consultancy services	Active	-	95%	Full consolidation
Tunnel Safety Testing, S.A.	LG Centro Experimental San Pedro de Anes s/n, Siero 33189, Asturias (Spain)	Fire testing in tunnels, fire suppression product testing and fire training.	Active	-	89%	Full consolidation
3C Test Limited	Silverstone Technology Park, Silverstone Circuit, Silverstone, Towcester, Northamptonshire, NN12 8GX (UK)	Electromagnetic compatibility (EMC) and electrical tests, especially for the automotive sector.	Active	-	95%	Full consolidation
DatapointLabs LLC	23 Dutch Mill Rd, Ithaca, New York 14850 (USA)	Materials characterization laboratory specialized in providing properties for numerical simulation.	Active	-	95%	Full consolidation
Matereality, LLC.	23 Dutch Mill Rd, Ithaca, New York 14850 (USA)	Development of IT solutions for the properties of materials, management and storage.	Active	-	95%	Full consolidation
Applus Middle East Engineering Consultancy, LLC	Office 201, Abu Dhabi Business Hub, Building B, Mussafah (United Arab Emirates)	Industrial support and consulting	Active	-	47%	Full consolidation
SARL Apcontrol Energie et Industrie Algerie	Rue 05 N°53 Paradou Commune de Hydra Alger (Algeria)	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	Active	-	47%	Full consolidation
Talon Test Laboratories (Phoenix) Inc.	5700 Crooks, Rd. Suite 450, Troy, MI 48089 (USA)	Non-destructive testing services	Active	-	100%	Full consolidation
Talon Test Laboratories Incorporated	5700 Crooks, Rd. Suite 450, Troy, MI 48089 (USA)	Non-destructive testing services	Active	-	100%	Full consolidation
Laboratorio de Ensayos Metrológicos, S.L.U.	Avenida Can Sucarrats, 110, nave 11, Rubí (Spain)	Laboratory of metrological tests and calibration of measuring instruments	Active	-	95%	Full consolidation
A2M Industrie, SAS (A2MI)	ZA du Parc - Secteur, Rue de la Gampille, 42490 Fraisses (France)	Mechanical and material tests.	Active	-	95%	Full consolidation
Applus Tanzania Limited	Kimwery Avenue, Msasani, Tirdo Complex, Dar Es Salaam (Tanzania)	Provision of services, training and consulting, including though not limited to inspection, testing, verification, NDT services, maintenance and technical assistance for the industrial and construction sectors and related areas, as well as the consulting activities for business and management.	Inactive	-	75%	Full consolidation
Applus and Partner Engineering Consultancy	Building No. 3215, Secondary No. 8367, Postal Code 13522, Anas Bin Malik Road - Al Malqa, Riyadh, Saudi Arabia	Engineering consultancy services	Active	-	48%	Full consolidation
Applus Fomento de Control, S.A.	11, rue El Wahda, Résidence Imam Ali, Apt 2, Casablanca (Morocco)	The provision of verification services for industrial products imported into the Kingdom of Morocco (Law No. 24-09, Morocco)	Active	-	85%	Full consolidation

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				Direct	Indirect	
Servicios SEFF S.A. Chile	Ciudad de Calama, Región de Antofagasta (Chile)	Formulation and management of projects' budgets, research and development activities, innovation, consulting and assessment of quality control in the construction industry including materials, processes and the methodology implemented. Conduction of engineering and topography studies and the provision of services in any area of the industrial production	Inactive	-	100%	Full consolidation
Sociedad LEM Laboratorios y Asistencia Técnica Limitada	Avenida Huaytiquina N°1601, ciudad de Calama (Chile)	Development of projects, consultancies and technical quality control consultants for construction, referring to the quality of materials and industrial elements used for construction and its condition of application of building works.	Active	-	100%	Full consolidation
TIC Investments Chile SpA	Avenida Huaytiquina N°1601, ciudad de Calama (Chile)	Holding company	Active	-	100%	Full consolidation
Applus Brasil Investimentos, Ltda	Rua Dom José de Barros, nº 177, 6ª andar, conjunto 601, sala 602, Vila Buarque, CEP 01038-100, Sao Paulo (Brazil)	Holding company	Active	-	100%	Full consolidation
Velosi S.à r.l.	7, rue Robert Stümper L-2557-Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg (Luxembourg).	Holding company	Active	100%	-	Full consolidation
Velosi Poland Sp z.o.o.	Ul. Inflancka 4 00-189 Warszawa (Poland)	Publishing of other programmes	Active	-	100%	Full consolidation
Velosi Europe Ltd	Unit 18 Dawkins Road Poole BH15 4JY (UK).	Provision of technical, engineering and industrial services	Active	-	100%	Full consolidation
Velosi Certification Bureau LTD	Unit 18 Dawkins Road Poole BH15 4JY (UK).	Holding company	Active	-	100%	Full consolidation
Applus International Italy, Srl	23807 Merate (LC), via De Gasperi, 113, Merate (Italy).	Provision of technical, engineering and industrial services	Active	-	80%	Full consolidation
Applus Italy, SRL	Via Cinquantenario, 8 - 24044 Dalmine, Bergamo (BG) (Italy).	Quality control, maintenance and inspection	Active	-	80%	Full consolidation
Applus Norway A/S	Sveigata 40, 5514 Haugesund (Norway).	Quality control, maintenance and inspection	Active	-	60%	Full consolidation
Applus Turkey Gozetim Hizmetleri Limited Sirketi	1042. Cadde 1319.Sokak No.9/5 Ovecler, Ankara (Turkey).	Quality control, maintenance and inspection	Active	-	80%	Full consolidation
Velosi LLC	Azadlig Avenue 189, Apt 61, AZ1130 Baku (Azerbaijan).	Provision of auxiliary services for oil and gas companies	Active	-	100%	Full consolidation
Velosi Malta I Ltd	The Bastions, Office No. 2 Emvim Cremona Street, Floriana, FRN 1281 (Malta).	Holding company	Active	-	100%	Full consolidation
Velosi Malta II Ltd	The Bastions, Office No. 2 Emvim Cremona Street, Floriana, FRN 1281 (Malta).	Holding company	Active	-	100%	Full consolidation
Velosi Industries Sdn Bhd	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Investments, investment property and provision of engineering services	Active	-	100%	Full consolidation
Applus Malaysia, Sdn Bhd	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Provision of engineering and inspection services	Active	-	100%	Full consolidation

Name	Registered office	Line of business	Active Inactive	Ownership interest held by Group companies:		Method account investment	used to the
				Direct	Indirect		
Velosi Plant Design Engineers Sdn Bhd	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess	Inactive	-	100%	Full consolidation	
Applus Singapore Pte Ltd	1 Corporation Drive #04-10, Singapore 619775 (Singapore)	Provision of specialized services in the area of repair of ships, tankers and other high sea vessels, and provision of rope access, testing and technical analyses for the oil and gas industries	Active	-	100%	Full consolidation	
Velosi Energy Consultants Sdn Bhd	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Provision of consultancy services for all engineering activities and the supply of local and foreign experts for the generation of oil and gas energy, marine, energy conservation, mining and all other industries, together with the engineering and maintenance of refining vessels, oil platforms, platforms, petrochemical plants and the supply of qualified labor	Inactive	-	100%	Full consolidation	
Velosi (HK) Ltd	11/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong	Provision of management services, sales support, advisory and business development services to related companies	Active	-	100%	Full consolidation	
Velosi Saudi Arabia Co Ltd	Buld No-7031, Additional No-2958, Sub of Amir Mohammed Bin Fahd Rd, Al-Qusur Dist, Dhahran-34247 (Arabia Saudi).	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	Active	-	60%	Full consolidation	
Applus China Co., Ltd	Room 1304, Shengkang LiaoShi Building No. 738 Shang Cheng Road Pudong, Shanghai PRC, 200120 (China).	Provision of consulting of Petroleum Engineering, technical consultation of mechanical engineering and consulting of business management	Active	-	100%	Full consolidation	
Velosi Siam Co Ltd	412, Sukhumvit 95, Bang Chak, Phra Khanong, Bangkok 10260 (Thailand).	Holding company	Inactive	-	100%	Full consolidation	
Applus (Thailand) Company Limited	412, Sukhumvit 95, Bang Chak, Phra Khanong, Bangkok 10260 (Thailand).	Provision of engineering and technical services	Active	-	100%	Full consolidation	
Velosi Corporate Services Sdn Bhd	No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Provision of general management, business planning, coordination, corporate finance advisory, training and personnel management services	Active	-	100%	Full consolidation	
Velosi International Holding Company BSC (c)	Office No. 9089, Building No. 15 Road 3801, Block 338, AlQudaybiyah Area Kingdom of Bahrain	Holding company of a group of commercial, industrial and service companies	Active	-	100%	Full consolidation	
Applus Technical Services L.L.C.	# 201, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi (United Arab Emirates).	Provision of construction project quality management services, management system certification, quality management of the maintenance of existing facilities and equipment and mandatory inspection services	Active	-	49%	Full consolidation	
Velosi Certification for Consulting CO. W.L.L.	Yaal Mall, Al Fahaheel, Al Dabbous Street, Block# 11, Building# 11, 11th Floor, Office# 12 (Kuwait).	Provision of industrial consultancy	Active	-	24%	Full consolidation	

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
PT Java Velosi Mandiri	Gedung Pondok Indah Office Tower 2, Lantai 16, Suite 1602, Jalan Sultan Iskandar Muda Kav. VTA RT 004 RW 003 Pondok Pinang Kebayoran Lama, Jakarta Selatan 12310 (Indonesia)	Provision of engineering consultancy services, such as quality control and non-destructive testing (NDT) inspection services, provision of skilled labor with vocational training	Active	-	0%	Full consolidation
Velosi Certification LLC	Building No 121340, First Floor New Salata, C Ring Road, P.O. Box 3408, Doha (Qatar).	Provision of inspection and analysis and technical services in the area of qualified technical jobs	Active	-	24%	Full consolidation
Velosi PromService LLC	Russian Federation, 125130, Moscow, Staropetrovsky proezd, 7A, bld. 19, office 7 (Russia).	Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries	Active	-	100%	Full consolidation
Velosi LLC	Kurilskaya Str., 38, 693000 Yuzhno-Sakhalinsk, Sakhalin Region, (Russia).	Holding Company	Active	-	100%	Full consolidation
Velosi Bahrain WLL	Flat 11, Building 1033, Road 3721, Block 337, Menama / UMM Alhassam (Bahrain).	Provision of quality control and standardization services, industrial inspection services and general services	Active	-	100%	Full consolidation
Velosi LLC	Block no 227 Stella Building, Post Box 231 Hamriya. Way no 2748 (Oman).	Provision of certification, engineering and inspection services	Active	-	50%	Full consolidation
Velosi Quality Management International LLC	Unit 201, 2nd floor, Emaar Business Park 4, Sheikh Zayed Road, The Greens, PO Box 337201, Dubai (United Arab Emirates).	Provision of certification, engineering and inspection, onshore and/or offshore services	Active	-	49%	Full consolidation
Velosi CBL (M) Sdn Bhd	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia).	Provision of equipment inspection services	Inactive	-	100%	Full consolidation
Applus Kazakhstan LLC	Building #31A, Akzhal lane, Atyrau, Atyrau Oblast, 060002 (Kazakhstan).	Provision of services in the area of industrial safety	Active	-	80%	Full consolidation
Velosi (B) Sdn Bhd	Lot 5211, Spg. 357, Jln Maulana, KA 2931 Kuala Belait, Negara Brunei Darussalam (Brunei).	Provision of quality control and engineering services for the oil and gas industries	Active	-	30%	Equity method
Velosi Certification Services LLC	17, Chimkent Street, Mirobod District, 100029 Tashkent (Uzbekistan).	Provision of inspection, certification, monitoring and other types of business activity	Active	-	80%	Full consolidation
Velosi Philippines Inc	1004, 10F, Pagibig WT Tower, Cebu Business Park, Ayala, Cebu City (Philippines).	Provision of inspection, quality control, certification and business process outsourcing	Active	-	100%	Full consolidation
Dijla & Furat Quality Assurance, LLC.	Ramadan Area, District 623-S, No.1, Baghdad (Iraq).	Provision of quality control and training services	Inactive	-	100%	Full consolidation
Applus Korea Co, Ltd.	194, Myeongbonggeonam-ro, Onsan-eup, Ulju-gun, Ulsan (Republic of Korea).	Provision of training and consulting for services related to technical engineering, hiring-out of manpower and materials and leasing of properties.	Active	-	100%	Full consolidation
Oman Inspection and Certification Services	P.O. Box 15, South Alkhuawir, Bawshar, Muscat Governorate (Oman)	Provision of non-destructive testing services (NDT), environmental and safety services (HSE), quality control and engineering services.	Active	-	50%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Applus Japan KK	Yamauchi Building 3F 3-24-8 Nishi Shimbashi, Minato-ku, Tokyo (Japan).	Provision of quality and inspection services, man power, NDT tests and industrial consulting	Active	-	100%	Full consolidation
Applus Senegal SURL	Almadies, route de Ngor, immeuble SIA, 14er étage, Dakar (Senegal)	Provide quality assurance and quality control services to the oil and gas industry in Senegal and in the CDEAO	Active	-	100%	Full consolidation
Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power, LLC.	Al-Shamasiyah District Section No. 316 Street 15 house 37 1, Basra (Iraq)	Buy, lease, ownership of personal property, intellectual property and the sale of said goods	Inactive	-	100%	Full consolidation
Soil and Foundation Company Limited	Jeddah. Al Faisalliyah District. Sari Street. Building Number 2969 (Saudi Arabia)	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Active	-	75%	Full consolidation
Applus Arabia for Geotechnical and Environmental Works Co. Ltd	Building No. 6783, Prince Turki Bin Abdulaziz Al Awwal Street, 2997 Al Muhammadiyah District, 12362 Riyadh (Saudi Arabia)	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Active	-	75%	Full consolidation
Soil and Foundation Company Limited Egypt	Villa7, Block8, Street9, Al Tijarien City, Mokattam, Cairo (Egypt)	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Active	-	100%	Full consolidation
Applus Koins Corporation	215, Yulchonsandan 3-ro, Yulchon-myeon, Yeosu-si, Jeollanam-do, Republic of Korea	Provision of inspection, repair and maintenance including cleaning services and training in the oil and gas and petrochemical sectors.	Active	-	51%	Full consolidation
Applus Regional Headquarters Company	Building No. 6783, Price Turki Bin Abdulaziz Al Awwal, 2997 Al Muhammadiyah, 12362 Riyadh (Saudi Arabia)	Holding company and provision of management services to affiliates within Middle East region	Active	-	100%	Full consolidation
Applus Steel Test (Pty) Ltd	28 Senator Rood Road, 1939 Vereeniging (Republic of South Africa).	Pipe and steel thickener testing	Active	-	75%	Full consolidation
Applus Velosi (Ghana) Ltd	2nd Floor, Design House, Ring Road East, Accra (Ghana).	Provision of inspection, quality control and certification services	Active	-	49%	Full consolidation
Velosi Superintendend Nigeria Ltd	3A Alabi Street, Off Toyin Street, Ikeja - Lagos (Nigeria).	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	Active	-	30%	Full consolidation
Velosi Uganda LTD	3rd Floor, Rwenzori House, Plot 1, Lumumba Avenue, PO Box 10314 Kampala (Uganda).	Provision of business consulting and management services	Inactive	-	100%	Full consolidation
Applus Velosi SA (Pty) Ltd	28 Senator Rood Road, 1939 Vereeniging (Republic of South Africa).	Provision of services related with the quality of the oil and gas industries	Active	-	100%	Full consolidation
Velosi Gabon (SARL)	Cité Shell, Port-Gentil in Gabon, BP: 2 267 (Gabon).	Provision of security and environmental services (HSE), quality control and engineering in the oil and gas sector.	Inactive	-	75%	Full consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to the account investment
				Direct	Indirect	
Velosi Mozambique LDA	Avenida Kim Il Sung, 961 - Bairro Sommershield - Distrito Urbano 1, Maputo Cidade (Mozambique).	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	Inactive	-	74%	Full consolidation
Applus Velosi Egypt, LLC	9, El-Batrawy St., Entrance 2, Genana Mall Building, Al Manteqah Al Oula, Nasr City, Cairo (Egypt)	Provision of engineering consultancy in the oil sector, the maritime business, power generation and mining, as well as management consulting	Active	-	100%	Full consolidation
Applus Velosi Angola, Lda.	Condominio Mirantes de Talatona, Rua das Acácias, casa B13, Luanda (Angola).	Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialized services in NDT and engineering.	Active	-	49%	Full consolidation
Applus India Private Limited	#402, Vijaysri Nivas, Prakash Nagar, Begumpet, Hyderabad – 500 016. Telenagana (India)	Provision of labor supply services for the oil and gas industries	Active	-	100%	Full consolidation
Applus Mozambique Limitada	Paulo Samuel Kankhomba Avenue, number 3,371, Maputo City (Mozambique).	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	Active	-	49%	Full consolidation
K2 Do Brasil Services Ltda	Avenida Nossa Senhora da Gloria, 2.643, Cavaleiros, Macae - RJ, CEP27920-360, Macae (Brazil).	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	Active	-	100%	Full consolidation
Applus Velosi America LLC	7337 Empire Central Drive, Houston, TX 77040 (USA)	Provision of labor supply services for the oil and gas industries	Active	-	100%	Full consolidation
Applus Velosi Canada Ltd	2600 Manulife Place 10180 - 101st Street, Edmonton, AB T5J 3Y2 (Canada)	Provision of labor supply services for the oil and gas industries	Active	-	100%	Full consolidation
Applus K2 America, LLC	7337 Empire Central Drive, Houston, TX 77040 (USA)	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	Active	-	100%	Full consolidation

Note: the % of ownership of the Group companies reported corresponds to the legal interest that, in some cases, may differ from the effective percentage

Appendix II - Out of the scope of consolidation

Name	Registered office	Line of business	Active Inactive	Ownership interest held by Group companies:	
				Direct	Indirect
Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.	Ciudad de Guatemala (Guatemala)	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Inactive	-	100%
CTAG - Idiada Safety Technology Germany, GmbH	Manfred-Hochstatter-Straße 2, 85055 Ingolstadt (Germany)	Engineering, testing and homologation	Inactive	-	40%
Velosi Turkmenistan	Ashgabat City, Kopetdag District, Turkmenbashi, Avenue, No. 54 (Turkmenistan).	No line of business	Inactive	-	100%
Velosi Ukraine LLC	5A Piterska Street, 03087 Kyiv (Ukraine).	Provision of auxiliary services in the oil and natural gas industries	Inactive	-	100%
Velosi Services L.L.C. (Russia)	Kommunistichesky prospect, 32, suite 610, Yuzhno-Sakhalinsk, Sakhalin Region (Russia).	No line of business	Inactive	-	100%
Velosi Do Brasil Ltda	Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro (Brazil).	No line of business	Inactive	-	98%
Velosi Asia Kish (Iran)	No. 7, Second Floor, Block B28, Pars Commercial Complex, South-West of the Port Area (Iran).	No line of business	Inactive	-	97%
Velosi Jorson Sdn Bhd (Brunei)	LOT 5211. Simpang 357, Jalan Maulana, Kuala Belait KA2931, Brunei Darussalam (Brunei).	Provision of non-destructive testing services (NDT), technological development, transformation and technical consulting.	Active	-	15%

Note: the % of ownership of the Group companies reported corresponds to the legal interest that, in some cases, may differ from the effective percentage

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

The Board of Directors of Applus Services, S.A., in compliance with the current mercantile legislation, have authorised for issue on 21 February 2024 the Financial Statements and Director's Report, which include the non-financial information statement and the Annual Corporate Governance Report for 2023, in accordance with the formatting and markup established Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). The aforementioned Financial Statements and Director's Report are integrated in the digital file with the 11861BDC2AE526590CA50DD4B4BD1BC090438320262E30FBE1E3B0512B4C834B hash code included in the ZIP file with number 213800M9XCA6NR98E873-2023-12-31-es (1).

The members of the Board of Directors declare signed and authorised for issue unanimously, through this Diligence, the aforementioned Financial Statements and Directors' Report for 2023, awaiting on the auditors' verification and subsequent approval by the Parent's Annual General Meeting.

Note that Mrs. Cristina Henríquez de Luna Basagoiti and Mrs. Essimari Kairisto authorized the Financial Statements to be issued, although could not physically sign them, as they attended the meeting by video-conference.

Barcelona, 21 February 2024

Mr. Christopher Cole

Chairman

Mr. Ernesto Gerardo Mata López

Director

Mr. Joan Amigó i Casas

Director

Mr. Nicolás Villén Jiménez

Director

Ms. Maria Cristina Henríquez de Luna Basagoiti

Director

Ms. Maria José Esteruelas Aguirre

Director

Ms. Essimari Kairisto

Director

Ms. Marie-Françoise Madeleine Damesin

Director

Mr. Brendan Wynne Derek Connolly

Director