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To CNMV

To the effects of article 227 of the Spanish Securities Markets Act, approved by Royal Legislative Decree 19/2018, dated 23 October, as amended by Royal Decree-law 19/2018, dated 23 November, Applus Services, S.A. hereby communicates the following

OTHER RELEVANT INFORMATION

Subject: Report drafted by the Board of Directors of Applus Services, S.A. on the amendment of the proposal of allocation of profits of the year closed at 31 December 2019

The Company informs on the Report drafted by the Board of Directors of Applus Services, S.A., in accordance with the provisions of *article 40.6 bis of Royal Decree-law 8/2020, of 17 March, on extraordinary urgent measures to fight the economic and social impact of COVID-19*, in order to justify the amendment of the proposal of allocation of profits of the year closed at 31 December 2019, to be submitted to the approval of the Annual General Shareholders' Meeting of the Company, together with a note from the Company's auditors.

In Madrid on April 8th, 2020.

Applus Services, S.A.



Report drafted by the Board of Directors of Applus Services, S.A. on the amendment of the proposal of allocation of profits of the year closed at 31 December 2019



I. Purpose of the report

This Report is drafted by the Board of Directors of Applus Services, S.A. (hereinafter, “**Applus**” or the “**Company**”) in accordance with the provisions of article 40.6 bis of Royal Decree-law 8/2020, of 17 March, on extraordinary urgent measures to fight the economic and social impact of COVID-19, in order to justify the amendment of the proposal of allocation of profits of the year closed at 31 December 2019 to be submitted to the approval of the Annual General Shareholders’ Meeting of the Company that will be held on 28 or 29 May 2020 on first or second call, respectively.

It is hereby acknowledged that, in accordance with the provisions of article 41.3 of the above-mentioned Royal Decree-law 8/2020, this Report will be published as complementary information to the annual accounts in the corporate websites of the Company and of the Spanish *Comisión Nacional del Mercado de Valores*.

II. Amendment proposed

The Board of Directors of the Company, at its meeting of 21 February 2020, approved the following proposal of allocation of profits of the year closed at 31 December 2019, which is also included in note 3 of the annual accounts (and in note 24 of the consolidated annual Accounts) of said year:

	Thousands of Euros
Basis of distribution	
Profit of year 2019	50,803
Allocation of the profit	
To dividends	31,464
To unrestricted reserves	19,339
TOTAL	50,803

The Board of Directors of the Company, at its meeting of today, has taken the decision to cancel the proposal of allocation of profit that was initially agreed, replacing it with the following new



proposal:

	Thousands of Euros
Basis of distribution	
Profit of year 2019	50,803
Allocation of the profit	
To unrestricted reserves	50,803
TOTAL	50,803

III. Justification of the proposal

The new proposal of allocation of the profit of the year closed at 31 December 2019 is justified on the grounds of reasons of prudence, with the aim to preserve the strength of Applus' balance sheet under the current circumstances of high uncertainty that have been caused by the measures adopted in most of the countries where the Applus Group operates in order to fight against the COVID-19 pandemic. This new proposal is aligned with the rest of actions that Applus is taken to conserve cash and limit cash outflows to the maximum extent.

Applus Board of Directors remains committed to a regular dividend payment to shareholders, so it will reassess the situation when a larger visibility on the effects of the COVID-19 crisis exists, in order to restore the dividend if the circumstances so allow.

This modification of the proposal of allocation of profits does not affect Applus annual accounts (other than the note regarding said proposal), so the Board of Directors considers that there is no need to reissue such annual accounts and has chosen, accordingly, to keep on the same terms under they were initially issued last 21 February 2020.

In Madrid, on 8 April 2020

April 8, 2020

Applus Services, S.A.
Parque Empresarial Las Mercedes
Campezo 1, Edificio 3
28022 Madrid

To the Board of Directors of Applus Services, S.A.

Dear Sir or Madam,

The Board of Directors of Applus Services, S.A. at its meeting of 21 February 2020 approved the following proposed distribution of profit:

	Thousands of euros
Distributable profit:	
Profit for the year	50,803
	50,803
Proposed distribution of profit:	
Dividends	31,464
To unrestricted voluntary reserves	19,339
Total	50,803

This proposal is also disclosed in Note 3 to the financial statements (and in Note 24 to the consolidated financial statements) for the year ended 31 December 2019 which were authorised for issue by the Board of Directors at the aforementioned meeting and on which we issued our auditor's reports on 21 February 2020 in which we expressed an unmodified opinion.

As stated in the accompanying documentation, the Board of Directors at the meeting held on 8 April 2020 took the decision to replace the proposed distribution of profit previously approved with the following:

	Thousands of euros
Distributable profit:	
Profit for the year	50,803
	50,803
Proposed distribution of profit:	
To unrestricted voluntary reserves	50,803
Total	50,803



In this context, we hereby confirm that this decision does not affect the conclusions included in the auditor's reports issued on 21 February 2020 on the financial statements of Applus Services, S.A. (and the consolidated financial statements of Applus Services, S.A. and Subsidiaries) for the year ended 31 December 2019.

This document refers exclusively to the decision to change the proposal that will be submitted for approval by the shareholders at the Annual General Meeting in relation to the distribution of profit. From 21 February 2020, date of issue of our auditor's report, we have not conducted any audit procedures on any other matters or on events that may have occurred subsequent to that date.

This letter is issued at the request of the Board of Directors of Applus Services, S.A., for the purpose of informing the shareholders at the Annual General Meeting of Applus Services, S.A. pursuant to Articles 40 and 41 of Spanish Royal Decree-Law 8/2020, of 17 March, on emergency measures to combat the economic and social impact of COVID-19, in relation to the proposal for the application of profit of business entities in the context of the public health emergency arising as a result of COVID-19 and may not be used for any other purpose.

DELOITTE, S.L.

TORRENS
BORRAS ANA
- 46133570D

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TORRENS BORRAS
ANA - 46133570D
Date: 2020.04.08
18:04:41 +02'00'

Ana Torrens Borrás