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ÅRSREDOVISNING

2022-01-01--2022-12-31

för

Besikta Bilprovning i Sverige Holding AB
556910-0943

Årsredovisningen omfattar: **Sida**

Förvaltningsberättelse	2
Resultaträkning	3
Balansräkning	4
Rapport över förändring i eget kapital	6
Noter	7

FASTSTÄLLELSEINTYG

Undertecknad styrelseledamot intygar härmed, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen för företaget har fastställts på årsstämma den 29/3 2023. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Malmö den 29/3 2023

Daniel Hjortström

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Besikta Bilprovning i Sverige Holding AB
556910-0943

ÅRSREDOVISNING
FÖR BESIKTA BILPROVNING I SVERIGE HOLDING AB

Styrelsen för Besikta Bilprovning i Sverige Holding AB avger härmed årsredovisning för räkenskapsåret 2022-01-01--2022-12-31.

FÖRVALTNINGSBERÄTTELSE

Verksamhetens art och inriktning
Bolagets verksamhet är att äga och förvalta aktier eller andra värdepapper i Besikta Bilprovning i Sverige AB, org.nr. 556865-1359 samt att tillhandahålla management- och konsulttjänster till koncernbolag. Bolaget har sitt säte i Stockholms kommun.

Ägarförhållanden
Bolaget är ett helägt dotterbolag till Applus Iteuve Technology S.L.U, B8104144. Med stöd av ÅRL 7 kap 2§ upprättas ingen särskild koncernredovisning för denna underkoncern, utan koncernen ingår i den koncernredovisning som upprättas av Applus Services, S.A , A6422970, Spanien.

Väsentliga händelser under räkenskapsåret
Den 16/8 2022 har dotterbolaget ClearCarAB org.nr. 556862-8290 fusionerats med Besikta Bilprovning Holding AB.

(Tkr)	2022	2021	2020	2019	2018
Nettoomsättning	0	0	0	0	0
Rörelseresultat	0	-3	-6	53	-51
Resultat e. finansiella poster	103 519	5 698	-12 507	4 613	-9 214
Balansomslutning	321 236	329 044	339 934	365 403	-343 715
Soliditet [1]	47,8%	17,9%	7,9%	11,2%	4,1%
Medelantal anställda	0	0	0	0	0

[1] Justerat eget kapital / Balansomslutning. Med justerat eget kapital avses eget kapital + obeskattade reserver med avdrag för uppskjuten skatteskuld.

Förslag till vinstdisposition (kronor)

Till årsstämmans förfogande står följande vinstmedel

Balanserat resultat	59 005 270
Fusion med ClearCar 16/8-2022	129 991
Utdelning extra stämma 13/12-2022	-30 000 000
Årets resultat	124 224 637
	153 359 898

Styrelsen föreslår att

i ny räkning balanseras	153 359 898
	153 359 898

Besikta Bilprovning i Sverige Holding AB
556910-0943

20230425133313

RESULTATRÄKNING
(Tkr)

		2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter			
Övriga rörelseintäkter		2	0
		2	**0**
Rörelsens kostnader			
Övriga externa kostnader	3	-2	-3
Rörelseresultat		**0**	**-3**
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag	4	110 000	15 000
Ränteintäkter och liknande intäkter	5	5	19
Räntekostnader och liknande kostnader	6	-6 486	-9 318
Resultat efter finansiella poster		**103 519**	**5 698**
Bokslutsdispositioner			
Erhållet koncernbidrag		24 400	31 000
Förändring av periodiseringsfond		0	1 312
Resultat före skatt		**127 919**	**38 010**
Skatt på årets resultat	7	-3 694	-4 752
ÅRETS RESULTAT		**124 225**	**33 258**

Besikta Bilprovning i Sverige Holding AB
556910-0943

20230425133134

BALANSRÄKNING

(Tkr)

		2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Andelar i koncernföretag	8	296 519	296 620
Fordringar hos koncernföretag	9	0	429
		296 519	**297 049**
Summa anläggningstillgångar		**296 519**	**297 049**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		24 400	31 000
Övriga fordringar		8	11
		24 408	**31 011**
Kassa och bank		**309**	**984**
Summa omsättningstillgångar		**24 717**	**31 995**
SUMMA TILLGÅNGAR		**321 236**	**329 044**

20230425133315

BALANSRÄKNING

(Tkr)

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		50	50
		50	**50**
Fritt eget kapital			
Balanserat resultat		29 135	25 748
Årets resultat		124 225	33 258
		153 360	**59 006**
Summa eget kapital		**153 410**	**59 056**
Långfristiga skulder	10		
Skulder till koncernföretag		65 595	64 236
		65 595	**64 236**
Kortfristiga skulder			
Skulder till koncernföretag		100 000	201 000
Aktuella skatteskulder		2 231	4 752
		102 231	**205 752**
SUMMA EGET KAPITAL OCH SKULDER		**321 236**	**329 044**

Besikta Bilprovning i Sverige Holding AB
556910-0943

20230425133316

RAPPORT ÖVER FÖRÄNDRING I EGET KAPITAL

(Tkr)

		2021-12-31	*Fritt eget kapital*		
	Not	Aktie-kapital	Balanserad vinst	Årets resultat	**Summa eget kapital**
Ingående balans per 1 januari 2021		**50**	**13**	**25 735**	**25 798**
Disposition av föregående års resultat			25 735	-25 735	0
Årets resultat				33 258	33 258
Utdelningar			0		0
Utgående balans per 31 december 2021		**50**	**25 748**	**33 258**	**59 056**

Aktiekapital 1 000 000 aktier á kvotvärde 0,05 kronor.

		Bundet eget kapital	*Fritt eget kapital*		
	Not	Aktie-kapital	Balanserad vinst	Årets resultat	**Summa eget kapital**
Ingående balans per 1 januari 2022		**50**	**25 748**	**33 258**	**59 056**
Disposition av föregående års resultat			33 258	-33 258	0
Årets resultat				124 225	124 225
Fusionsdifferens			129		129
Utdelningar			-30 000		-30 000
Utgående balans per 31 december 2022		**50**	**29 135**	**124 225**	**153 410**

Aktiekapital 1 000 000 aktier á kvotvärde 0,05 kronor.

Besikta Bilprovning i Sverige Holding AB
556910-0943

20230425133317

NOTER

Not 1 Allmän information

Besikta Bilprovning i Sverige Holding AB med organisationsnummer 556910-0943 är ett aktiebolag registrerat i Sverige med säte i Stockholm. Adressen till huvudkontoret är Källvattengatan 7, 212 23 Malmö. Företagets verksamhet omfattar ägande och förvaltning av aktier eller andra värdepapper, samt att tillhandahålla management- och konsulttjänster till koncernbolag.

Moderföretag i den största koncernen som Besikta Bilprovning i Sverige Holding AB är dotterföretag till är Applus Services, S.A.A64622970, med säte i Spanien. Moderföretag i den minsta koncernen som Besikta Bilprovning i Sverige Holding AB är dotterföretag till är Applus Iteuve Technology S.L.U, B81041444, med säte i Spanien. Bolaget ingår i den koncernredovisning som upprättas av Applus Services S.A, A46422970 Spanien. Bolaget är ett helägt dotterbolag till Applus Iteuve Technology S.L.U, B8104144.

Not 2 Redovisningsprinciper och värderingsprinciper

Företaget tillämpar Årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1 *Årsredovisning och koncernredovisning* ("K3"). Redovisningsprinciperna är oförändrade från föregående år.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition i resultaträkningen.

Inkomstskatter
Skattekostnaden utgörs av summan av aktuell skatt och uppskjuten skatt.

Aktuell skatt
Aktuell skatt beräknas på det skattepliktiga resultatet för perioden. Skattepliktigt resultat skiljer sig från det redovisade resultatet i resultaträkningen då det har justerats för ej skattepliktiga intäkter och ej avdragsgilla kostnader samt för intäkter och kostnader som är skattepliktiga eller avdragsgilla i andra perioder. Aktuell skatteskuld beräknas enligt de skattesatser som gäller per balansdagen.

20230425133318

Uppskjuten skatt

Uppskjuten skatt redovisas på temporära skillnader mellan det redovisade värdet på tillgångar och skulder i de finansiella rapporterna och det skattemässiga värdet som används vid beräkning av skattepliktigt resultat. Uppskjuten skatt redovisas enligt den s k balansräkningsmetoden. Uppskjutna skatteskulder redovisas för i princip alla skattepliktiga temporära skillnader, och uppskjutna skattefordringar redovisas i princip för alla avdragsgilla temporära skillnader i den omfattning det är sannolikt att beloppen kan utnyttjas mot framtida skattepliktiga överskott. Obeskattade reserver redovisas inklusive uppskjuten skatteskuld.

Det redovisade värdet på uppskjutna skattefordringar omprövas varje balansdag och reduceras till den del det inte längre är sannolikt att tillräckliga skattepliktiga resultat kommer att finnas tillgängliga för att utnyttjas, helt eller delvis, mot den uppskjutna skattefordran.

Värderingen av uppskjuten skatt baseras på hur företaget, per balansdagen, förväntar sig att återvinna det redovisade värdet för motsvarande tillgång eller reglera det redovisade värdet för motsvarande skuld. Uppskjuten skatt beräknas baserat på de skattesatser och skatteregler som har beslutats före balansdagen.

Aktuell och uppskjuten skatt för perioden

Aktuell och uppskjuten skatt redovisas som en kostnad eller intäkt i resultaträkningen, utom när skatten är hänförlig till transaktioner som redovisats direkt mot eget kapital. I sådana fall ska även skatten redovisas direkt mot eget kapital.

Andelar i koncernföretag

Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Likvida medel

Likvida medel inkluderar kassamedel och disponibla tillgodohavanden hos banker och andra kreditinstitut samt andra kortfristiga likvida placeringar som lätt kan omvandlas till kontanter och är föremål för en obetydlig risk för värdefluktuationer. För att klassificeras som likvida medel får löptiden inte överskrida tre månader från tidpunkten för förvärvet.

Aktieägartillskott

Aktieägartillskott som en ägare lämnar redovisas som en ökning av andelens redovisade värde. Aktieägartillskott som en ägare erhåller redovisas direkt i eget kapital.

Besikta Bilprovning i Sverige Holding AB
556910-0943

20230425133319

Not 3 Antal anställda

Bolaget har inte haft några anställda under året.

Not 4 Resultat från andelar i koncernföretag

	2022	2021
Utdelning	110 000	15 000
Summa	**110 000**	**15 000**

Not 5 Övriga ränteintäkter och liknande intäkter

	2022	2021
Ränteintäkter	5	2
Ränteintäkter, koncernföretag	0	17
Summa	**5**	**19**

Not 6 Räntekostnader och liknande kostnader

	2022	2021
Räntekostnader till koncernföretag	-6 471	-9 318
Övriga räntekostnader	-15	0
Summa	**-6 486**	**-9 318**

Not 7 Skatt på årets resultat

	2022	2021
Aktuell skatt	-3 108	-4 752
Uppskjuten skatt	-586	0
Skatt på årets resultat	**-3 694**	**-4 752**

Avstämning årets skattekostnad

	2022	2021
Redovisat resultat före skatt	127 919	38 010
Skatt beräknad med skattesats 20,6 % (fg år 21,4%)	-26 351	-7 830
Skatteffekt av schablonränta periodiseringsfond	0	-1
Skatteeffekt av återföring periodiseringsfond	0	-11
Skatteeffekt av skattefri utdelning	22 660	3 090
Skatteeffekt av ej avdragsgill ränta	-3	0
Summa	**-3 694**	**-4 752**
Årets redovisade skattekostnad	**-3 694**	**-4 752**

20230425133320

Not 8 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	326 500	326 500
Utgående ackumulerade anskaffningsvärden	**326 500**	**326 500**
Ingående nedskrivningar	-29 880	-29 880
Fusion av ClearCar	-101	0
Utgående ackumulerade nedskrivningar	**-29 981**	**-29 880**
Utgående redovisat värde	**296 519**	**296 620**

Företagets innehav av andelar i koncernföretag

Företagets namn	Rösträtts- & kapitalandel	Antal andelar	Redovisat värde 2022-12-31	Redovisat värde 2021-12-31
Besikta Bilprovning i Sverige AB	100%	50 000	296 519	296 519
Summa			**296 519**	**296 519**

Företagets namn	Org.nr	Säte
Besikta Bilprovning i Sverige AB	556865-1359	Malmö

Not 9 Fordringar hos koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	429	412
Tillkommande fordringar	0	17
Reglerade fordringar genom fusion	-429	0
Utgående ackumulerade anskaffningsvärden	**0**	**429**
Utgående redovisat värde	**0**	**429**

	2022-12-31	2021-12-31

Not 10 Långfristiga skulder

Samtliga långfristiga skulder förfaller till betalning inom fem år efter balansdagen.

Not 11 Händelser efter balansdagen

Inga väsentliga händelser har inträffat efter balansdagen

Stockholm den 29/3-2023

Aitor Retes
Styrelsens ordförande

Daniel Hjortström
Styrelseledamot

Per Rasmussen
Styrelseledamot

Vår revisionsberättelse har avgivits den 29/3-2023

Deloitte AB

Mats Persson
Auktoriserad revisor

Jag intygar att kopian överensstämmer med originalet.
Lisbett Fransson Borglin
Lisbett Fransson Borglin

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Besikta Bilprovning i Sverige Holding AB
organisationsnummer 556910-0943

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Besikta Bilprovning i Sverige Holding AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Besikta Bilprovning i Sverige Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Besikta Bilprovning i Sverige Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen.

Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Besikta Bilprovning i Sverige Holding AB för räkenskapsåret 2022-01-01 - 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i

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förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Besikta Bilprovning i Sverige Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Malmö 29/3 2023

Deloitte AB

Mats Persson
Auktoriserad revisor

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Applus Services, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2022
and Consolidated Directors' Report,
together with Independent Auditor's
Report

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

Declaration of Responsibility of the Directors of Applus Services, S.A. for the content of the annual financial report for 2022

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

The members of the Board of Directors of Applus Services, S.A. declare that, to the best of their knowledge, the consolidated financial statements of Applus Services, S.A. and subsidiaries (comprising consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes) for the year ended at 31 December 2022, prepared in accordance with applicable accounting policies and approved by the Board of Directors at its meeting on 23 February 2023, present fairly the equity, financial position and results of Applus Services, S.A. and the subsidiaries included in the scope of consolidation, taken as a whole, and that the management report accompanying such consolidated financial statements includes a fair analysis of the business' evolution, results and the financial position of Applus Services, S.A and the subsidiaries included in the scope of consolidation, taken as a whole, as well as a description of the principal risks and uncertainties they face. All the Directors have signed to certify the above mentioned.

Barcelona, 23 February 2023

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

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Avda. Diagonal, 654
08034 Barcelona
España

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Applus Services, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2022, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

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

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

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

Key Audit Matters

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

Impairment of goodwill and other intangible assets	
Description	Procedures applied in the audit
Notes 4 and 5 to the accompanying consolidated financial statements describe the goodwill and other intangible assets allocated to each of the cash-generating units (CGUs) identified by Group management, amounting to EUR 792.9 million and EUR 374.1 million, respectively, at 31 December 2022. Also, the various CGUs identified correspond to the various business units managed by the Group (Energy & Industry, Automotive, IDIADA and Laboratories) in each of the defined geographical areas in which it carries on its activity. If there are any indications of impairment, and at least at each year-end, Group management tests the assets of the aforementioned CGUs for impairment using discounted cash flow-based valuation techniques to determine the recoverable amount thereof.	Our audit procedures to address this matter included, mainly, the evaluation of the reasonableness of the cash flow projections and of the discount rates used in the impairment tests by conducting a critical analysis of the key assumptions of the models used. In particular, we compared the revenue growth rates with the latest approved strategic plans and budgets and reviewed them for consistency with both historical information and the current market situation. Also, we evaluated management's historical accuracy in the budgeting process. In connection with the assumptions used by the Group in the estimation process, we evaluated the reasonableness of the discount rates applied for each business and geographical area, taking into consideration the cost of capital of the Group and of comparable organisations, as well as perpetuity growth rates, among other factors.

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Initial impairment of goodwill and other intangible assets

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

Recovery of deferred tax assets

Description	Procedures applied in the audit
Note 20.c to the accompanying consolidated financial statements details the deferred tax assets amounting to EUR 58.2 million that are recognised in the consolidated statement of financial position at 2022 year-end, corresponding to tax losses, tax credits and temporary differences amounting to EUR 18.7 million, EUR 16 million and EUR 23.5 million, respectively, generated in the various tax jurisdictions in which the Group operates. In addition, as indicated in Note 20.c, the Group has unrecognised deferred tax assets corresponding to tax losses and tax credits amounting to EUR 129.9 million and EUR 48.9 million, respectively. At the end of each reporting period, Group management assesses the recoverability of the tax assets recognised based on the earnings projections used to estimate future taxable profits considering as reasonable a timeframe of no more than ten years, taking into account the legislation of each tax jurisdiction in which the Group operates, legislative changes and the most recent business plans approved for the various business divisions and geographical areas. We identified this matter as key in our audit, since the assessment of the recoverability of these assets requires a significant level of judgement, largely in connection with the projections of business performance.	Our audit procedures to address this matter included, among others, the evaluation of the methodology and assumptions applied by the Group and verification of the consistency thereof taking into account both historical information and the market situation and the tax legislation applicable in each jurisdiction, involving internal tax experts in those geographical areas in which the Group has the most significant amounts of deferred tax assets. We also reviewed the consistency of the models with the financial information used by Group management in performing the impairment test on goodwill and other intangible assets and the sensitivity analyses, stressing those assumptions that have the greatest effect on determining the recoverable amount of the tax assets. Also, we evaluated the historical accuracy of management in the process of preparing projections of future taxable profits for the purpose of estimating the tax losses, 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 3.p and 20 to the accompanying consolidated financial statements.

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Regularisation for taxes and litigation

Description	Procedures applied in the audit
The Group operates in multiple tax and legal jurisdictions worldwide and, therefore, is subject to a wide variety of specific, sometimes complex, laws and regulations. Note 17 to the accompanying consolidated financial statements includes a detail of the specific provisions for taxes, legal matters, litigation and claims recognised at 31 December 2022, together with other disclosures related to these items. At the end of each reporting period Group management assesses the need for, and sufficiency of, the aforementioned provisions, taking into consideration the available information and the circumstances prevailing at any given time. In this process, Group management has the support of external advisers engaged for this purpose, for the most significant lawsuits and claims. The determination of the amounts recognised, and the disclosures included in the notes to the consolidated financial statements involve a high level of estimation, judgements and assumptions due to uncertainties about the range of possible resolutions of the litigation and claims in process and, therefore, this was considered to be a key matter in our audit.	Our audit procedures to address this matter included, among others, the obtainment, through direct confirmation processes, of the assessment carried out by the Group's external advisers for each significant lawsuit or claim in process, the obtainment of the assessment by the Group's legal and tax departments and the obtainment of all available information relating to each significant lawsuit or claim. In the course of our work, we evaluated, for all significant lawsuits and claims, the reasonableness of the provisions recognised by involving our experts in each subject matter and in each applicable jurisdiction. Lastly, we also evaluated whether the disclosures required by the applicable accounting regulations had been included in Notes 3.j, 17, 20.f and 27 to the accompanying consolidated financial statements.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2022, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

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

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

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2022 and its content and presentation were in conformity with the applicable regulations.

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description, which is on pages 10 and 11 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Applus Services, S.A. and subsidiaries for 2022, which comprise the XHTML file including the consolidated financial statements for 2022 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Applus Services, S.A. are responsible for presenting the annual financial report for 2022 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

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

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

Additional Report to the Parent's Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit committee dated 23 February 2023.

Engagement Period

The Annual General Meeting held on 28 June 2022 appointed us as the Group's auditors for a period of one year from the year ended 31 December 2021, i.e., for 2022.

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

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

Ana Torrens Borrás
Registered in ROAC under no. 17762

23 February 2023

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Appendix I to our auditor's report

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

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

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Applus Services, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2022 and Consolidated Director's Report together with Independent Auditor's Report

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

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(Thousands of Euros)

ASSETS	Notes	31/12/2022	31/12/2021
NON-CURRENT ASSETS			
Goodwill	4	792,897	725,789
Other intangible assets	5	374,092	419,967
Right of use assets	26.a	177,395	180,720
Property, plant and equipment	7	253,057	253,774
Investments accounted for using the equity method		3,403	520
Non-current financial assets	8	17,096	17,693
Deferred tax assets	20.c	58,163	61,024
Total non-current assets		1,676,103	1,659,487
CURRENT ASSETS			
Non-current assets classified as held for sale	3.y	37,497	-
Inventories	9	9,753	11,240
Trade and other receivables-			
Trade and other receivables	10	447,422	393,098
Trade receivables from related companies	10 & 28	187	221
Other receivables	10	27,645	25,978
Corporate income tax assets	20.b	20,313	17,707
Other current assets		23,251	15,824
Other current financial assets	11	7,423	6,386
Cash and cash equivalents	11	183,010	176,544
Total current assets		756,501	646,998
TOTAL ASSETS		2,432,604	2,306,485

EQUITY AND LIABILITIES	Notes	31/12/2022	31/12/2021
EQUITY			
Share capital and reserves-			
Share capital	12.a	12,355	13,070
Share premium	12.b	449,391	449,391
Retained earnings and other reserves		153,958	187,671
Profit / (Loss) for the year attributable to the Parent		48,600	32,242
Treasury Shares	12.c	(14,117)	(3,427)
Valuation adjustments-			
Foreign currency translation reserve	12.e	(43,440)	(61,316)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		606,747	617,631
NON-CONTROLLING INTERESTS	13	36,200	48,715
Total Equity		642,947	666,346
NON-CURRENT LIABILITIES			
Long-term provisions	17 & 27.b	37,030	34,265
Obligations and bank borrowings	14	808,611	724,804
Obligations under leases	26.a	136,143	141,968
Other financial liabilities	15	22,157	25,806
Deferred tax liabilities	20.d	109,077	122,450
Other non-current liabilities	18	90,790	75,352
Total non-current liabilities		1,203,808	1,124,645
CURRENT LIABILITIES			
Liabilities linked to non-current assets held for sale	3.y	16,538	-
Short-term provisions		7,972	7,487
Obligations and bank borrowings	14	27,326	47,074
Obligations under leases	26.a	55,215	54,510
Trade and other payables	19	425,759	379,020
Trade payables from related companies	19 & 28	1	1
Corporate income tax liabilities	20.b	19,354	18,595
Other current liabilities	18	33,684	8,807
Total current liabilities		585,849	515,494
TOTAL EQUITY AND LIABILITIES		2,432,604	2,306,485

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of financial position as at 31 December 2022.

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

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR 2022

(Thousands of Euros)

	Notes	2022	2021
CONTINUING OPERATIONS			
Revenue	21.a	2,049,943	1,776,746
Procurements		(206,877)	(154,402)
Staff costs	21.b	(1,139,837)	(1,002,151)
Other operating expenses		(376,719)	(334,158)
Operating Profit Before Depreciation, Amortization and Others		**326,510**	**286,035**
Depreciation and amortization charge	5, 7 & 26.b	(185,666)	(164,852)
Impairment and gains and losses on disposals of non-current assets	4	(6,004)	(11,500)
Other results	21.c	(9,644)	(8,185)
OPERATING PROFIT		**125,196**	**101,498**
Financial Result	22 & 26.b	(33,580)	(25,881)
Share of profit of companies accounted for using the equity method		(153)	-
Profit / (Loss) before tax		**91,463**	**75,617**
Corporate income tax	20	(29,549)	(25,610)
Net Profit / (Loss) from continuing operations		**61,914**	**50,007**
PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS NET OF TAX		-	-
NET CONSOLIDATED PROFIT / (LOSS)		**61,914**	**50,007**
Profit / (Loss) attributable to non-controlling interests	13	13,314	17,765
NET PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT		**48,600**	**32,242**
Profit / (Loss) per share (in euros per share)	12.d		
- Basic		**0.36**	**0.23**
- Diluted		**0.36**	**0.23**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of profit or loss for 2022.

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

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2022

(Thousands of Euros)

	Share capital	Share premium	Retained earnings and other reserves	Profit / (loss) for the year attributable to the Parent	Treasury shares	Foreign currency translation reserve	Non-controlling interests	Total equity
Balance at 31/12/2020	**13,070**	**449,391**	**363,291**	**(158,239)**	**(2,664)**	**(79,611)**	**48,635**	**633,873**
Changes in the scope of consolidation	-	-	1,319	-	-	-	317	1,636
Allocation of 2020 profit	-	-	(158,239)	158,239	-	-	-	-
Dividends paid	-	-	(21,453)	-	-	-	(20,210)	(41,663)
Treasury shares	-	-	1,215	-	(763)	-	-	452
Other changes	-	-	1,538	-	-	-	81	1,619
2021 comprehensive income	-	-	-	32,242	-	18,295	19,892	70,429
Balance at 31/12/2021	**13,070**	**449,391**	**187,671**	**32,242**	**(3,427)**	**(61,316)**	**48,715**	**666,346**
Changes in the scope of consolidation	-	-	6,941	-	-	-	(6,194)	747
Allocation of 2021 profit	-	-	32,242	(32,242)	-	-	-	-
Dividends paid (*)	-	-	(20,321)	-	-	-	(21,641)	(41,962)
Treasury shares	-	-	560	-	(10,690)	-	-	(10,130)
Share capital reduction	(715)	-	(52,988)	-	-	-	-	(53,703)
Other changes	-	-	(147)	-	-	-	9	(138)
2022 comprehensive income	-	-	-	48,600	-	17,876	15,311	81,787
Balance at 31/12/2022	**12,355**	**449,391**	**153,958**	**48,600**	**(14,117)**	**(43,440)**	**36,200**	**642,947**

(*) The amount finally paid was EUR 20,321 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 31 and Appendices I and II are an integral part of the consolidated statement of changes in equity as at 31 December 2022.

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

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2022

(Thousands of Euros)

	2022	2021
NET CONSOLIDATED PROFIT:	**61,914**	**50,007**
1. Other comprehensive income:		
a) Items that will not be transferred to profit or loss	-	-
b) Items that could be transferred to profit or loss:		
Exchange differences on translating foreign operations	19,873	20,422
2. Transfers to the statement of profit or loss:	-	-
Other comprehensive result	**19,873**	**20,422**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**81,787**	**70,429**
Total comprehensive income for the year attributable to:		
- The Parent	66,476	50,537
- Non-controlling interests	15,311	19,892
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**81,787**	**70,429**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of comprehensive income for 2022.

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

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2022

(Thousands of Euros)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit from operating activities before tax		**91,463**	**75,617**
Adjustments of items that do not give rise to operating cash flows			
Depreciation and amortisation charge	5 & 7	185,666	164,852
Changes in provisions and allowances		(4,938)	(4,939)
Financial result	22	33,580	25,881
Share of profit of companies accounted for using the equity method		153	-
Gains or losses on disposals of intangible and tangible assets		(7,369)	9,686
Profit from operations before changes in working capital (I)		**298,555**	**271,097**
Changes in working capital			
Changes in trade and other receivables		(58,232)	(71,609)
Changes in inventories	9	1,487	(2,326)
Changes in trade and other payables		47,214	28,212
Cash generated by changes in working capital (II)		**(9,531)**	**(45,723)**
Other cash flows from operating activities			
Other payments	17.b	-	(1,715)
Corporate Income tax payments		(40,049)	(36,071)
Cash flows from operating activities (III)		**(40,049)**	**(37,786)**
NET CASH FLOW FROM OPERATING ACTIVITIES (A)= (I)+(II)+(III)		**248,975**	**187,588**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Business combination		3,387	5,585
Payments due to acquisition of subsidiaries and other non-current financial assets		(66,183)	(82,004)
Proceeds from disposal of tangible and intangible assets		-	2,758
Payments due to acquisition of tangible and intangible assets	5 & 7	(66,077)	(63,077)
Net cash flows used in investing activities (B)		**(128,873)**	**(136,738)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Share Buyback		(64,786)	-
Interest received		923	1,746
Interest paid		(17,968)	(14,624)
Net changes in non-current financing (proceeds and payments)		82,937	28,772
Net changes in current financing (proceeds and payments)		(22,739)	15,715
Net payment of lease liabilities	26.c	(66,933)	(60,336)
Dividends	12.b	(20,321)	(21,453)
Dividends paid by Group companies to non-controlling interests		(9,191)	(18,521)
Net cash flows used in financing activities (C)		**(118,078)**	**(68,701)**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (D)		**4,442**	**4,927**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		**6,466**	**(12,924)**
Cash and cash equivalents at beginning of year		**176,544**	**189,468**
Cash and cash equivalents at end of year	**11**	**183,010**	**176,544**

The accompanying Notes 1 to 31 and Appendices I and II are an integral part of the consolidated statement of cash flows for 2022.

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CONTENTS Page

Consolidated statement of financial position as at 31 December 2022

Consolidated statement of profit or loss for 2022

Consolidated statement of comprehensive income for 2022

Consolidated statement of changes in equity for 2022

Consolidated statement of cash flows for 2022

Explanatory notes to the consolidated financial statements for 2022

1. GROUP ACTIVITIES 5
2. BASIS OF PRESENTATION AND BASIS OF CONSOLIDATION 6
3. ACCOUNTING AND VALUATION POLICIES 17
4. GOODWILL 31
5. OTHER INTANGIBLE ASSETS 33
6. IMPAIRMENT OF ASSETS 39
7. PROPERTY, PLANT AND EQUIPMENT 42
8. NON-CURRENT FINANCIAL ASSETS 44
9. INVENTORIES 45
10. TRADE RECEIVABLES FOR SALES AND SERVICES, TRADE RECEIVABLES FROM RELATED COMPANIES AND OTHER RECEIVABLES 45
11. CURRENT FINANCIAL ASSETS, CASH AND CASH EQUIVALENTS 47
12. EQUITY 47
13. NON-CONTROLLING INTERESTS 50
14. OBLIGATIONS AND BANK BORROWINGS 51
15. OTHER NON-CURRENT FINANCIAL LIABILITIES 55
16. FINANCIAL RISKS AND DERIVATIVE FINANCIAL INSTRUMENTS 55
17. NON-CURRENT PROVISIONS 57
18. OTHER NON-CURRENT AND CURRENT LIABILITIES 58
19. TRADE AND OTHER PAYABLES 59

20. CORPORATE INCOME TAX 60
21. OPERATING INCOME AND EXPENSES 65
22. FINANCIAL RESULT 69
23. INFORMATION ON THE ENVIRONMENT 69
24. PROPOSAL OF ALLOCATION OF PROFIT/LOSS 70
25. SEGMENTED INFORMATION 70
26. LEASES 73
27. OBLIGATIONS ACQUIRED AND CONTINGENCIES 74
28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES 76
29. DISCLOSURES ON THE BOARD OF DIRECTORS AND THE SENIOR EXECUTIVES .. 78
30. EVENTS AFTER THE REPORTING PERIOD 81
31. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH 81

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1. Group activities

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

The Parent's Company purpose is as follows:

- To provide services in relation to the transport sector and vehicle and highway safety (engineering processes, design, testing, approval and certification of used cars), as well as technical inspections in sectors other than the automotive sector, with a blanket exclusion of activities that are covered by special legislation.

- The technical audits of all types of installations for technical inspection or control of vehicles located anywhere in Spain or abroad, as well as any other type of technical inspection other than vehicles.

- The production and execution of studies and projects in relation to the previously mentioned activities: economic, industrial, property, information technology, market surveys and research, as well as the supervision, direction and provision of services and advice in the execution thereof. Provision of services, advice, administration, operation and management, whether technical, fiscal, legal or commercial.

- Business intermediation services, both locally and abroad.

- To provide all types of inspection services and quality and quantity control, regulatory inspection, collaboration with administration, consultancy, audit, certification, approval, personnel training and qualification, and technical assistance in general in order to improve the organization and management of quality, safety and environmental aspects.

- To carry out studies, works, measurements, tests, analyses and controls, in laboratories or in situ, and such other professional methods and actions considered necessary or advisable, in particular those related to manufacturing materials, equipment, products and installations, in the fields of mechanics, electricity, electronics and information technology, transport and communications, administrative organization and office automation, mining, food, environment, construction and civil works, performed during the stages of design, planning, manufacturing, construction and assembly and commissioning, maintenance and production for all types of companies and entities, both public and private, as well as before the Central State Administration, the Administrations of Autonomous Communities, Provinces and Municipalities, and all types of agencies, institutions and users, whether within the country or abroad.

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

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

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

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

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

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

In view of the business activities carried out by the Parent Company and its subsidiaries, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in the notes to the consolidated financial statements (see Note 23).

2. Basis of presentation and basis of consolidation

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

a) Basis of presentation

These consolidated financial statements for 2022 were authorized for issue by the Parent's Directors at the Board of Directors Meeting held on 23 February 2023. The 2022 consolidated financial statements of the Group and the 2022 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. The Parent's Board of Directors considers that these financial statements will be approved without any changes. The Group's consolidated financial statements for 2021 were approved by the shareholders at the Parent's Annual General Meeting of 28 June 2022 and were filed at the Madrid Mercantile Register.

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

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These consolidated financial statements for 2022 were prepared from the separate accounting records of the Parent and of each of the subsidiaries (detailed in Appendix I) and, accordingly, they present fairly the consolidated equity, the consolidated financial position, the consolidated results of the Group, the changes in consolidated equity and the consolidated cash flows under EU-IFRSs and the other rules contained in the regulatory financial reporting framework applicable to the Group.

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

b) Comparative information

The information relating to 2022 contained in these notes to the consolidated financial statements is presented, for comparison purposes, with information relating to 2021.

c) Responsibility for the information and use of estimates

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

In the Group's consolidated financial statements for 2022 estimates were made by the Group Management, later ratified by their Directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate mainly to the following:

- The measurement of goodwill (see Notes 3.a and 4).
- The impairment losses on certain assets (see Notes 3.d and 6).
- The recovery of deferred tax assets (see Note 20).
- The right-of-use assets and obligations under leases (see Note 26).
- The useful life of the property, plant and equipment and intangible assets (see Notes 3.b and 3.c).
- The assumptions used in measuring the recoverable amount of the financial instruments and the assets and liabilities in the business combinations (see Notes 3.e and 3.k).
- Income from pending to be billed services (see Note 3.q).
- Provisions and contingent liabilities (see Notes 3.j, 17 and 27).
- Corporate income tax and deferred tax assets and liabilities (see Note 20).
- The identification and measurement of the assets and liabilities included in business combinations (see Notes 2.b.e and 5).

Although these estimates were made on the basis of the best information available as of 31 December 2022 on the events analysed, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in the coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in the related consolidated statement of profit or loss or consolidated statement of changes in equity, as appropriate.

d) Financial situation and going concern assumption

The Directors and Management of the Group continue to constantly monitor the geopolitical and macroeconomic situation in the markets in which the Group operates and follows-up on the accomplishment of the three-year Strategic Plan announced in November 2021. In 2022, special attention has been paid to the possible effects derived from the COVID-19, the war between Russia and Ukraine and the geopolitical and financial risks in the markets in which the Group operates. Additionally, the Directors and Management of the Group have paid special attention to the technological risks, cyberattacks and also to the environmental and regulatory risks. No significant impact for the Group has been detected. The liquidity of the Group at 31 December 2022 amounts to EUR 493 million (see Note 14). For all these reasons, the Group's Directors consider that the conclusion on the application of the going concern basis of accounting remains valid.

e) Presentation and functional currency

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

f) Changes in accounting policies

In preparing the accompanying consolidated financial statements no changes in accounting policies were identified that would have made it necessary to restate the amounts included in the consolidated financial statements for 2021.

g) Materiality

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

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

a) Subsidiaries

Subsidiaries are those entities over which the Applus Group directly or indirectly controls the financial and operating policies, exercises power over the relevant activities, maintains exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns. The subsidiaries are consolidated from the date on which control is transferred to the Applus Group and are excluded from consolidation on the date that control ceases to exist. Appendix I discloses the most significant information about these entities.

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

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

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

The share of non-controlling interests is reflected in:

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

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

b) Associates

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

At 31 December 2022, the Group only held, as an associate, an ownership interest of 30% in the investee Velosi (B) Sdn Bhd, domiciled in Brunei and 30% in the investee Indoor Climate Management S.L, domiciled in Spain. The assets, liabilities, revenue and profit or loss of both companies were not significant.

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

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

c) Changes in accounting policies and in disclosures of information effective in 2022

In 2022 new accounting standards came into force and were therefore taken into account when preparing the accompanying consolidated financial statements. The following standards were applied in these consolidated financial statements but did not have a significant impact on the presentation hereof or the disclosures herein:

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning or after:**
Approved for use in the European Union		
Amendments and/or interpretations:		
Amendments to IFRS 3 Reference to the Conceptual Framework (issued in May 2020)	IFRS 3 is amended to align the definitions of an asset and a liability in a business combination with those contained in the Conceptual Framework. Also, certain clarifications are included in relation to the accounting for contingent liabilities and contingent assets.	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use (issued in May 2020)	These amendments prohibit the deduction from the cost of property, plant and equipment of any proceeds from the sale of items produced while an entity is preparing those items for their intended use. The proceeds from the sale of samples, together with the related production costs, must be recognised in profit or loss.	1 January 2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract (issued in May 2020)	These amendments explain that the cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs	1 January 2022

	that relate directly to fulfilling the contract.	
Annual Improvements to IFRS Standards 2018–2020 (issued in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022

d) Accounting policies issued but not yet in force in 2022

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

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning or after:**
Approved for use in the European Union		
Amendments and/or interpretations:		
Amendments to IAS 1 Disclosure of Accounting Policies (issued in February 2021)	Amendments that enable entities to adequately identify material accounting policy information that must be disclosed in the financial statements.	1 January 2023
Amendments to IAS 8 Definition of Accounting Estimates (issued in February 2021)	Amendments and clarifications regarding the definition of a change in an accounting estimate.	1 January 2023
Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	Clarifications regarding how entities shall recognise deferred tax arising in transactions such as leases and dismantling obligations.	1 January 2023
Amendments to IFRS 17 Insurance Contracts – Initial Application of IFRS 17 and IFRS 9, Comparative Information (issued in June 2020)	Amendments to the transition requirements of IFRS 17 for insurers that first apply IFRS 17 and IFRS 9 at the same time.	1 January 2023
New standards:		
IFRS 17, Insurance Contracts and amendments to IFRS 17 (issued in May 2017)	IFRS 17 supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.	1 January 2023

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Not yet approved for use in the European Union		
Amendments and/or interpretations:		
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (issued in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current.	1 January 2024
Amendments to IFRS 16, Lease Liability in a Sale and Leaseback (issued in May 2020)	These amendments clarify the subsequent accounting for lease liabilities arising in a sale and leaseback.	1 January 2024

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

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

e) Changes in the scope of consolidation

e.1. Inclusions in the scope of consolidation in 2022:

The companies included in the scope of consolidation in 2022 are as follows:

- Companies acquired in 2022:
  - Lightship Security, Inc.
  - Lightship Security USA, Inc.
  - Alpe Metrología Industrial, S.L.
  - Entidad IDV Madrid, S.L.U.
  - *jtsec Beyond IT Security, S.L.*
  - K2 Ingeniería S.A.S.
  - AITE Solutions S.A.S.

- Investment using the equity method in 2022:
  - Indoor Climate Management, S.L.

- Companies incorporated during 2022:
  - Applus Certificación IDI, S.L.

e.1.1. Companies acquired in 2022

- *Lightship Security Group acquisition*

On 27 January 2022, the Applus Group acquired Lightship Security, Inc. and Lightship Security USA, Inc., for an initial cost of CAD 30.3 million (EUR 20.9 million at the acquisition date). Additionally, the agreement includes an earn-out tied to certain financial targets, which the acquiree would have to achieve in the period 2022-2026. The Group considers that the conditions will be met for the earn-out amount to CAD 22.5 million (EUR 15.5 million at the acquisition date) and, accordingly, this amount was considered when determining the acquisition cost. The companies have been integrated into the Applus+ Laboratories division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to accreditations amounting to EUR 9.4 million were measured at fair value in line with the projections used when they were acquired and a goodwill of EUR 29.1 million. The Group made a provisional allocation with the help of an independent expert (see Note 5).

The revenue attributable to Lightship Security Group amounts to EUR 7.3 million per year. The revenue attributable to the business combination from the date of acquisition to 2022 year-end amounted to EUR 6.4 million.

The entity's result since the date of the acquisition and for the year 2022 is not significant considering the impact of the amortization of the intangible assets mentioned before.

- *K2 Ingeniería Group acquisition*

On 6 September 2022, the Applus Group acquired K2 Ingeniería S.A.S. and AITE Solutions S.A.S., for an initial cost of COP 72.7 billion (EUR 16.5 million at the acquisition date). Additionally, the agreement includes an earn-out tied to certain financial targets, which the acquiree would have to achieve in the period 2022-2024. The Group considers that the conditions will be met for the earn-out amount to COP 66.7 billion (EUR 15.2 million at the acquisition date) and, accordingly, this amount was considered when determining the acquisition cost. The companies have been integrated into the Applus+ Energy & Industry division.

In the provisional amounts recognised in accounting for this business combination, the intangible assets identified relating to customer portfolio and software amounting to EUR 11 million were measured at fair value in line with the projections used when they were acquired and a goodwill of EUR 20.2 million. The Group made a provisional allocation with the help of an independent expert (see Note 5).

The revenue attributable to K2 Ingeniería Group amounts to EUR 13 million per year. The revenue attributable to the business combination from the date of acquisition to 2022 year-end amounted to EUR 9.7 million.

The entity's result since the date of the acquisition and for the year 2022 is not significant considering the impact of the amortization of the intangible assets mentioned before.

- *Other acquisitions in 2022*

On 1 April 2022, the Applus Group acquired Alpe Metrología Industrial, S.L, for an initial cost of EUR 4 million. Additionally, the agreement includes an earn-out tied to certain financial targets, which the acquiree would have to achieve in 2022 and 2023. The Group considers that the conditions will be met for the earn-out amount to EUR 0.2 million and, accordingly, this amount was considered when determining the acquisition cost. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounts, provisionally, to EUR 2.4 million. The company has been integrated into the Applus+ Laboratories division.

On 20 April 2022, the Applus Group acquired Entidad IDV Madrid, S.L.U., for an initial cost of EUR 14.2 million. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounts, provisionally, to EUR 9.7 million. This company has been integrated into the Applus+ Automotive division.

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On 6 July 2022, the Applus Group acquired jtsec Beyond IT Security, S.L., for an initial cost of EUR 7 million. Additionally, the agreement includes an earn-out tied to certain financial targets, which the acquiree would have to achieve in 2022 and 2023. The Group considers that the conditions will be met for the earn-out amount to EUR 3.5 million and, accordingly, this amount was considered when determining the acquisition cost. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounts, provisionally, to EUR 10 million. The company has been integrated into the Applus+ Laboratories division.

On 8 April 2022, the Applus Group acquired 30% of Indoor Climate Management S.L. for an initial price of EUR 3 million. This company was included in the Applus+ Energy & Industry division. The company was accounted for using the equity method in the consolidated financial statements.

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

	Lightship Security, Inc. (Group)	**Alpe Metrología Industrial, S.L.**	**IDV Madrid, S.L.U.**	**jtsec Beyond IT Security, S.L.**	**K2 Ingeniería, S.A.S. (Group)**	**Total**
Non- current assets	9,878	244	9,912	190	14,466	34,690
Inventories	-	-	-	-	2,142	2,142
Trade and other receivables	(1,578)	855	398	336	223	234
Cash and cash equivalents	489	998	1,783	690	1,579	5,539
Non- current liabilities	(223)	(36)	(6,054)	-	(1,324)	(7,637)
Current liabilities	(1,070)	(269)	(1,230)	(338)	(5,110)	(8,017)
Value of assets and liabilities acquired	**7,496**	**1,792**	**4,809**	**878**	**11,976**	**26,951**
% of ownership	100%	100%	100%	100%	100%	
Value of assets and liabilities net of minorities	**7,496**	**1,792**	**4,809**	**878**	**11,976**	**26,951**
Acquisition cost	36,592	4,177	14,500	10,846	32,171	**98,286**
Goodwill (Note 4)	**29,096**	**2,385**	**9,691**	**9,968**	**20,195**	**71,335**

At the date of authorisation for issue of these consolidated financial statements, the process to measure at fair value the assets and liabilities related to these acquisitions had not been completed and, accordingly, the value of the related goodwill is provisional. The Parent's Directors consider that the process to measure the assets and liabilities and to allocate the goodwill will be completed in 2023, and that any adjustment will be applied retrospectively in accordance with IFRS 3, Business Combinations.

e.2. Exclusions from the scope of consolidation in 2022:

In 2022, the following companies have been liquidated without generating any significant impacts on the consolidated statement of profit or loss:

- Datapointlabs India, Inc.
- Velosi Australia Pty Ltd
- Velosi Cameroun Sarl
- Applus Steel Test Secunda (Pty)
- MxV Engineering Inc.
- RTD UK Holding Limited
- Midstream Technical Inspection Services, LLC.
- Liuzhou Reliable Auto Analysis Testing Ltd

In December 2022, the company K1 Kasastajat, OY has been disposed for an amount of EUR 4.6 million, which did not give rise to any significant impact on the consolidated statement of profit or loss.

Pursuant to IFRS 5.32, the Directors have not considered presenting the aforementioned divestments as discontinued operations as they are not a business line or significant geographic area.

e.3. Inclusions in the scope of consolidation in 2021:

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

- Companies acquired in 2021:
  - Adícora Servicios de Intermediación de Ingeniería, S.L.U.
  - Ingeniería, Estudio y Construcciones, S.A.U.
  - IMA Materialforschung und Anwendungstechnik GmbH
  - WIAM GmbH
  - SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH
  - Soil and Foundation Company Limited
  - Geotechnical and Environmental Company Limited
  - Soil and Foundation Company Limited Egypt
  - Enertis Solar, S.L.U.
  - Enertis UK Limited
  - Enertis Solar, Inc.
  - Enertis Mexico S.A. de C.V.
  - Enertis Colombia S.A.S.
  - Enertis Chile, SpA
  - Enertis S.A.S.

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- Enertis South Africa (PTY) Ltd
- Enertis AM Chile, SpA

- Companies incorporated during 2021:
  - Applus Iteuve Mexico, S.A. de C.V.
  - Shanghai Reliable Analysis Scientific Testing Co., Ltd.
  - Applus Organismo de Control, S.L.U.

e.3.1. Companies acquired in 2021

- *IMA Group acquisition*

On 26 May 2021, the Applus Group acquired IMA Materialforschung und Anwendungstechnik GmbH, WIAM GmbH and SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH for an initial cost of EUR 30 million. The companies were integrated into the Applus+ Laboratories division.

In the accounting of this business combination the intangible assets identified relating to trademark and accreditations amounting to EUR 11.9 million were measured at fair value in line with the projections used when they were acquired and a goodwill of EUR 11.2 million. The Group made an allocation with the help of an independent expert (see Note 5). In the first semester of 2022 the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4).

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

- *SAFCO Group acquisition*

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

In the accounting of this business combination the intangible assets identified relating to customer portfolio amounting to EUR 17.3 million were measured at fair value in line with the projections used when they were acquired. The Group made an allocation with the help of an independent expert (see Note 5). In the first semester of 2022, the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4).

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

- *Enertis Group acquisition*

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

In the accounting of this business combination the intangible assets identified relating to customer portfolio amounting to EUR 9.5 million were measured at fair value in line with the projections used when they were acquired. The Group made an allocation with the help of an independent expert (see Note 5). In the first semester of 2022 the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4).

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

- *Other acquisitions in 2021*

On 2 March 2021, the Applus Group acquired Adícora Servicios de Intermediación de Ingeniería, S.L.U. and Ingeniería, Estudio y Construcciones, S.A.U., for an initial cost of EUR 4.8 million. The goodwill resulting from the difference between the fair value of the assets and liabilities assumed, and the cost of the business combination amounts, provisionally, to EUR 3.4 million. In the first semester of 2022, the Group completed the accounting for the assets acquired and no significant changes were met (see Note 4). There are no significant differences between the fair values of the net assets acquired included in the detail below related to the respective carrying amounts at which they had been previously recognised. The companies were integrated into the Applus+ Energy & Industry division.

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

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

According to IFRS 3, the accounting process for acquisitions made in the previous financial year has been completed in 2022.

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e.4. Exclusions from the scope of consolidation in 2021:

In 2021 the following companies were liquidated without generating any significant impacts on the consolidated statement of profit or loss:

- Velosi Engineering Projects Pte. Ltd
- Applus Aerospace UK Limited
- Applus Velosi Czech Republic s.r.o.
- VAIL Consultancy Services DMCC
- Velosi Angola Prestaçao de Serviços, Limitada
- Technical Inspection Services, Ltd

3. Accounting and valuation policies

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

a) Goodwill

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

The cost of a business combination is the aggregate of:

- The acquisition-date fair value of the assets acquired, the liabilities incurred or assumed and the equity instruments issued; and
- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain specified conditions.

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

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

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

- The cost of the business combination, plus the acquisition-date fair value of any equity interest previously held by the acquirer in the acquiree.
- The fair value of the identifiable assets acquired less the fair value of the liabilities assumed, determined as indicated above.

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

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

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

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

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

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

b) Other intangible assets

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

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

Intangible assets are measured and amortised as follows:

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

- The administrative authorisations relate to vehicle roadworthiness testing services in Spain which the Group manages under this name. The main administrative authorisations relate to Spain (Catalonia) and they are amortised on a straight-line basis over the authorisation term which ends in 2035 (see Note 5).

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

- Customer relationship portfolios acquired in a business combination are initially recognised at fair value using the Multi-Period Excess Earnings method. They are amortised over the estimated useful life (ranging from 2 to 25 years) of each portfolio based on historical statistical evidence of the average relationship length.

- Accreditations and awards are granted to the Applus companies by public institutions or companies for the purpose of performing trials on third-party services and products under nationally- or internationally-recognised standards. Those acquired in business combinations are initially recognised at fair value using the Multi-Period Excess Earnings method. They are amortised on a straight-line basis over their estimated finite useful lives (ranging from 5 to 10 years), calculated on the basis of qualitative factors.

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

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

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c) Property, plant and equipment

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

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

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

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

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

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

d) Impairment of non-financial assets

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

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

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

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

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

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

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

The method used by the Group to test impairment distinguishes between businesses with indefinite and definite lives. Five-year projections and a perpetuity rate of return from the sixth year are used for businesses with indefinite lives. Projections based on the actual term of the related contract are used for assets with finite lives relating to the rendering of services or concessions, considering the probability of renewal, if applicable, in the cash flow projections.

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

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

e) Financial assets

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

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

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

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

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

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

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

f) Information on the environment

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

In view of the Group's business activity, at 31 December 2022 and 2021 it did not have any significant assets of this nature.

g) Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

h) Inventories

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

i) Government grants

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

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

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

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

j) Provisions and contingent liabilities

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

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- Provisions:

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

- Contingent liabilities:

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

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

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

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

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

k) Derivative financial instruments and hedge accounting

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

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

In 2022 the Group arranged foreign currency derivatives with Spanish banks with a high credit rating. At the end of 2021 the Group had no outstanding financial derivative products.

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

Defined contribution plans

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

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

Defined benefit plans

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

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

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

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

Other employee benefit obligations

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

1. Annual variable remuneration subject to the achievement of certain financial targets in 2022.

2. Annual variable remuneration plan granted to the Executive Directors, certain executives and employees of the Group consisting of the delivery of RSUs (convertible into Parent's shares). This remuneration plan is approved and granted annually and is convertible to shares three years after the date on which they are granted, 30% the first two years and the remaining 40% in the third year. At 2022 year-end three plans have been approved and ratified (see Notes 19 and 29).

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

4. "Long-term Incentive" plan granted to the Executive General Director and certain Senior Executives of the Group, that consists of the delivery of Performance Stock Units (PSU's) convertibles into shares with the schedule of 17%, 17% and 66% and subjected to the accomplishment of certain objectives (Earning per share, Return on capital employed and Environmental, Social and Governance (see Note 29).

m) Debts and current/non-current classification

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

n) Financial liabilities

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

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

Effective interest method

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

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

o) Transactions in currencies other than the Euro

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

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

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

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

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

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

- Assets and liabilities are translated by applying the exchange rates prevailing at the closing date.
- Income, expenses and cash flows are translated at the average exchange rates for the year.
- Equity is translated at the historical exchange rates.
- Exchange differences arising as a consequence of the application of this method are presented under "Equity Attributable to Shareholders of the Parent - Translation Differences" in the *accompanying consolidated statement of financial position.*
- The effect of exchange rate changes on cash and cash equivalents denominated in foreign currency is presented separately in the consolidated statement of cash flows under "Effect of Foreign Exchange Rate Changes".

The detail of the equivalent euro value of the main assets in foreign currency held by the Group at 31 December 2022 and 2021 is as follows (in thousands of euros):

Balances held in:	Foreign currency:	31/12/2022	31/12/2021
US Dollar	USD	416,256	436,136
Canadian Dollar	CAD	198,860	153,509
Saudi Riyal	SAR	102,687	89,377
Chinese Yuan	CNY	65,247	51,417
Chilean Peso	CLP	65,082	60,699
Danish Krone	DKK	63,473	64,028
Australian Dollar	AUD	52,688	47,792
Pound Sterling	GBP	49,532	46,480
Colombian Peso	COP	37,030	26,458
Swedish Krona	SEK	24,284	26,568
Brazilian Real	BRL	21,050	14,281
Qatari Riyal	QAR	19,629	15,569
Mexican Peso	MXN	19,307	17,211
Czech Koruna	CZK	18,426	16,849
United Arab Emirates Dirham	AED	15,829	14,196
Papua New Guinean Kina	PGK	15,679	16,622
Omani Riyal	OMR	12,848	13,820
Panamanian Balboa	PAB	8,984	6,564
Angolan Kwanza	AOA	7,943	7,438
Indonesian Rupiah	IDR	7,394	8,965
Costa Rican Colon	CRC	7,332	11,314
Indian Rupee	INR	6,883	3,306
Argentine Peso	ARS	5,869	5,389
Peruvian Nuevo sol	PEN	5,649	4,618
Malaysian Ringgit	MYR	5,414	4,897
Singapore Dollar	SGD	5,291	4,231
Uruguayan Peso	UYU	3,692	4,363
Nigerian Naira	NGN	3,461	2,152
Egyptian Pound	EGP	2,491	228
Others		15,238	14,658
Total		**1,283,548**	**1,189,135**

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The average and closing rates used in the translation to euros of the balances held in foreign currency for years 2022 and 2021 are as follows:

Euro	Foreign currency:	2022		2021	
		Average rate	Closing rate	Average rate	Closing rate
Danish Krone	DKK	7.44	7.44	7.44	7.44
Swedish Krona	SEK	10.62	11.09	10.14	10.29
Omani Riyal	OMR	0.40	0.41	0.45	0.43
Czech Koruna	CZK	24.56	24.20	25.64	25.02
Canadian Dollar	CAD	1.37	1.45	1.48	1.45
Singapore Dollar	SGD	1.45	1.43	1.59	1.54
US Dollar	USD	1.05	1.06	1.18	1.13
Papua New Guinean Kina	PGK	3.62	3.62	4.06	3.87
Pound Sterling	GBP	0.85	0.88	0.86	0.84
Argentine Peso	ARS	n/a	184.88	n/a	115.78
Chilean Peso	CLP	916.63	921.36	896.07	972.20
Colombian Peso	COP	4,453.84	5,040.00	4,423.13	4,527.00
Mexican Peso	MXN	21.17	20.70	23.97	23.35
Brazilian Real	BRL	5.43	5.47	6.38	6.43
Qatari Riyal	QAR	3.84	3.87	4.34	4.16
Malaysian Ringgit	MYR	4.62	4.68	4.90	4.76
Saudi Riyal	SAR	3.95	3.98	4.44	4.25
Indonesian Rupiah	IDR	15,601.43	16,534.00	16,920.63	16,146.00
Australian Dollar	AUD	1.52	1.59	1.57	1.56
Peruvian Nuevo Sol	PEN	4.02	4.02	4.58	4.52
Kuwait Dinars	KWD	0.32	0.32	0.36	0.34
Costa Rican Colon	CRC	678.66	614.76	732.18	724.26
Chinese Yuan Renminbi	CNY	7.07	7.40	7.64	7.21
Dirhams	AED	3.87	3.89	4.36	4.27
Panamanian Balboa	PAB	1.05	1.06	1.18	1.13
Angolan Kwanza	AOA	478.43	533.48	742.81	640.52
Indian Rupee	INR	82.49	87.86	87.73	84.92
Uruguayan Peso	UYU	43.40	40.61	51.53	50.19
Nigerian Naira	NGN	444.23	472.59	473.29	467.72
Egyptian Pound	EGP	19.91	26.14	18.49	17.70

Since 2018 to the present day, the Argentine economy was deemed to be hyperinflationary in the terms defined in IAS 29 and, therefore, the financial statements of those companies whose functional currency is the currency of a hyperinflationary economy had to be restated and updated according to local price indices, and presented in terms of the measuring unit current at the end of the reporting period. This standard was applied from 1 January 2018. Likewise, the Turkish economy is also considered to be hyperinflationary but it does not have a significant impact on the Group's consolidated financial statements as at 31 December 2022.

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

In 2022 the impact against reserves that has arisen from the difference between the value of the equity reported at the end of the previous year and the restated value for the same year of the Argentine subsidiaries amounted to approximately EUR 2,446 thousand (2021: EUR 1,623 thousand positive).

As per the application of IAS 29 and IAS 21, the statement of profit or loss has been impacted by a higher financial expense in 2022 of EUR 983 thousand (2021: EUR 669 thousand) under "Financial Profit / (Loss) - Gains or Losses on the Net Monetary Position" (see Note 22).

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

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences, except for those associated with investments in subsidiaries, branches and associates, or with a share in a joint venture, when the Group can control when to revert the temporary difference and it is considered probable that it will not be reverted in the foreseeable future. At the end of 2022 and 2021, no deferred tax liabilities had been recognised in accordance with IAS 12.39, since the Group controls the timing of the reversal of such temporary differences and the temporary difference is unlikely to be reversed in the foreseeable future, or because these liabilities are not significant due to the Group's policy of repatriating the dividends of subsidiaries, branches and associates.

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

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

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

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

q) Revenue recognition

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

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

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

No costs incurred in winning contracts with customers were capitalised in 2022 and 2021 as the related amounts were not material.

r) Expense recognition

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

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

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

s) Discontinued operations

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

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

The Group did not interrupt nor discontinue any significant operation in 2022 or 2021 as indicated in Note 2.b.e.2

t) Segment information

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

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

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

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

u) Consolidated statement of cash flows

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

- Cash flows: inflows and outflows of cash and equivalent financial assets, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the Group's principal revenue-producing activities and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group companies that are not operating activities.
- Effect of foreign exchange rate changes: effect of foreign exchange rate changes on cash and cash equivalents.

v) Equity

The share capital is represented by ordinary shares.

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

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

w) Earnings per share

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

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

x) Treasury shares

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

y) Non-current assets classified as held for sale

The Group classifies a non-current asset or a disposal group as held for sale as held for sale when it has made the decision to sell it and it is estimated likely that it will be made the next 12 months.

These assets or disposed of groups are valued at book value or fair value less the costs necessary for the sale, whichever is lower.

Assets classified as non-current assets held for sale are not amortized, but at the date of each balance sheet corresponding valuation adjustments are made so that the book value does not exceed fair value less costs to sell.

Income and expenses generated by non-current assets and disposable groups held for sale that do not qualify as discontinued transactions are recognized under the appropriate income statement item according to their nature.

As of 31 December 2022, the Applus Group has assets and liabilities associated with assets held for sale.

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The non-current assets and liabilities held for sale correspond to the Auto United States Cash Generating Unit, considering that the sale is highly probable, as defined by IFRS 5.8, taking into account that the Group has concluded a purchase agreement of the subsidiary Applus Technologies, Inc. after the end of 2022. In this regard, as of 31 December 2022, the aforementioned assets and liabilities have been classified under the headings " Non-current assets classified as held for sale " and " Liabilities linked to non-current assets held for sale " of the attached consolidated balance sheet for an amount of 37,497 and 16,538 thousand euros. respectively. The aforementioned assets mainly comprise land, buildings and accounts receivable in amounts of 7,191, 9,794, 3,620 thousand euros, respectively. On the other hand, the liabilities associated with these assets correspond mainly to accounts payable and lease liabilities amounting to 5,577 and 2,474 thousand euros, respectively. On 14 February 2023, the Group has disposed of these net assets and liabilities for an amount of EUR 33.5 million (see Note 30).

4. Goodwill

The detail, by cash-generating unit, of the goodwill at the end of 2022 and 2021 is as follows:

Cash-generating unit	Thousands of Euros	
	31/12/2022	31/12/2021
Auto Spain (*)	189,065	179,374
Energy & Industry Northern Europe	83,601	83,921
Energy & Industry North America	74,043	69,630
IDIADA	17,807	23,385
Energy & Industry Seameap	62,989	62,022
Laboratories	198,007	155,554
Auto Finisterre (*)	17,929	17,929
Energy & Industry Latin America	33,954	12,614
Energy & Industry Spain	30,652	30,379
Auto Denmark	6,843	6,843
Auto US (*)	-	6,141
Auto Sweden	76,754	76,754
Other	1,253	1,243
Total goodwill	**792,897**	**725,789**

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

The changes in 2022 and 2021 were as follows:

	Thousands of Euros
Balance at 1 January 2021	**675,569**
Changes in the scope of consolidation (Note 2.b.e.3.)	52,697
Other changes	(11,500)
Translation differences	9,023
Balance at 31 December 2021	**725,789**
Changes in the scope of consolidation (Note 2.b.e.1.)	71,607
Other changes	(12,145)
Translation differences	7,646
Balance at 31 December 2022	**792,897**

The main changes in the scope of consolidation in 2022 relate to the acquisition of the companies Lightship Security, Inc, Lightship Security USA, Inc, Alpe Metrología Industrial, S.L., Indoor Climate Management S.L., Entidad IDV Madrid, S. L., Applus Certificación IDI, S.L., jtsec Beyond IT Security, S.L., K2 Ingeniería S.A.S. , AITE Solutions S.A.S. (see Note 2.b.e.1.1.).

The main changes in the scope of consolidation in 2021 related to the acquisition of the companies Adícora Servicios de Intermediación de Ingeniería, S.L.U., Ingeniería, Estudio y Construcciones, S.A.U., IMA Materialforschung und Anwendungstechnik GmbH, WIAM GmbH, SWM Struktur - und Werkstoffmechanikforschung Dresden gemeinnützige GmbH, Soil and Foundation Company Limited, Geotechnical and Environmental Company Limited, Soil and Foundation Company Limited Egypt, Enertis Solar, S.L.U., Enertis UK Limited, Enertis Solar, Inc., Enertis Mexico S.A. de C.V., Enertis Colombia S.A.S., Enertis Chile, SpA, Enertis S.A.S., Enertis South Africa (PTY) and Ltd and Enertis AM Chile, SpA. (see Note 2.b.e.3.1.).

At 2022 and 2021 year-end the Group Management updated the impairment tests for each CGU, which did not give rise to a need to recognise any additional impairment losses. The main assumptions of the impairment tests conducted are detailed in Note 6.

"Other changes" includes the reclassification of the goodwill associated to the non-current assets classified as held for sale detailed in Note 3.y and the impacts related with the concessions with a finite useful life, in order to ensure that at the end of the concession term the carrying amount of the assets is zero, during 2022 the Group has recognised a write-down of EUR 6,004 thousand on goodwill under "Impairment and gains and losses on disposals of non-current assets" in the accompanying consolidated statement of profit or loss in relation to the goodwill of IDIADA cash-generating unit.

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5. Other intangible assets

The changes in 2022 and 2021 in intangible asset accounts and in the related accumulated amortisation and impairment losses were as follows:

	2022 - Thousands of Euros						
	Balance at 1 January 2022	Changes in the scope of consolidation (Notes 2.b.e.1., 2.b.e.2. and 3.y)	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2022
Cost:							
Administrative concessions	262,412	(17,881)	284	(43,391)	74	3,612	205,110
Patents, licences and trademarks	307,082	(16,615)	12	(46)	(4)	(52)	290,377
Administrative authorisations	269,223	(93,924)	70	-	-	1,436	176,805
Customer portfolio	202,381	8,953	-	-	-	2,969	214,303
Computer software	102,048	(9,873)	3,047	(16,095)	1,454	408	80,989
Goodwill acquired	20,454	(379)	-	-	-	(422)	19,653
Asset usage rights	74,442	-	-	(3)	-	-	74,439
Accreditations	58,002	9,961	-	-	-	(494)	67,469
Other	53,440	(2,294)	6,353	(502)	(814)	113	56,296
Total cost	**1,349,484**	**(122,052)**	**9,766**	**(60,037)**	**710**	**7,570**	**1,185,441**
Accumulated amortisation:							
Administrative concessions	(212,104)	11,909	(17,918)	41,197	1	(2,421)	(179,336)
Patents, licences and trademarks	(160,013)	13,050	(14,757)	30	(10)	35	(161,665)
Administrative authorisations	(154,009)	87,090	(8,364)	-	-	(564)	(75,847)
Customer portfolio	(115,185)	-	(10,404)	-	-	(873)	(126,462)
Computer software	(83,958)	11,019	(8,174)	16,083	(4)	(177)	(65,211)
Goodwill acquired	(78)	-	-	-	-	-	(78)
Asset usage rights	(54,812)	-	(4,006)	9	(13)	-	(58,822)
Accreditations	(6,783)	-	(8,152)	-	-	238	(14,697)
Other	(37,767)	1,836	(3,319)	502	471	(65)	(38,342)
Total accumulated amortisation	**(824,709)**	**124,904**	**(75,094)**	**57,821**	**445**	**(3,827)**	**(720,460)**
Total impairment losses	**(104,808)**	**14,087**	**-**	**-**	**-**	**(168)**	**(90,889)**
Total net value	**419,967**	**16,939**	**(65,328)**	**(2,216)**	**1,155**	**3,575**	**374,092**

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

Identification and measurement of intangible assets in business combinations

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

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	Thousands of Euros	
	31/12/2022	31/12/2021
Administrative authorisations	165,986	259,910
Trademarks	271,650	287,519
Administrative concessions	156,446	193,510
Customer portfolio	213,748	201,861
Rights of use	57,516	57,516
Trademark licence agreement	16,939	16,939
Accreditations	67,469	58,002
Software	2,094	-
Databases	273	273
Total allocation of goodwill to assets	**952,121**	**1,075,530**

In 2022, the amortisation charge associated with these revalued assets recognised in the accompanying consolidated statement of profit or loss amounted to EUR 61,184 thousand (2021: EUR 54,060 thousand).

In February 2022, the Group received notification from the Autonomous Government of Galicia of the concession extension to perform the vehicle roadworthiness inspections in the Autonomous Community until the end of 2027.

At the end of June 2022, the Group was informed on the decision of the Costa Rica Government on not to extend the contract for statutory vehicle inspection services which ended on 15 July 2022. The Parent's Directors have reviewed the accounting impact on the consolidated assets and liabilities related to this contract and no material impact was registered (see Note 27)

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

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

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

- The Royalty Relief method, whereby the value of the asset is the present the value of a specific intangible asset is estimated from the projected expenses saved due to the ownership of the software intellectual property, was used to calculate the value of the software.

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

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

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

The main intangible assets are as follows:

- Administrative authorisations and concessions:

  The administrative authorisations relate to vehicle roadworthiness testing services managed solely by the Group mainly in Spain (Catalonia), as well as in Ecuador and Uruguay. In the case of Catalonia, the cost of the authorisation is depreciated over its useful life until 2035 (see Note 27.b).

  Administrative concessions include mainly the operating rights for vehicle roadworthiness testing facilities for a specified period of time. At 31 December 2022 the Applus Group was managing various administrative concessions relating to vehicle roadworthiness testing services, mainly in Spain (Alicante, Aragon, Galicia and the Basque Country), Ireland, Argentina and Chile. These administrative concessions, which are amortised on the basis of their useful life, expire on various dates until 2030.

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

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

- Patents, licences and trademarks:

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

- Customer portfolio:

  The customer portfolio relates to the value of the various contracts entered into by the various Group companies or to customer relationships whose useful life is defined based on historical statistical evidence of the average relationship length. The most relevant ones belong to new companies acquired in 2021 and 2022. The contracts are being amortised over the estimated useful life between 2 and 25 years.

- Accreditations and awards:

  The accreditations relate to QPS Group, granted by various US, Canadian and European public institutions for the purpose of performing trials in accordance with the pertinent standards, to IMA Group, related to the railway and aerospace industries and to Lightship Security Group, related to hardware, software, and cryptography certification industries. The awards relate to the Reliable Analysis business that was acquired and were granted by various car manufacturers to a small group of companies authorised to test the quality of the components of the suppliers of those manufacturers. They are amortised over a period between 5 and 10 years, based on the years of estimated useful life of each accreditation or award.

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- Asset usage rights:

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

- Software:

  The software corresponds to the technology developed by the acquired company AITE Solutions and is focused on the field of real-time monitoring of air quality and noise level for different industries. It is amortized in 5 years.

Intangible assets by cash-generating unit

The detail, by cash-generating unit, of the intangible assets at year-end 2022 and 2021 are as follows:

	2022 – Thousands of Euros														
	Auto Spain	Energy & Industry Northern Europe	Auto Finland (Note 2.b.e.2)	Energy & Industry Seameap	Energy & Industry North America	IDIADA	Energy & Industry Spain	Laboratories	Auto US (Note 3.y)	Energy & Industry Latin America	Auto Denmark	Auto Finisterre	Auto Sweden	Others	**Total**
Cost:															
Administrative concessions	92,659	-	-	-	-	-	182	-	-	-	-	112,269	-	-	**205,110**
Patents, licences and trademarks	18,602	89,400	-	58,565	28,210	12,304	40,113	10,380	-	-	-	-	32,661	142	**290,377**
Administrative authorisations	165,986	-	-	-	-	-	-	-	-	-	-	-	-	10,819	**176,805**
Customer portfolio and other	-	41,532	-	47,061	72,879	-	28,344	4,142	-	16,545	-	-	3,800	-	**214,303**
Computer software	5,298	12,718	-	4,403	3,999	8,701	6,937	5,614	-	5,277	2,436	1,046	10,434	14,126	**80,989**
Goodwill acquired	-	8,180	-	-	3,750	3,776	1,381	1,806	-	-	760	-	-	-	**19,653**
Asset usage rights	723	-	-	-	-	36,729	-	34,987	-	-	-	-	-	2,000	**74,439**
Accreditations	-	-	-	-	-	-	-	67,469	-	-	-	-	-	-	**67,469**
Other	665	19,932	-	492	216	24,930	6,555	2,333	-	25	941	207	-	-	**56,296**
Total cost	**283,933**	**171,762**	**-**	**110,521**	**109,054**	**86,440**	**83,512**	**126,731**	**-**	**21,847**	**4,137**	**113,522**	**46,895**	**27,087**	**1,185,441**
Accumulated amortisation:															
Administrative concessions	(82,641)	-	-	-	-	-	(182)	-	-	-	-	(96,513)	-	-	**(179,336)**
Patents, licences and trademarks	(11,227)	(39,272)	-	(52,439)	(14,201)	(9,962)	(24,300)	(5,587)	-	-	-	-	(4,535)	(142)	**(161,665)**
Administrative authorisations	(71,557)	-	-	-	-	-	-	-	-	-	-	-	-	(4,290)	**(75,847)**
Customer portfolio and other	-	(25,057)	-	(30,322)	(41,587)	-	(20,115)	(3,160)	-	(4,551)	-	-	(1,670)	-	**(126,462)**
Computer software	(4,914)	(9,169)	-	(4,004)	(2,017)	(8,146)	(6,273)	(4,769)	-	(2,705)	(2,293)	(1,007)	(9,646)	(10,268)	**(65,211)**
Goodwill acquired	-	-	-	-	-	-	(71)	(7)	-	-	-	-	-	-	**(78)**
Asset usage rights	(723)	-	-	-	-	(31,519)	-	(26,059)	-	-	-	-	-	(521)	**(58,822)**
Accreditations	-	-	-	-	-	-	-	(14,697)	-	-	-	-	-	-	**(14,697)**
Other	(545)	(11,072)	-	(233)	(207)	(19,848)	(4,348)	(2,089)	-	-	-	-	-	-	**(38,342)**
Total accumulated amortisation	**(171,607)**	**(84,570)**	**-**	**(86,998)**	**(58,012)**	**(69,475)**	**(55,289)**	**(56,368)**	**-**	**(7,256)**	**(2,293)**	**(97,520)**	**(15,851)**	**(15,221)**	**(720,460)**
Total impairment (Note 6)	**(7,051)**	**(50,128)**	**-**	**-**	**(33,710)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(90,889)**
Total net value	**105,275**	**37,064**	**-**	**23,523**	**17,332**	**16,965**	**28,223**	**70,363**	**-**	**14,591**	**1,844**	**16,002**	**31,044**	**11,866**	**374,092**

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

Impairment of intangible assets

At 31 December 2022 the Parent's Directors considered that there were no significant indications of impairment of any of the cash-generating units and, therefore, no significant asset impairment losses were recognised or reversed in 2022, except for the goodwill reductions for those concessions with finite useful life described in Note 4.

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

Other matters

At 31 December 2022, fully amortised intangible assets in use amounted to EUR 91,395 thousand (31 December 2021: EUR 103,537 thousand). The Group did not have any temporarily idle items at 31 December 2022 or 2021.

At 31 December 2022 and 2021, the Group had no material firm intangible asset purchase commitments.

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Certain Group companies have intangible assets that must be handed over to the Government at the end of the related concession terms or at the end of the existing contract, without considering those arisen from the business combination. The detail of the carrying amount of the assets subject to reversion at 31 December 2022 and 2021 is as follows:

	2022 – Thousands of Euros		
	Gross cost	Accumulated amortisation/ provisions	Net cost
Applus Iteuve Technology, S.L.U.	15	(15)	-
Applus Iteuve Euskadi, S.A.U.	478	(478)	-
LGAI Technological Center, S.A.	14,200	(14,000)	200
Applus Uruguay, S.A.	5,891	(3,269)	2,622
Revisiones Técnicas Applus del Ecuador ApplusIteuve, S.A.	4,928	(1,020)	3,908
Supervisión y Control, S.A.U.	40,261	(36,186)	4,075
Riteve SyC, S.A.	-	-	-
Total	**65,773**	**(54,968)**	**10,805**

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

6. Impairment of assets

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

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

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

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

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

Impairment test main assumptions

The key assumptions to determine fair value that were used to test for impairment in 2022 and 2021 were as follows:

a) Perpetuity growth rate:

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

b) Discount rate:

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

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

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

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

The detail of the discount rate ("WACC") and of the perpetuity growth rate in 2022 and 2021 by business and geographical area is as follows:

Business	2022		2021	
	Discount rate before tax ("WACC")	Discount rate considered in calculating the terminal value ("g")	Discount rate before tax ("WACC")	Discount rate considered in calculating the terminal value ("g")
Auto	9.2%-11.2%	1.6%-2.0%	7.7%-18.2%	1.6%-2.8%
Energy & Industry	10.2%-15.9%	1.8%-3.1%	9%-15.5%	1.6%-3.2%
Laboratories	11%	1.8%	9.7%	1.6%
IDIADA	12.3%	1.8%	11.7%	1.6%

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Country/geographical area	2022		2021	
	Discount rate before tax ("WACC")	Discount rate considered in calculating the terminal value ("g")	Discount rate before tax ("WACC")	Discount rate considered in calculating the terminal value ("g")
Spain	11.0%-12.3%	1.90%	9.7%-11.7%	1.7%
Rest of Europe	9.2%-10.7%	1.6%-2.0%	7.7%-9.7%	1.6%-1.8%
US and Canada	10.2%	2.4%	8.2%-9.0%	2.2%
Latin America	15.9%	3.1%	15.5%-18.2%	2.8%-3.2%

c) Income and expense projections:

The Group Management prepares and updates a Business Plan by geography and line of business. The main components of this plan are projections on operating income and expenses, investments and working capital. The Business Plan includes the 2023 budget approved by the Board of Directors of the Parent Company together with the expectations integrated in Strategic Plan for 2022-2024 and the following years.

In order to calculate the recoverable amount of each asset the present value of its cash flows was determined using the budget for 2023 and the Business Plan for the next years prepared by the Group Management.

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

The Group Management performs an impairment test on the cash-generating units for which there are no indications of impairment during 2022.

Sensitivity analysis

The maximum buffer of the key assumptions (percentage decrease in EBITDA, increase in WACC before tax and changes in the perpetuity growth rate) that would make the carrying amount equal to the recoverable amount, based on the impairment tests performed at the end of 2022, is as follows:

Cash-generating unit	Cash Flows reduction	WACC before taxes	Discount Rate (g)
Auto Spain	5.9%	11.5%	<0%
Auto Finisterre	72.1%	19.8%	<0%
Auto Denmark	55.5%	25.1%	<0%
Auto Sweden	65.2%	20.4%	<0%
Energy & Industry Northern Europe	30.1%	15.1%	<0%
Energy & Industry North America	14.7%	11.6%	<0%
Energy & Industry Seameap	50.2%	28.5%	<0%
Energy & Industry Spain	38.7%	18.1%	<0%
Energy & Industry Latin America	21.0%	19.5%	<0%
IDIADA	1.6%	14.0%	<0%
Laboratories	22.3%	13.5%	<0%

The Parent's Directors consider that, in view of the existing buffers in 2022 as compared with the values used in prior year tests, a possible future negative impact on the Group's activities would not significantly affect the impairment of the net assets associated with the CGUs.

7. Property, plant and equipment

The changes in 2022 and 2021 in the various property, plant and equipment accounts and in the related accumulated depreciation and provision were as follows:

	2022 – Thousands of Euros						
	Balance at 1 January 2022	Changes in the scope of consolidation (Notes 2.b.e.1., 2.b.e.2. and 3.y)	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2022
Cost:							
Land and buildings	173,335	(17,540)	4,904	(1,996)	6,032	4,257	168,992
Plant and machinery	437,796	(1,607)	25,103	(16,947)	14,007	4,846	463,198
Other fixtures, tools and furniture	90,352	(288)	1,952	(19,628)	2,609	347	75,344
Other items of property, plant and equipment	67,502	(2,529)	5,016	(5,054)	(1,094)	2,025	65,866
Advances and property, plant and equipment in progress	21,384	-	19,336	(149)	(22,618)	436	18,389
Grants	(3,341)	16	-	159	-	51	(3,115)
Total cost	**787,028**	**(21,948)**	**56,311**	**(43,615)**	**(1,064)**	**11,962**	**788,674**
Accumulated depreciation:							
Land and buildings	(80,746)	4,658	(8,052)	1,118	-	(1,563)	(84,585)
Plant and machinery	(315,937)	2,733	(32,367)	16,620	(234)	(3,782)	(332,967)
Other fixtures, tools and furniture	(67,413)	449	(3,833)	19,524	(886)	(278)	(52,437)
Other items of property, plant and equipment	(64,318)	2,207	(5,323)	4,739	1,029	(1,774)	(63,440)
Total accumulated depreciation	**(528,414)**	**10,047**	**(49,575)**	**42,001**	**(91)**	**(7,397)**	**(533,429)**
Total impairment	**(4,840)**	**1,214**	**(1,750)**	**3,267**	**-**	**(79)**	**(2,188)**
Total net value	**253,774**	**(10,687)**	**4,986**	**1,653**	**(1,155)**	**4,486**	**253,057**

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

In 2022 the additions are related to the Group's normal course of operations.

The gross value of fully depreciated items of property, plant and equipment in use at 31 December 2022 amounted to EUR 273,527 thousand (31 December 2021: EUR 292,044 thousand). The Group did not have any temporarily idle items at 31 December 2022 nor 2021.

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

At 31 December 2022 and 2021, the Group did not have any significant firm property, plant and equipment purchase commitments.

No borrowing costs had been capitalised to property, plant and equipment at the end of 2022 and 2021 and no disbursements made or advances granted at 31 December 2022 or 2021.

Certain Group companies have property, plant and equipment that must be handed over to the Government at the end of the related concession term or at the end of the applicable agreement pursuant to the terms and conditions thereof. The detail of the net cost of the assets subject to this reversion at 31 December 2022 and 2021 is as follows:

	2022 - Thousands of Euros		
	Gross cost	Accumulated depreciation/ Impairment	Net Cost
IDIADA Automotive Technology, S.A.	102,155	(69,065)	33,090
Applus Iteuve Technology, S.L.U.	44,949	(39,870)	5,079
Applus Iteuve Euskadi, S.A.U.	2,662	(2,487)	175
Total	**149,766**	**(111,422)**	**38,344**

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

At 31 December 2022 and 2021, no significant property, plant and equipment were subject to restrictions or pledged as security for liabilities.

8. Non-current financial assets

The changes in the various non-current financial asset accounts in 2022 and 2021 have been as follows:

	2022 – Thousands of Euros				
	Balance at 1 January 2022	Additions or charge for the year	Disposals, transfers or dividend distribution	Change in exchange rate	Balance at 31 December 2022
Non-current receivables	23,863	908	(2,065)	1,764	24,470
Deposits and guarantees	11,540	2,070	(2,423)	374	11,561
Impairment	(17,710)	-	3	(1,228)	(18,935)
Total	**17,693**	**2,978**	**(4,485)**	**910**	**17,096**

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

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

Deposits and guarantees

At 31 December 2022, "Deposits and Guarantees" included EUR 3.4 million (2021: EUR 3.6 million) relating to restricted cash deposits to secure certain contracts entered into.

9. Inventories

The detail of the Group's inventories at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Goods held for resale	9,388	10,814
Raw materials and other supplies	365	426
Total inventories	**9,753**	**11,240**

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

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

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

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

The detail of these current asset headings in the accompanying consolidated statement of financial position as at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Trade receivables for sales and services	337,966	301,152
Work in progress	132,716	110,195
Provision for doubtful debts	(23,260)	(18,249)
Trade receivables for sales and services	**447,422**	**393,098**
Trade receivables from related companies (Note 28)	187	221
Other receivables	19,894	19,427
Other accounts receivable from public authorities	7,751	6,551
Total trade and other receivables	**475,254**	**419,297**

The Group's average collection period for services rendered is 56 days in 2022 (2021: 54 days).

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

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

	Thousands of Euros	
	31/12/2022	31/12/2021
Not due	232,281	212,366
0-30 days	46,849	38,160
31-90 days	25,322	20,580
91-180 days	10,933	11,433
181-360 days	8,958	9,251
More than 360 days	13,623	9,362
Total trade receivables for sales and services	**337,966**	**301,152**
Provision for doubtful debts	**(23,260)**	**(18,249)**
Total trade receivables for sales and services, net	**314,706**	**282,903**

As indicated in Note 3.q in relation to the recognition of revenue from contracts with customers (IFRS 15), for contracts in which performance obligations are measured over time, the difference between the revenue recognised for services rendered and the amounts actually billed to the customer is analysed systematically on a contract-by-contract basis. If the amount billed is lower than the revenue recognised, the difference is recognised as an asset under "Trade receivables for sales and services - Amounts to be billed for projects in progress" for amounts which the Parent's Directors consider are reasonably certain to be ultimately billed, whereas if the amount of revenue recognised is lower than the amount billed, a liability is recognised under "Trade and other payables" (see Note 19). In 2022 there were no significant changes in the aforementioned line items as a result of business combinations or significant adjustments to the measurement of the stage of completion, transaction prices or the contracts that would have a significant impact on the revenue recognised in the year.

Credit risk

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

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

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

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

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

The changes in "Allowance for Doubtful Debts", in accordance with the expected credit loss model, in 2022 and 2021 were as follows:

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	Thousands of Euros
Balance at 1 January 2021	**23,027**
Additions	5,483
Amounts used	(4,052)
Disposals	(7,149)
Effect of exchange rate changes	940
Balance at 31 December 2021	**18,249**
Additions	9,403
Amounts used	(3,648)
Disposals	(2,133)
Effect of exchange rate changes	1,389
Balance at 31 December 2022	**23,260**

11. Current financial assets, cash and cash equivalents

Current financial assets

At 31 December 2022 the amount included as short-term deposits and guarantees amounting to EUR 3,561 thousand (31 December 2021: EUR 2,635 thousand) and other financial assets of EUR 3,862 thousand (31 December 2021: EUR 3,751 thousand), whose conversion to cash is expected to be within 12 months.

Cash and cash equivalents

At 31 December 2022 and 2021, the amount classified as "Cash and Cash Equivalents" in the accompanying consolidated statement of financial position related in full to cash for a total amount of EUR 172 million and to financial assets readily convertible into EUR 11 million of cash subject to a minimal risk of change in value and maturity of less than 3 months.

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

12. Equity

a) Share capital

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

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

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

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

On June 28 2022, the General Shareholders' Meeting approved the capital reduction through the redemption of 7,150,922 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 715 thousand euros (with a nominal value of 0.10 euros per share), a decrease in the value of own shares (see Note 12.c) for an amount of 53,703 thousand euros (at an average price of 7.51 euros) and a reduction in reserves (see Note 12.b). for an amount of 52,988 thousand euros.

Consequently, as at 31 December 2022, the share capital of the Parent Company is represented by 135,867,508 ordinary shares of 0.10 euros par value each, fully subscribed and paid.

As per the notifications submitted to the Spanish National Securities Market (CNMV), the shareholders owning significant direct or indirect interests in the share capital of the Parent representing more than 3% of the total share capital as of 31 December 2022, were as follows:

	% share
Morgan Stanley (*)	9.30%
Southeastern Asset Management Inc	5.15%
DWS Invest, GmbH	4.07%
Santander Asset Management, S.A., SGIIC	3.08%
Harris Associates LP	3.03%

(*) Owner of voting rights through financial instruments

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

b) Reserves and share premium

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

At the end of 2022 the balance of this reserve amounts to EUR 2,860 thousand and it had reached the legally required minimum (same amount at the end of 2021).

At 31 December 2022 and 2021, 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 2022 and 2021, the Group owns reserves that add up to EUR 153,958 and 187,671 thousand, respectively.

During 2022, reserves decreased by EUR 52,988 thousand as a result of the capital reduction mentioned in Note 12.a

On 28 June 2022, the General Shareholders' Meeting of the Parent Company approved the allocation of the profit of the Parent Company for the year 2021 amounting to 41,265 thousand euros, to dividends for an amount of EUR 0.15 per share for all the outstanding shares entitled to receive a dividend, which represented 20,321 thousand euros, and the remaining to voluntary reserves of free disposal. The dividend was paid on 7 July 2022.

c) Treasury shares

At 31 December 2022, the Group 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 consolidated statement of financial position as at 31 December 2022 (see Note 3.x).

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 the 5% of the Parent's Company share capital (see Note 12.a).

The Board of Directors of the Parent Company agreed on November 7, 2022 to launch a second program of repurchase of treasury shares, under the authorization granted by the General Shareholders' Meeting of the

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Parent Company held on 28 June 2022, under item 10 of its agenda. The maximum net investment of the Buy-Back Program amounts to EUR 50 million. The maximum number of shares of the Company that may be acquired under the Buy-Back Program was set at 6,793,375 shares, representing 5% of the share capital at this date. The Repurchase Program began on 9 November 2022 and will remain in force until 30 September 2023, both included.

In February and March 2022 the Group delivered to the Executive Directors, Senior Executives and certain executives a total of 212,503 shares (159,711 shares during 2021, in accordance with the new incentive plan granted (see Note 29).

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

d) Profit per share

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

At 31 December 2022 and 2021 the profit per share is as follows:

	2022	2021
Number of shares at year end	135,867,508	143,018,430
Average number of shares during the year	136,888,259	143,018,430
Net consolidated profit attributable to the Parent (thousands of euros)	48,600	32,242
Number of treasury shares	2,227,423	408,098
Number of shares in circulation	133,640,085	142,610,332
Total number of shares	135,867,508	143,018,430
Profit per share (in euros per share)		
- Basic	0.36	0.23
- Diluted	0.36	0.23

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

e) Foreign currency translation reserve

The detail of "Foreign currency translation reserve" in the consolidated statement of financial position as at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Applus+ Energy & Industry	(13,381)	(16,734)
Applus+ Laboratories	1,091	828
Applus+ Automotive	(36,301)	(48,794)
Applus+ IDIADA	463	662
Other	4,688	2,722
Total	**(43,440)**	**(61,316)**

f) Capital risk management

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

The data relating to the financial leverage ratios at the end of 2022 and 2021 are as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Bank borrowings (Note 14)	835,937	771,878
Other financial liabilities (Note 15)	22,157	25,806
Current financial assets (Note 11)	(7,423)	(6,386)
Cash and cash equivalents (Note 11)	(183,010)	(176,544)
Net financial debt	**667,661**	**614,754**
Total equity attributable to the shareholders of the Parent	**606,747**	**617,631**
Leverage (Net financial debt / Net debt + Equity attributable to the shareholders of the Parent)	**52%**	**50%**

13. Non-controlling interests

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

The detail of the non-controlling interests of the fully consolidated companies in which ownership is shared with third parties in 2022 and 2021 is as follows:

	2022 - Thousands of Euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	18,913	1,629	20,542
IDIADA Automotive Technology, S.A. subgroup	10,258	4,407	14,665
Arctosa Holding B.V. subgroup	645	265	910
Velosi S.à r.l subgroup	5,370	2,939	8,309
Applus Iteuve Technology, S.L.U. subgroup	(12,300)	4,074	(8,226)
Total non-controlling interests	**22,886**	**13,314**	**36,200**

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

The changes in "Non-Controlling Interests" in 2022 and 2021 are summarised as follows:

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	Thousands of Euros	
	2022	2021
Beginning balance	**48,715**	**48,635**
Changes in the scope of consolidation (Note 2.b.e.)	(6,194)	317
Dividends	(21,641)	(20,210)
Translation differences	1,997	2,127
Other changes	9	81
Profit for the year	13,314	17,765
Ending balance	**36,200**	**48,715**

14. Obligations and bank borrowings

The detail, by maturity, of the obligations and bank borrowings at 31 December 2022 and 2021 in the consolidated statement of financial position is as follows:

	2022 - Thousands of Euros						
	Limit	Short Term Drawn	Long Term Drawn				**Total**
			2024	2025	2026	2027 onwards	
Facility A "Term Loan"	**200,000**	-	-	200,000	-	-	**200,000**
Facility B "Revolving Credit Facility"	**400,000**	-	-	194,486	-	-	**194,486**
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 interests	-	3,260	-	-	-	-	**3,260**
Debt Arrangement fees	-	(539)	(131)	(82)	(36)	(53)	**(841)**
Other loans	-	1,409	1,027	446	98	218	**3,198**
Credit facilities	**93,145**	6,383	17,443	-	-	-	**23,826**
Obligations under finance leases	-	145	90	23	22	60	**340**
Hedging instruments	-	1	-	-	-	-	**1**
Total	**1,139,812**	**27,326**	**83,429**	**544,873**	**84**	**180,225**	**835,937**

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

At 31 December 2022, the consolidated Group's debt structure is mainly composed of a portion of syndicated bank borrowings and placed private debt borrowings with US institutional investors. The bank borrowings consist of a multi-currency syndicated loan of EUR 600 million, which comprises a Facility A "Term Loan" of EUR 200 million and a Facility B "Revolving Credit Facility" of EUR 400 million. The total amount of the US private placement debt is EUR 330 million and includes the new private placement debt of EUR 100 million carried out in 2021, bearing interest at a fixed rate and with final maturity in June 2036.

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

On 15 April 2021, the Applus Group entered a sustainability linked credit facility with CaixaBank limited to EUR 100 million maturing in 2023, with a one-year extension option that has been effective in 2022 of which EUR 65 million were drawn down at 31 December 2022.

The Group had liquidity of EUR 493 million at 31 December 2022, taking into account cash and cash equivalents reflected in the accompanying consolidated statement of financial position and the undrawn balances of the financing lines detailed previously (2021 year-end: EUR 588 million).

a) Syndicated loan and private placement debt

The syndicated loan bears interest at Euribor for tranches in euros and at Libor for tranches in foreign currency (CAD 89 million drawn down at 2022 year-end) plus a spread based on a leverage grid for each Facility.

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

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

The detail of syndicated loan and the private placement debt in 2022 and 2021 is as follows:

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2022

Tranche	Thousands of Euros		Maturity
	Limit	Amount drawn + interest added to principal	
Facility A "Term Loan"	200,000	200,000	27/06/2025
Facility B "Revolving Credit Facility"	400,000	194,486	27/06/2025
US Private Placement lenders - 7 years	150,000	150,000	11/07/2025
US Private Placement lenders - 10 years	80,000	80,000	11/07/2028
US Private Placement lenders - 10 years	50,000	50,000	10/06/2031
US Private Placement lenders - 15 years	50,000	50,000	10/06/2036
Accrued Interests	-	2,659	
Debt arrangement expenses	-	(841)	
Total	**930,000**	**726,304**	

2021

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

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, which should be lower than 4.0x and tested every six months, at 30 June and 31 December.

At 31 December 2022, the ratio, calculated on the basis of the contractually established definitions of net consolidated debt and consolidated EBITDA, was 2.6x.

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

The Group also has to fulfil certain obligations under the syndicated loan and the private placement agreement which relate mainly to disclosure requirements concerning its consolidated financial statements and negative undertakings to not perform certain transactions without the lender's and investor's consent, such as certain mergers or changes of business activity (see Note 27.a).

a.2) Guarantees given:

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

b) Credit facilities and other loans

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

The Group entered into non-recourse factoring agreements to sell outstanding receivables from customers for up to a maximum of EUR 31 million bearing interest at the market rate, of which EUR 10,250 thousand had been used at 2022 year-end (2021 year-end: EUR 12,429 thousand).

c) Disclosure for currency of obligations and bank borrowings

The detail of the main current and non-current obligations and bank borrowings at 31 December 2022 and 2021, by currency, is as follows:

	2022 - Thousands of Euros						
	Euro	US dollar	Canadian dollar	Colombian Peso	Chilean peso	Others	Total
Syndicated loan	334,753	-	61,551	-	-	-	**396,304**
US Private Placement	330,000	-	-	-	-	-	**330,000**
Bilateral facilities	16,801	-	-	-	-	-	**16,801**
CaixaBank credit facility	65,467	-	-	-	-	-	**65,467**
Others loans	2,705	-	-	493	-	-	**3,198**
Credit facilities	4,195	17,540	17	1,954	(16)	136	**23,826**
Finance leases	67	-	-	152	99	22	**340**
Hedging instruments	1	-	-	-	-	-	**1**
Total	**753,989**	**17,540**	**61,568**	**2,599**	**83**	**158**	**835,937**

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

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15. Other non-current financial liabilities

The detail at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Payable due to reversion	19,426	22,123
Other non-current financial liabilities	2,731	3,683
Total other non-current financial liabilities	**22,157**	**25,806**

"Payable due to reversion" for 2022 and 2021 essentially includes the provisions for the guarantees covering the reversion of land on which certain vehicle roadworthiness testing centres (see Note 27.b). The payment period relating to these guarantees will not be known until the process described in Note 27.b has been completed.

"Other financial liabilities" includes mainly various loans with favourable terms and conditions that the subsidiaries have been granted by various public bodies. These loans mature between 2024 and 2027.

16. Financial risks and derivative financial instruments

Financial risk management policy

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

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

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

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

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

a) *Foreign currency risk*

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

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

- If the financial market of the country in which the investment is made allows for adequate financing to be obtained in terms of timing and cost, hedging is naturally obtained through financing taken in the same currency as that of the investment.
- If the above is not possible, the Group determines asset and liability sensitivity to exchange rate fluctuations on the basis of the extent and severity (volatility) of the risk exposure.

In relation to foreign currency risk, the estimated sensitivity in the Group's consolidated statements of profit or loss for 2022 and 2021 to a change of +/-5% in the exchange rates against the euro of the main currency in which the Group operates, US dollar, would entail approximately a +/-1% variation of the Group's revenues.

b) Interest rate risk

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

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

As part of the debt refinancing process in 2018, a private debt placement was taken at a fixed rate of interest. Private Placement Debt represented 40% of total drawn debt at 31 December 2022 (2021: 39% of total drawn debt).

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

	2022	2021
Average interest rate	2.19%	1.79%
Average financial debt drawn (thousands of euros)	832,198	733,469

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:

	2022		2021	
Change in interest rate	0.50%	-0.50%	0.50%	-0.50%
Change in borrowing costs (thousands of euros)	2,511	(2,511)	2,237	(2,237)

c) Liquidity risk

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

The Group takes various preventative measures to manage liquidity risk:

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

d) Inflation risk:

Despite the long period of historically low inflation, in the second half of 2021 and in 2022 inflation in the euro zone rose sharply. A significant portion of the Group's operating costs could increase as a result of higher inflation and the European Central Bank's monetary policy. The great majority of the Group's service provision contracts are indexed to inflation as far as the operating expenses are concerned, in infrastructure leases, as are the other contracts. Likewise, the great majority of the contracts between the Group and its clients are indexed to inflation, meaning that much of this risk is naturally mitigated.

Hedging instruments arranged

In 2022 the Group arranged foreign currency derivatives with Spanish banks with a high credit rating.

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The Group opted to apply hedge accounting, as permitted by IFRSs, and appropriately designated the hedging relationships in which the derivatives are fair value hedges, thereby neutralising the exchange rate gains or losses on the hedged items.

At 31 December 2022, the balance of "Current Liabilities – Obligations and Bank Borrowings" reflecting the fair value of the derivatives at that date amounted to EUR 1 thousand (see Note 14).

The fair value hedging relationships designated using these instruments are considered to be highly effective.

The detail of the current hedging instruments is as follows:

- Exchange rate hedging forward amounting to USD 770 thousand. The maturity of this instrument is on 18 January 2023.
- Exchange rate hedging forward amounting to USD 1,150 thousand. The maturity of this instrument is on 15 February 2023.
- Exchange rate hedging forward amounting to USD 1,150 thousand. The maturity of this instrument is on 19 April 2023.

17. Non-current provisions

The detail of "Non-Current Provisions" in 2022 and 2021 year-end is as follows (in thousands of euros):

	31/12/2022	31/12/2021
Long-term employee obligations	20,837	18,185
Other provisions	16,193	16,080
Non-Current provisions	**37,030**	**34,265**

The changes in "Non-Current Provisions" in 2022 and 2021 are as follows:

	Thousands of Euros
Balance at 1 January 2021	**25,573**
Changes in the scope of consolidation (Note 2.b.e)	6,823
Additions	7,686
Amounts used	(6,601)
Effect of exchange rate changes	784
Balance at 31 December 2021	**34,265**
Changes in the scope of consolidation (Note 2.b.e)	1,400
Additions	4,753
Amounts used	(4,225)
Effect of exchange rate changes	837
Balance at 31 December 2022	**37,030**

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

a) Long-term employee obligations:

Long-term employee obligations contain, mainly, benefits to certain employees in the Middle East amounting to EUR 14,694 thousand (2021: EUR 12,631 thousand), Europe amounting to EUR 1,741 thousand (2021: EUR 1,805 thousand) and Spain amounting to EUR 3,707 thousand (2021: EUR 3,382 thousand).

The long-term employee obligations in the Middle East relate to benefits that employees receive at the end of their employment at Applus Group. These benefits are defined by local laws and are very similar between each other. The accrual is updated based on an actuarial valuation basis made by an independent expert, based on discount rate, expected salary increase, death rate and turnover staff rate. The increase in 2022 is due to the benefits of Saudi Arabia businesses. The benefits relate to Saudi Arabia employees are the most significant in the region.

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

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

b) Other provisions:

Other provisions mainly contain:

	Thousands of Euros	
	31/12/2022	31/12/2021
Tax risks	2,846	647
Legal contingencies	2,455	2,455
Other provisions	10,892	12,978
Total	**16,193**	**16,080**

"Other provisions" includes provisions related to contingent liabilities assumed in business combinations at the date of acquisition of new companies by the Group, detailed in Note 2.b.e.3.

Since, at 31 December 2022 no changes had occurred in the estimates made by the Management, these provisions were not re-estimated, and neither were they re-estimated as a result of the adoption of IFRIC 23.

18. Other non-current and current liabilities

The detail of "Other non-current liabilities" and "Other current liabilities" in 2022 and 2021 is as follows (in thousands of euros):

	31/12/2022	31/12/2021
Variable price of the acquisition of ownership interest payable at long term	73,532	60,617
Other non-current liabilities	17,258	14,735
Other non-current liabilities	**90,790**	**75,352**
Variable price of the acquisition of ownership interest payable at short term	2,756	3,920
Other current liabilities	30,928	4,887
Other current liabilities	**33,684**	**8,807**
Total other liabilities	**124,474**	**84,159**

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"Variable price of the acquisition of ownership interest payable" includes the amounts payable for business combinations performed in 2022 and prior years in relation to contingency pay-outs and variable pay-outs (earn outs), which the Parent's Directors consider will comply with the related payment terms and conditions and should therefore be paid. The variations registered under "Variable price of the acquisition of ownership interest payable at long term" are mainly due to the additions of new business combinations described in Note 2.b.e.1, recalculations of value based on updates of the business plans or the reversions done due to the payments effected within the period established at the date of its initial recognition. Additionally, this section includes the financial liability corresponding to the acquisition of 80% of Inversiones Finisterre, S.L., performed in 2017, in which there was an agreement where a call and put options were granted for the potential acquisition of the remaining 20% of the Finisterre Group from July 2022, subject to the occurrence of certain events. The Applus Group recognised as "Other non-current liabilities" the present value of the estimated amount of this option in 2021 of EUR 13.4 million in "Variable price of the acquisition of ownership interest payable at long term", in accordance with IAS 32.23. In December 2022, the financial liabilities have been updated as a result of the purchase of the remaining 20% of the Finisterre Group for an amount of EUR 18 million, of which 3 million euros have been paid before the end of the financial year, while the pending amount, expected to be paid in January 2023, is recorded under "Other current liabilities" in the previous detail, together with the interim dividend of 2022 results, payable to the previous shareholders of Inversiones Finisterre. As a result of this acquisition of minorities, the impact in the profit attributable to minorities from the the Group's consolidated statement of profit and loss has been reduced (see Note 13).

The classification between current and non-current at 2022 and 2021 year-end is conducted according to its payment due date.

19. Trade and other payables

The detail of trade and other payables in 2022 and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Trade and other payables	251,579	226,736
Trade and other payables with related companies (Note 28.b)	1	1
Remuneration payable	98,744	83,867
Tax payable	75,435	68,417
Total	**425,759**	**379,021**

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

"Remuneration payable" mainly relate to ordinary remuneration payable which includes the annual bonus, incentives in RSUs and other remunerations payable such as extra-pay and holidays accruals.

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

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

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

	2022	2021
	Days	
Average payment period to suppliers	58	60
Ratio of transactions settled	58	61
Ratio of transactions not yet settled	56	49
	Thousands of Euros	
Total payments made	193,178	161,073
Total payments outstanding	22,512	19,610

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

Suppliers, solely for the purpose of disclosing the information provided for in this Resolution, are considered to be trade creditors for the supply of goods and services and are included under "Current liabilities - Trade and other payables" in the accompanying consolidated statement of financial position.

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

The maximum payment period applicable to the Spanish consolidated companies under Law 3/2004, of 29 December 2004, on combating late payment in commercial transactions, is 30 days. This period may be extended by an agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2021).

However, most of the payments outstanding by the Spanish consolidated companies at year end have been paid during the first two months of the year 2023.

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 2022, 73,053 invoices were paid for a total of EUR 95,819 thousand. These invoices represent 54% of all the invoices paid during the fiscal year.

20. Corporate income tax

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

The detail of the corporate income tax expense recognised in 2022 and 2021 is as follows (in thousands of euros):

	2022	2021
Current tax:		
For the year	39,418	33,128
	39,418	**33,128**
Deferred tax:		
For the year	(9,869)	(7,518)
	(9,869)	**(7,518)**
Corporate Income tax expense/(benefit)	**29,549**	**25,610**

The detail of the changes in deferred taxes, recognised as corporate income tax expense/(benefit) in the consolidated statement of profit or loss in 2022 and 2021, is as follows (in thousands of euros):

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	2022	2021
Tax credits for tax loss carry forwards	4,306	3,293
Withholding taxes and other unused tax credits	(3,082)	(675)
Temporary differences:		
Amortisation of intangible assets	(14,463)	(12,685)
Others	3,370	2,549
Deferred corporate income tax expense/(benefit)	**(9,869)**	**(7,518)**

The corporate income tax expense is calculated in 2022 and 2021 as follows (in thousands of euros):

	2022	2021
Profit before tax	**91,463**	**75,617**
Consolidated corporate income tax rate at 25%	**22,866**	**18,904**
Tax effect of:		
Others	10,696	16,400
Deduction of unrecognised tax assets and others	(4,013)	(9,694)
Corporate income tax expense/(benefit)	**29,549**	**25,610**

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

20.b Current corporate income tax assets and liabilities

The detail of the current corporate income tax receivables and payables at the end of 2022 and 2021 is as follows (in thousands of euros):

	31/12/2022	31/12/2021
Current corporate income tax assets	20,313	17,707
Corporate income tax prepayments	**20,313**	**17,707**
Current corporate income tax liabilities	19,354	18,595
Corporate income tax payables	**19,354**	**18,595**

20.c Deferred tax assets

The detail of Deferred tax assets at the end of 2022 and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Tax losses of Spanish companies	14,809	18,712
Tax losses of other foreign companies	3,863	4,266
Tax credits for tax loss carry forwards	**18,672**	**22,978**
Tax credits of Spanish companies	5,019	5,465
Tax credits and Withholding taxes of foreign companies	10,928	7,400
Withholding taxes and other tax credits	**15,947**	**12,865**
Other temporary differences - Spanish companies	7,728	7,145
Temporary differences - foreign companies	11,985	13,869
Temporary differences – IFRS 16	3,831	4,167
Total temporary differences	**23,544**	**25,181**
Total deferred tax assets	**58,163**	**61,024**

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

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

The factors taken into consideration by the Parent's Directors to recognise as a deferred tax asset, including tax credit for tax loss carry forwards, withholding taxes, and tax credits for temporary differences at 31 December 2022, which support their future recoverability, are as follows:

- In 2022 and 2021 the consolidated tax group in Spain obtained taxable income of EUR 66,707 and EUR 57,917 thousand (according to the final corporate income tax return of 2021 fiscal year), respectively, which enabled it to use unrecognised tax losses from prior years amounting to EUR 911 and EUR 673 thousand, respectively.

The prior years' tax loss carryforwards of the companies at the end of 2022 and 2021 are as follows:

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Year incurred	Thousands of Euros			
	2022		2021	
	Recognised	Not recognised	Recognised	Not recognised
2005	-	9,856	-	9,856
2007	805	17,345	805	17,812
2008	474	-	474	-
2009	2,586	-	2,586	-
2010	18,550	7	34,163	7
2011	38,562	132	38,500	199
2012	-	961	-	386
2013	-	41	-	231
2014	-	1,497	-	2,052
2015	28	7,720	27	8,026
2016	28	12,594	2,324	16,119
2017	121	19,081	114	19,460
2018	107	15,448	102	12,045
2019	1,756	10,194	1,701	10,975
2020	5,980	11,684	3,956	17,385
2021	6,213	23,348	6,081	-
2022	1,746	-	-	-
Total	**76,956**	**129,908**	**90,833**	**114,553**

The recognised tax losses from the Spanish consolidated tax group are EUR 59,234 thousand recognised and EUR 27,201 thousand not recognised.

The detail of the Spanish companies' unused tax credits at the end of 2022 and 2021 is as follows:

Year	Thousands of Euros			
	2022		2021	
	Recognised	Not recognised	Recognised	Not recognised
2006	-	-	-	7
2007	-	5	-	57
2008	-	-	-	-
2009	-	-	-	-
2010	-	810	-	810
2011	-	741	-	741
2012	-	1,204	-	1,175
2013	3,555	1,705	4,380	6,397
2014	825	4,236	-	6,497
2015	-	4,665	-	5,790
2016	-	4,479	-	5,093
2017	166	5,640	241	5,798
2018	454	4,986	502	5,029
2019	19	6,069	-	6,135
2020	-	5,270	-	5,352
2021	-	3,935	342	3,439
2022	-	5,193	-	-
Total	**5,019**	**48,938**	**5,465**	**52,320**

Of the total recognised and unrecognised tax credits at 31 December 2022, EUR 8,888 thousand relate to incentives for certain activities (mainly investment in R&D+i expenditure), EUR 42,302 thousand relate to double taxation credits, EUR 2,005 thousand relate to donations to non-profit entities tax credits and EUR 762 thousand to the reinvestment of gains. Of the total recognised and unrecognised tax credits at 31 December 2021, EUR 11,954 thousand related to incentives for certain activities (mainly investment in R&D+i expenditure), EUR 45,069 thousand related to double taxation credits and EUR 762 thousand to the reinvestment of gains.

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

20.d Deferred tax liabilities

"Deferred tax liabilities" on the liability side of the accompanying consolidated statement of financial position as at 31 December 2022 and 2021, includes mainly the following:

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	Thousands of Euros	
	31/12/2022	31/12/2021
Temporary differences associated with:		
Recognition at fair value of the identifiable assets in acquisitions of business combinations	77,497	86,862
Depreciation and amortisation and measurement of assets and goodwill	12,624	18,714
Amortisation of goodwill paid in the acquisition of foreign companies by Spanish companies	7,152	7,435
Other deferred tax liabilities	11,804	9,439
Total deferred tax liabilities	**109,077**	**122,450**

20.e Corporate Income Tax rates applicable to the Group

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

Country	Tax rate	Country	Tax rate	Country	Tax rate
Spain	25%	UK	19%	Angola	25%
US	21%	Germany	30%	United Arab Emirates	-
China	25%	Australia	30%	Luxembourg	25%
Ireland	12.5%	Italy	24%	Papua New Guinea	30%
Canada	26.5%	Brazil	34%	Malaysia	24%
Sweden	21%	Argentina	35%	Singapore	17%
Denmark	22%	Chile	27%	Qatar	10%
Netherlands	26%	Colombia	35%	Saudi Arabia	20%
Mexico	30%	Oman	15%	Costa Rica	30%

20.f Years open for review and tax audits

At 2022 year-end, the Spanish companies which belong to Spanish tax group have 2018-2021 years open for review by the tax authorities for the corporate income tax 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.

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

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

21. Operating income and expenses

a) Revenue

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

	Thousands of Euros	
	2022	2021
Applus+ Energy & Industry	1,120,686	942,458
Applus+ Laboratories	190,350	153,214
Applus+ Automotive	460,922	456,756
Applus+ IDIADA	277,960	224,296
Others	25	22
Total	**2,049,943**	**1,776,746**

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

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

b) Staff costs

The detail of "Staff costs" in the accompanying consolidated statement of profit or loss in 2022 and 2021, is as follows:

	Thousands of Euros	
	2022	2021
Wages, salaries and similar expenses	896,420	793,007
Severances	5,284	4,405
Employee benefit costs	124,020	110,204
Other staff costs	114,113	94,535
Total	**1,139,837**	**1,002,151**

The average number of employees at the Group, by professional category and gender in 2022 and 2021, is as follows:

	Average number of employees		
	2022		
Professional category	Men	Women	Total
Top management	75	21	**96**
Middle management	295	86	**381**
Supervisors	985	210	**1,195**
Operational employees & others	18,779	4,829	**23,608**
Total	**20,134**	**5,146**	**25,280**

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Professional category	Average number of employees		
	2021		
	Men	Women	Total
Top management (*)	77	19	**96**
Middle management (*)	323	90	**413**
Supervisors	835	207	**1,042**
Operational employees & others	18,177	4,452	**22,629**
Total	**19,412**	**4,768**	**24,180**

(*) The number of Top Management related to 2021 has been restated due to a redefinition of professional categories. Hence, 96 people are considered Top Management and 413 Middle Management, whereas in 2021 were 114 and 395 respectively.

Also, the distribution of the workforce, by gender and category, at the end of 2022 and 2021, is as follows:

	No. of employees end of year		
	2022		
Professional category	Men	Women	Total
Top management	75	21	**96**
Middle management	290	89	**379**
Supervisors	960	199	**1,159**
Operational employees & others	19,575	5,205	**24,780**
Total	**20,900**	**5,514**	**26,414**

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

c) Other results

The detail of the other results for 2022 and 2021 corresponds mainly to extraordinary termination benefits due to restructuring for an amount of EUR 7.6 million (EUR 3.6 in 2021), costs related to the start-up of activities and inorganic operations for a total of EUR 4.9 million (EUR 2.6 million in 2021) and other results including the results on disposals of assets, impacts related to the final payment of variable prices on acquisitions and others, that amount to an income of EUR 2.8 million at 2022 year-end (EUR 2 million expense in 2021).

d) Fees paid to auditors

In 2022 and 2021 the fees billed for financial audit and other services provided by the auditor of the Group's consolidated financial statements, Deloitte, S.L., and by firms in the Deloitte organisation, and the fees billed by the auditors of the separate financial statements of the consolidated companies, and by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows (in thousands of euros):

2022

Description	Fees for services provided by the principal auditor	Fees charged by other audit firms
Audit services	1,994	408
Other attest services	271	-
Total audit and related services	**2,265**	**408**
Tax advisory services	190	
Other services	15	
Total professional services	**2,470**	

2021

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

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22. Financial result

The detail by nature of the financial result in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Finance Income:		
Other finance income by third parties	923	1,746
Total finance income	**923**	**1,746**
Finance costs:		
Borrowing costs relating to syndicated loan and US Private Placement	(15,392)	(12,571)
Other finance costs paid to third parties	(9,088)	(5,078)
Interest expense on lease liabilities (Note 26.b)	(6,960)	(7,534)
Exchange differences	(2,080)	(1,775)
Total finance costs	**(33,520)**	**(26,958)**
Gains or losses on the net monetary position (Note 3.o)	(983)	(669)
Financial result	**(33,580)**	**(25,881)**

23. 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 Group's environmental policy, reinforcing its commitment. Although the activities of the Group 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 Group works to reduce the carbon footprint by means of specific programs related to energy efficiency and the use of renewables.

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

As in prior years, in 2022 the Group has assessed qualitatively the risks and opportunities arising from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see section 7 from the Financial and non-financial Report (ESG)), is working to introduce the analysis of scenarios. According to that, the Group has 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 2022, the Group has defined short-term environmental objectives aligned with the 1.5° scenario and validated by the Science Based Targets Initiative (SBTI), included in the variable remuneration scheme, and published a new Good Environmental Practices Guideline to minimize the environmental impact on the Group's activities.

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

The Group considers that it complies with applicable environmental protection legislation and has procedures designed to ensure such compliance. In 2022 and 2021, the Group did not recognise any provisions to address potential environmental risks as it considered that there were no significant contingencies associated with potential lawsuits, compensation or other items. Lastly, the potential contingencies, compensation and other environmental risks that could be incurred by the Group are sufficiently covered by its third-party liability insurance policies.

24. Proposal of allocation of profit/loss

The proposed allocation of the Parent's net profit, formulated by the Board of Directors that will be presented at the next Parent's Annual General Meeting of the Shareholders, for 2022 is as follows:

	Thousands of Euros
Basis of allocation:	
Profit for the year	22,581
	22,581
Allocation:	
To dividends	21,739
To unrestricted reserves	842
Total	**22,581**

The dividend of 21,739 thousand euros corresponds to the maximum amount to be paid, resulting from multiplying the amount per share proposed (0.16 euros) by the number of shares into which the Company's share capital is represented at the closing date. The amount finally paid will depend on the number of shares outstanding (excluding treasury stock) that are entitled to receive it on the date on which the corresponding payment occurs.

25. Segmented information

At 31 December 2022, the Group operates through four operating divisions and a holding division, each of which is considered to be a segment for financial reporting purposes.

The main operating segments are as follows:

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

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

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

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

a) Financial information by segment

The financial information, by segment, in the consolidated statement of profit or loss for 2022 and 2021 is as follows (in thousands of euros):

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2022

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Revenue	1,120,686	190,350	460,922	277,960	25	**2,049,943**
Operating expenses	(1,039,468)	(163,638)	(367,064)	(248,047)	(29,698)	**(1,847,915)**
Adjusted Operating Profit	**81,218**	**26,712**	**93,858**	**29,913**	**(29,673)**	**202,028**
Amortisation of non-current assets identified in business combinations (Note 5)	(16,011)	(9,730)	(31,128)	(4,315)	-	**(61,184)**
Other results						**(15.648)**
Operating Profit						**125,196**

2021

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

The Adjusted Operating Profit is the operating profit before the amortisation charge of the intangible assets allocated in the business combinations (PPA) for an amount of EUR 61,184 thousand in 2022 (EUR 54,060 thousand in 2021) (see Note 5), other results amounting to EUR 9,644 thousand in 2022 (EUR 8,185 thousand in 2021) (see Note 21.c) and the write-down on the goodwill of IDIADA cash-generating unit amounting to EUR 6,004 thousand (see Note 4).

The "Other results" are included under "Impairment and gains or losses on disposal of non-current assets" (see Note 4) and "Other results" in the consolidated statement of profit or loss.

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

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

The current, non-current assets and liabilities, by business segment, at the end of 2022 and 2021 are as follows (in thousands of euros):

2022

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Goodwill	285,239	198,007	290,591	17,807	1,253	**792,897**
Other intangible assets	120,733	70,363	154,165	16,965	11,866	**374,092**
Rights of use	43,709	30,440	76,369	26,287	590	**177,395**
Property, plant and equipment	77,496	62,121	78,896	33,999	545	**253,057**
Investments accounted for using the equity method	3,403	-	-	-	-	**3,403**
Non-current financial assets	10,829	346	4,318	1,021	582	**17,096**
Deferred tax assets	26,871	2,145	4,589	4,271	20,287	**58,163**
Total non-current assets	**568,280**	**363,422**	**608,928**	**100,350**	**35,123**	**1,676,103**
Total current assets	**455,321**	**80,745**	**67,744**	**138,296**	**14,395**	**756,501**
Total liabilities	**345,669**	**132,694**	**261,696**	**142,102**	**907,496**	**1,789,657**

2021

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

The additions to intangible assets and also to property, plant and equipment, by business segment, in 2022 and 2021 are as follows (in thousands of euros):

	Applus+ Energy &Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	**Total**
Capex 2022	19,117	20,100	12,383	12,957	1,520	**66,077**
Capex 2021	19,228	15,022	16,772	9,970	2,085	**63,077**

b) Financial information by geographic segment

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

The sales, by geographical area, in 2022 and 2021, were as follows:

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	Thousands of Euros	
	2022	2021
Spain	449,757	426,284
Rest of Europe	552,060	504,712
US and Canada	344,545	299,044
Asia and Pacific	258,728	205,163
Latin America	239,575	195,403
Middle East and Africa	205,278	146,140
Total	**2,049,943**	**1,776,746**

The non-current assets, by geographical area, in 2022 and 2021, are as follows (in thousands of euros):

Total non-current assets	Spain	Rest of Europe	US and Canada	Asia Pacific	Latin America	Middle East and	Total
31 December 2022	826,377	393,782	179,309	143,273	107,827	25,535	**1,676,103**
31 December 2021	806,432	417,291	199,300	142,373	73,086	21,005	**1,659,487**

26. Leases

a) Amounts recognised in the consolidated statement of financial position

The amounts related to operating leases recognised in the consolidated statement of financial position as at 31 December 2022 and 2021 are as follows:

Rights of use

	Thousands of Euros	
	Net value	
	31/12/2022	31/12/2021
Rights of use		
Offices	106,531	116,242
Rights of use of facilities (fixed levies)	22,627	23,817
Vehicles	27,094	23,248
Machinery	8,105	11,118
Land	12,766	5,600
Hardware	272	695
Total	**177,395**	**180,720**

Lease liabilities

	Thousands of Euros	
	31/12/2022	31/12/2021
Maturity analysis - lease-related cash flows (not discounted)		
Within one year	55,538	54,509
Between one and five years	102,744	111,134
More than five years	47,514	50,686
Total lease-related cash flows (not discounted)	**205,796**	**216,329**

	Thousands of Euros	
	31/12/2022	31/12/2021
Lease liabilities		
Current	55,215	54,510
Non-current	136,143	141,968
Total	**191,358**	**196,478**

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

At 31 December 2022, the amounts related to leases recognised in the consolidated statement of profit or loss are as follows: amortisation of the right-of-use assets for an amount of EUR 59,247 thousand (2021: EUR 52,400 thousand), basically offices and vehicles; finance costs on lease liabilities for an amount of EUR 6,960 thousand (2021: EUR 7,534 thousand) (see Note 22); operating expenses related to leases of low-value assets not considered in a short-term, short-term leases and, variable lease payments not included in the measurement of lease liabilities, for an amount of EUR 67,671 thousand (2021: EUR 62,386 thousand), which correspond, basically, to auto stations' variable rent levies of the Automotive division for an amount of EUR 37,839 thousand (2021: EUR 37,488 thousand); and income amounting to EUR 3 thousand (EUR 240 thousand in 2021) arising from contract modifications, basically as a result of terminations of leases which caused the de-recognition of the related right-of-use asset and lease liability.

In 2022, the consolidated EBITDA impact corresponds to minor operating lease expenses amounting EUR 66,933 thousand (2021: EUR 60,336 thousand).

c) Amounts recognised in the consolidated statement of cash flows

In the period ended at 31 December 2022, the total amount of cash outflows relating to leases amounted to EUR 66,933 thousand (2021: EUR 60,336 thousand).

d) Leases in which the Group acts as lessee

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

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

In 2022 and 2021, the Group has not recognised gains or losses arising from sale and leaseback transactions.

Additionally, new lease contracts were registered as additions amounting to EUR 35 million relate mainly to land assigned to the location, installation and exploitation of statutory vehicle inspection stations belonging to companies acquired during 2022 (see Note 2.b.e) and formalizations and extensions of vehicle's and office's contracts.

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

27. Obligations acquired and contingencies

a) Guarantees and obligations acquired

The Group has guarantees required by the business activities of the Group companies amounting to EUR 140.6 million (31 December 2021: EUR 114.4 million), as shown in the following detail by segment (in millions of euros):

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Guarantees provided	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
31 December 2022	86.8	8.6	31.5	9.2	4.5	**140.6**
31 December 2021	65.8	8.6	31	4.5	4.5	**114.4**

There are guarantees included in Applus+ Laboratories, Applus Automotive and Applus+ IDIADA divisions amounting to EUR 18.2 million (31 December 2021: EUR 18.2 million) provided to the Catalonia Autonomous Community Government in connection with the incorporation of the subsidiaries IDIADA Automotive Technology, S.A. and LGAI Technological Center, S.A. and with the management of vehicle roadworthiness testing service.

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

The Group also has certain obligations and guarantees under the financing agreement (see Notes 14.a.1 and 14.a.2). These obligations include reporting obligations relating to the Group's financial statements and business plans; the obligation to take certain measures such as guaranteeing accounting closes, refrain from performing certain transactions without the consent of the lender, such as certain mergers, changes of business activity, share redemptions, and the financial obligation to achieve certain financial ratios, among others.

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

b) Contingencies

b.1. Auto Catalonia

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

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

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

In addition, in the referred judgment of May 6, 2016, the Supreme Court declared void the "Disposición Adicional Segunda" of the Decree 30/2010 that provided for the right to use the assets and rights owned by the Administration by those operators who had been originally concessionaires, as well as the Order regulating the economic consideration for the use of such assets (in a judgment of 4 May 2016). As a result, in another litigation opened before the High Court of Justice of Catalonia (TSJC), the latter has issued a judgment on 24 April 2017, declaring void the Instruction of the General Director of Energy, Mines and Industrial Safety defining the criteria set to define the economic consideration for the use of said public assets; this decision was finally upheld by the Supreme Court. The Parent's Directors believe that the 2016 judgments of the Supreme Court confirmed the validity of the roadworthiness testing activities' regime in Catalonia - quota authorization- as well as the titles upon which Applus operates in that territory, however the Generalitat de Catalunya (Autonomous Government of Catalonia) shall implement the appropriate measures to comply with the Supreme Court judgments referred to above.

As of November 10th 2020 the Catalan Government approved a preliminary report for a draft bill on the automotive inspection services in Catalonia. On November 17th 2020, the Government approved a law-decree 45/2020 on the transitory and extraordinary authorisation to continue the automotive inspection services, which however was finally repealed by the Catalan Parliament on December 3rd. The process for the approval of a draft bill was started, with a public consultation period open and consultation with operators and stakeholders from 30 November 2020 to 21 February 2021. A few months later, the Catalan Parliament passed a Law 2/2021, of 29 December, of fiscal, financial, administrative and public sector measures (published on DOGC the 31 of December 2021) which incorporates an exceptional and transitory allowance for current authorized auto inspection operators so they continue rendering the service in the same conditions, until the reversion processes end and until a new law is passed by the Parliament, whilst potential new authorizations' requests are suspended. Additionally, the law included a requirement to the Government so that it presented a draft bill in twelve months from the application of the law. Recently, on 17 January 2023, a new public consultation period previous to the elaboration of the law has been opened until 2 March 2023.

b.2. Costa Rica – Contingent Asset

The Group purchased a majority stake in the subsidiary Riteve SYC Sociedad Anónima in Costa Rica. This subsidiary claimed before administrative courts against the entity ARESEP and the Costa Rican State for breach of its obligation to adjust tariffs according to a certain approved methodology. In particular, with regards to the file 16-012267-1027-CA, upon resolution nº 79-I-2020 of June 30 2020, the Court partially accepted Riteve's claim. Upon an appeal filed by Riteve, on 12 May 2022 the Supreme Court of Justice of Costa Rica ordered that the Estate shall cover the readjustment of 2011's tariffs according to the applicable methodology. Upon several instances, the Court's order has become firm and on December 2022 Riteve has filed the execution demand [including a certificate by public accountant that establishes the amount to be paid by the Costa Rican Estate amount to 8.859.691.418 Costa Rican colones as principal amount, to which legal interests shall be added]. The Company estimates that the execution procedure may last between 12 and 24 months, until a final amount is confirmed and payment made, which in any case will be irrevocable and compulsory to the Estate according to applicable laws. In the same way, upon a firm order of 29 November 2022 in the file nº 17-003558-1027-CA, Riteve has filed the execution proceedings in January 2023 with respect to the Court's order on the readjustments of tariffs for the year 2016 for a principal amount of 18.196.124.463 Costa Rican colones and legal interests to be determined.

At the date of the preparation of these consolidated financial statements, the procedure for the enforcement of judgment and the establishment of the final amount, which should be subsequently included in the Costa Rican government's budget, are still ongoing. Consequently, the Parent's Directors have not recognised this amount as an asset, or the liability corresponding to the minority, in the accompanying consolidated financial statements.

b.3. Other contingencies

At 2022 year-end, the Parent's Directors were not aware of any significant claims brought by third parties or of any ongoing legal proceedings against the Group that, in their opinion, could have a material impact on these consolidated financial statements.

28. Transactions and balances with related parties

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

- The significant shareholders of Applus Services, S.A., are understood to be shareholders holding directly or indirectly 3% or more of the shares, and shareholders which, without being significant, have exercised the power to propose the appointment of a member of the Parent's Board of Directors.
- The Directors and Senior Executive, as well close members of those persons' family. "Director" means a member of the Board of Directors and "Senior Executive" means persons reporting directly to the Board or to the Chief Executive Officer (CEO) of the Group.
- Associates of the Group.

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

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

Transactions with related companies

In 2022 and 2021 the Parent and its subsidiaries performed the following transactions with related companies:

	Thousands of Euros					
	2022			2021		
	Operating revenue	Procurements	Other expenses	Operating revenue	Procurements	Other expenses
Velosi (B) Sdn Bhd	-	-	-	40	-	2
Total	**-**	**-**	**-**	**40**	**-**	**2**

The transactions with related companies correspond to commercial transactions.

Balances with related companies

a) Receivables from related companies:

	Thousands of Euros	
	Trade receivables from related companies	
	31/12/2022	31/12/2021
Velosi (B) Sdn Bhd	187	221
Total	**187**	**221**

b) Payables to related companies:

	Thousands of Euros	
	Trade and other payables to related companies	
	31/12/2022	31/12/2021
Velosi (B) Sdn Bhd	1	1
Total	**1**	**1**

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

During 2022 and 2021 there have been no transactions and there are no significant amounts outstanding at year end with significant shareholders.

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

Remuneration and obligations to the Board of Directors

The detail of the remuneration (social benefits included) earned by the Executive Directors and by the different members of the Parent's Board of Directors at 2022 and 2021 year-end is as follows:

a) Annual remuneration:

	Thousands of Euros					
	31/12/2022			31/12/2021		
	Executive Directors	Members of the Board of Directors	Total	Executive Directors	Members of the Board of Directors	Total
Fixed remuneration	909	-	**909**	1,076	-	**1,076**
Variable remuneration	663	-	**663**	812	-	**812**
Other items	105	-	**105**	65	-	**65**
Non Executive Chairman and Independent Directors	-	727	**727**	-	648	**648**
Corporate Social Security Committee	-	70	**70**	-	52	**52**
Appointments & Compensation Committee	-	65	**65**	-	58	**58**
Audit Committee	-	90	**90**	-	90	**90**
Total	**1,677**	**952**	**2,629**	**1,953**	**848**	**2,801**

In 2022, Executive Directors include the Chief Executive Officer from the day of termination as member of the Board of Directors on 27 June 2022 and the Chief Financial Officer during 2022, initially as Chief Financial Officer and from 28 June as Chief Executive Officer and sole Executive Director. As a consequence of the aforementioned termination, the Group executed and accelerated vesting of all the pending RSUs and the effective pay-out of the bonus earned in 2022 and payable in 2023. Additionally, a non-compete commitment exists from 1 January 2023 to the next 2 years.

The fixed remuneration of the Executive Directors includes a portion in the form of RSUs amounting to EUR 56 thousand per year at the date on which they were granted, corresponding to the RSUs conferred to the current Executive Director when he was in the position of Group's Chief Financial Officer (CFO). According to the plans in force, in February 2020, 2021 and 2022, 5,317, 6,648 and 7,100 RSUs, respectively, were granted. The RSUs granted in 2020 and 2021 will be convertible to shares three years after the date on which they were granted. The RSUs delivered 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 2022 the Group effected delivery of 3,288 net shares relating to the plan granted in February 2019.

In 2022, 62.5% of the Executive Directors' variable remuneration is given in cash, with the rest comprising RSUs convertible to shares three years after the date on which they are granted, 30% of which are granted in each of the first two years and the remaining 40% are granted in the third year. These RSUs amounted to EUR 191 thousand in the year. At 2022 year-end, three RSU plans were in force, having been granted in February 2020, 2021 and 2022 for 34,645, 17,618 and 39,998 RSUs, respectively. In February 2022 the Group effected delivery of 15,268 net shares.

The plans in force at the end of the year in relation to the RSUs granted in 2020, 2021 and 2022 can be consulted in the Remuneration Report.

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"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) Long-term incentive ("LTI"):

According to remuneration policy in force, the Executive Directors shall annually receive PSUs (performance stock units) that are convertible into shares of the Parent three years after the date on which they are granted and according to the accomplishment of specific objectives. The expense recognised in 2022 in this connection amounted to EUR 447 thousand as a result of the fulfilment of the variables established for them.

At 2022 year-end, three PSU plans were in force, having been granted in 2020, 2021 and 2022 for 46,338, 57,939 and 131,703 PSUs, respectively. The detail of the PSU plans in force can be consulted in the Remuneration Report. In February 2022 the Group effected the delivery of 33,129 net shares related to the plan granted in February 2019.

In 2022, the Executive Directors and the members of the Board of Directors did not earn or receive any termination benefits.

The pension plan benefits earned by the Executive Directors in 2022 amounted to EUR 42 thousand.

At 31 December 2022, 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 2022 for this insurance policy amounted to EUR 171 thousand (2021: EUR 156 thousand).

The Parent's Board of Directors at 31 December 2022 is made up of 5 men and 4 women (6 men and 4 women at 31 December 2021).

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

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

Remuneration of and obligations to Senior Executives

In 2021, the executives who formed part of the Group's Executive Committee were considered to be Senior Executives. In 2022, Senior Executives are the ones who report directly to the Group's Chief Executive Officer (CEO).

In relation to remuneration information, the internal auditor is also included, as defined in the current accounting legislation and in the Report of the Special Working Group on the Good Governance of Listed Companies published by the Spanish National Securities Market Commission (CNMV) on 16 May 2006.

The breakdown of the remuneration earned in 2022 and 2021 by the Group's Senior Executives, during the period in which every Senior Executive reported directly to the Group's Chief Executive Officer and the internal auditor in 2022, is as follows:

a) Annual remuneration:

	Thousands of Euros	
	2022	2021
Fixed remuneration	2,328	3,706
Variable remuneration	1,190	1,742
Other items	446	561
Termination benefits	481	1,456
Pension plans	17	85
Total	**4,462**	**7,550**

The fixed remuneration of certain Senior Executives includes a portion in RSUs amounting to EUR 215 thousand, in those cases in which the Senior Executive reported to the CEO in the date on which they were granted. From this portion of RSUs, the RSUs conferred in 2020 and 2021 are convertible to shares three years after the date on which they are granted and the RSUs appointed in 2022, 30% are granted in each of the first two years and the remaining 40% are granted in the third year. The plans in force at the end of 2022 relate to shares granted in February 2020, 2021 and 2022 for 13,354, 20,549 and 28,649 RSUs, respectively. In February and March 2022 the Group effected delivery to the Senior Executives that reported to the CEO by that time of 8,115 net shares relating to the plan granted in February 2019.

With regards to the fixed RSUs, are pending on vesting RSUs from Senior Executives who ceased in their position in 2022 and previous years.

64.5% 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 2022 relate to the RSUs granted in February 2020, 2021 and 2022 for 35,614, 30,624 and 59,593 RSUs, respectively for the Senior Executives that reported to the CEO at 2022 year-end. In February and March 2022 the Group effected delivery of 27,476 net shares relating to the plans granted in 2019, 2020 and 2021 to the Senior Executives that reported to the CEO. EUR 394 thousand were charged to the consolidated statement of profit or loss for 2022 in this connection.

Various Senior Directors and the internal auditor are not beneficiaries of these fixed RSUs plans nor have the breakdown of variable remuneration for which they receive part in RSUs. Nevertheless, in 2022 they received 14,300 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. Moreover, in March 2022, the Group effected the delivery of 5,467 net shares related to RSUs granted in previous years.

In 2022, EUR 481 thousand of termination benefits were registered (EUR 1,456 thousand in 2021).

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

Under the current remuneration policy, certain members of the Group's Senior Executives annually receive PSUs (Performance Stock Units) that are convertible into shares of the Parent three years after the date on which they are granted. The expense recognised in this connection amounted to EUR 332 thousand in 2022 as a result of the achievement of the variables established for them. The PSU plans in force at the end of 2022 relate to the PSUs granted in February 2020, 2021 and 2022 for 23,608, 24,822 and 47,537 PSUs, respectively, to the Senior Executives that reported to the CEO at 2022 year-end. In February 2022 the Group effected the delivery of 24,751 net shares relating to the plan granted in February 2019 due to the achievement of the variables established for them.

With regards to the fixed PSUs, are pending on vesting PSUs from Senior Executives who ceased in their position in 2022 and previous years.

In 2022, certain Senior Executives took part in a long-term incentive plan for which they have been granted PSUs (Performance Stock units) convertibles into shares of the Parent in 2023, 2024 and 2025 and subject to the accomplishment of specific objectives. The expense recognised in this connection amounted to EUR 1,226 thousand as a result of the achievement of the variables established for them. The PSUs plans in force at the end of 2022 corresponds to 590,962 PSUs for all Senior Executives that reported to the CEO at 2022 year-end.

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

The Group's Senior Executives, not counting the internal auditor, comprised 7 men and 4 women at 31 December 2022 (14 men and 4 women at 31 December 2021).

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30. Events after the reporting period

On 10 January 2023 Applus Group formalised a purchase agreement to acquire the entire share capital of Ripórtico - Engenharia Lda. for an initial cost of EUR 18,3 million. Ripórtico - Engenharia Lda implements and supervises engineering, architecture and construction projects, including topography, safety and quality control services as well as the direction and coordination in construction sites.

On 14 February 2023, the Group has disposed the company Applus Technologies, Inc. for an amount of 33.5 million euros. The assets and liabilities corresponding to this company are registered under the sections "Non-current assets held for sale" and "Liabilities linked to non-current assets held for sale" from the consolidated statement of financial position as at 31 December 2022 (see Note 3 y).

After December 31, 2022 until the date of issue of these consolidated financial statements, no relevant event has occurred, in addition to those already included in these explanatory notes, that must be included or that modifies or affects significantly to these consolidated financial statements as of 31 December 2022.

31. Explanation added for translation to English

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

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

Appendix I - Companies included in the scope of consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies: Direct	Indirect	Method used to account the Investment
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.	Jurisdicción de la Ciudad autónoma 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
Applus Technologies, Inc.	3225 Gateway Road, Suite 450, Brookfield, WI 53045 (USA)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Janx Holding, Inc	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Jan X-RAY Services, Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
Libertytown USA 1, Inc.	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	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 and certification	Active	-	80%	Full consolidation
Applus Argentina, S.A.	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Holding company	Active	-	100%	Full consolidation
IDIADA Fahrzeugtechnik, GmbH.	Manfred Hochstatter Strasse 2, 85055 Ingolstadt (Germany)	Engineering, testing and certification	Active	-	80%	Full consolidation
CTAG-Idiada Safety Technology, S.L.	Polígono A Granxa, Parcelas 249-250. 36410 Porriño, Pontevedra (Spain)	Engineering, testing and certification	Active	-	40%	Full consolidation
Applus Chile, S.A.	Avenida Américo Vespucio 743 - Huechuraba - 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 Américo Vespucio 743 - Huechuraba - 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.	Prazska 320/8,500 04, Hradec Králové (Czech Republic)	Engineering, testing and certification	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 certification	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 certification	Active	-	80%	Full consolidation
Applus Euskadi Holding, S.L.U.	Polígono Ugaldeguren, 1 parcela 8, Zamudio, Vizcaya (Spain)	Holding company	Active	-	100%	Full consolidation

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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 certification	Active	-	80%	Full consolidation
Idiada Automotive Technology UK, Ltd.	St Georges Way Bermuda Industrial Estate, Nuneaton, Warwickshire CV10 7JS (UK)	Engineering, testing and certification	Active	-	80%	Full consolidation
Shangdong Idiada Automotive and tire proving ground Co, Ltd	Room 302, No.1 industrial building of West Jin Hui Road, South Qi Xiao (China)	Engineering, testing and certification	Active	-	80%	Full consolidation
Applus Iteuve Galicia, S.L.U.	Ctra. N-VI, Km. 582,6 - 15168 Espiritu Santo - Sada, A Coruña (Spain)	Holding company	Active	-	100%	Full consolidation
Inversiones Finisterre, S.L.	Estación I.T.V. de O Espiritu Santo.Ctra. N-VI, Km. 582 15168 Espiritu Santo - Sada, A Coruña (Spain)	Holding company	Active	-	100%	Full consolidation
Supervisión y Control, S.A.U.	Estación I.T.V. de O Espiritu Santo.Ctra. N-VI, Km. 582 - 15168 Espiritu Santo - Sada, A Coruña (Spain)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
RITEVE SyC, S.A.	Lagunilla de Heredia, ciento cincuenta metros al este de la Bomba Texaco (Costa Rica)	Vehicle roadworthiness testing	Active	-	55%	Full consolidation
Inspecciones y Avalúos SyC, S.A.	Heredia, Cantón Central, Distrito Ulloa, Lagunilla, 150 metros este de la Bomba Uno (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 certification	Active	-	80%	Full consolidation
Applus Idiada Karco Engineering, LLC	9270 Holly Road. 92301 Adelanto, California (USA)	Engineering, testing and certification	Active	-	67%	Full consolidation
IDIADA Automotive Technology USA, LLC	9270 Holly Road, Adelanto, CA 92301 (USA).	Engineering, testing and certification	Active	-	80%	Full consolidation
Inversiones y Certificaciones Integrales SyC, S.A.	Heredia-Heredia Ulloa, en Lagunilla, a cien metros este de la Bomba Uno (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 certification	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.	Provincia de Heredia, cantón Heredia, distrito Ulloa, cien metros Este de la estacion de servicio UNO, oficinas centrales del Country Manager (Costa Rica)	General trading activity	Active	-	100%	Full consolidation

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Applus Iteuve Mexico, SA de CV	Avenida Cristobal Colon, 5081, Balcones de Santa María, San Pedro Tlaquepaque, 45606 Jalisco (Mexico)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
Entidad IDV Madrid, S.L.U.	Pol. El Carralero - C/ Fresa, 12 Majadahonda (Spain)	Vehicle roadworthiness testing	Active	-	100%	Full consolidation
ZYX Metrology S.L.U.	Torre Mateu nº 29, de Ripollet (Spain)	Performing engineering, industrial metrology, calibration and legal metrology services	Active	-	95%	Full consolidation
Reliable Analysis Inc.	32201 N. Avis Drive, Madison Heights, MI 48071 (USA)	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers	Active	-	100%	Full consolidation
Reliable Analysis (Shanghai) Inc.	12A, Lane 1365, Kangqiao East Road, Kangqiao Industrial Zone, Pudong New Area, Shanghai (China)	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers	Active	-	100%	Full consolidation
Shanghai Reliable Testing Technology Ltd.	Building 5, No.450 Yinxi Road, Jiuting Town, Songjiang District, Shanghai (China)	Testing and certification in the fields of EMC, electrical components, non-electrical components and materials for original equipment manufacturers and their suppliers	Active	-	100%	Full consolidation
QPS Evaluation Services Inc	8-81 Kelfield Street, Toronto, Ontario, M9W 5A3 (Canada)	Testing, certification, field evaluation and other related services to enable customers to meet their regulatory, national and international requirements, including but not limited to those related to the product safety of electrical & electronic equipment	Active	-	100%	Full consolidation
QPS America, Inc	2271 Centreville Road, Suite 400, Wilmington, Delaware, 19808 (USA)	Testing, certification, field evaluation and other related services to enable customers to meet their regulatory, national and international requirements, including but not limited to those related to the product safety of electrical & electronic equipment	Active	-	100%	Full consolidation
QPS Europe B.V.	Berg en Dalseweg 122, 6522 BW Nijmegen (The Netherlands)	Testing, certification, field evaluation and other related services to enable customers to meet their regulatory, national and international requirements, including but not limited to those related to the product safety of electrical & electronic equipment	Active	-	100%	Full consolidation
Applus Ingenieria y Consultoria, SAS	Calle 17, núm. 69-46 Bogotá (Colombia)	Civil engineering and consulting services in energy, rail and road infrastructure, building, sanitation and supply and telecommunications	Active	-	88%	Full consolidation
Reliable (Shanghai) Scientific Testing Co., Ltd.	Building 1, No. 1288, Huateng Road, Huaxin Town, Qingpu District, Shanghai (China)	Certification services, inspection and testing services.	Active	-	100%	Full consolidation
IMA Materialforschung und Anwendungstechnik GmbH	Wilhelmine-Reichard-Ring 4, 01109 Dresden (Germany)	Renders technical and scientific services and research, in the fields of materials testing, components, structural and product testing and inspections, certification and calibration in general. Development and distribution of software and databases for material and testing application	Active	-	100%	Full consolidation
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

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Enertis 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
Enertis 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
Enertis 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
Enertis 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
Enertis 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
Enertis 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
Enertis S.A.S.	Uruguay 469 10º 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
Enertis 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
Enertis 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
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 Via 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 C.P. 28022 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
AITE Solutions S.A.S.	Avenida Los Bucaros 60 – 319, Bloque 5 - 501, Bucaramanga, Santander (Colombia)	Activities for the development of information systems (planification, analysis, design, programming and testing)	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

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Applus México, S.A. de C.V.	Blvd. 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
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	Active	-	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 Nº 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	Blvd. 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 Pinula (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 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 34 b, 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
Applus RTD USA, Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
RTD Holding Deutschland, Gmbh	Industriestr. 34. 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)	94 Discovery Drive, Bibra Lake WA 6163 (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

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Libertytown USA 2, Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Holding company	Active	-	100%	Full consolidation
Libertytown Australia, PTY, Ltd.	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	Holding company	Active	-	100%	Full consolidation
Applus UK, Ltd	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	Certification services through non-destructive testing	Active	-	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
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 1015 Sidi Moumen 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
Assinco-Assesoria Inspeçao e Controle, Ldta	Rua Petrovale, quadra 01, lote 10, integrante da area B, nº 450, Bloco 2 - 1º andar, Bairro Distrito Industrial Marsil, EP 32400-000 Cidade de Ibirité, Estado de Minas Gerais (Brazil)	Inspection, quality control and consultancy services	Active	-	100%	Full consolidation
Applus Norcontrol Perú, S.A.C.	Avenida el Derby, 254, Oficina 901, Edificio Lima Central Tower, Surco. Lima (Peru)	Inspection, quality control and consultancy services	Active	-	96%	Full consolidation
Kiefner &Associates Inc.	4480 Bridgeway Avenue, Suite D, Columbus, Ohio 43219 (USA)	Certification services through non-destructive testing	Active	-	100%	Full consolidation
John Davidson & Associates PTY, Ltd	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (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 Consultoria e Ingenieria, SAS	Calle 17, núm. 69-46 Bogotá (Colombia)	Inspection, quality control and consultancy services in the industry and services sector	Active	-	94%	Full consolidation

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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 Arabia L.L.C	Building No. 3215, Secondary No. 8367, Postal Code 13522, Anas Bin Malik Road - Al Malqa, Riyadh, Saudi Arabia	Certification	Active	-	74%	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 Nº 640, Piso 9, Santiago de Chile (Chile)	Advisory 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)	Advisory 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)	Advisory 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 RTD USA Aerospace Holding, Inc.	5700 Crooks, Rd. Suite 450,Troy, MI 48089 (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
Applus RTD USA Services, Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Any lawful act or activity in order for companies to organize themselves under the Delaware General Corporation Law	Active	-	100%	Full consolidation
Libertytown USA 3, Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Any lawful act or activity in order for companies to organize themselves under the Delaware General Corporation Law	Active	-	100%	Full consolidation
Applus Management Services, Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	Provision of professional, technical, administrative and human resources services	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 República Dominicana, S.R.L	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
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

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies: Direct	Ownership interest held by Group companies: Indirect	Method used to account the investment
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 48098 (USA)	Non-destructive testing services	Active	-	100%	Full consolidation
Talon Test Laboratories Incorporated	5700 Crooks, Rd. Suite 450,Troy, MI 48098 (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 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
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

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies: Direct	Indirect	Method used to account the investment
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
SAST International Ltd	IFC1, Level 1, Esplanade, St. Heiler, Jersey JE2 3BX, Channel Islands (Jersey).	Provision of consultancy and engineering services	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	Sveiogata 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
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 (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	Build 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

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies: Direct	Ownership interest held by Group companies: Indirect	Method used to account the investment
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
Velosi Certification Services LLC	# 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
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
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
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
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

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies:		Method used to account the investment
				Direct	Indirect	
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
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	-	74%	Full consolidation
Geotechnical and Environmental Company Limited	Riyadh. King Abdulaziz District. Salah Aldeen Al Ayoubi Street (Saudi Arabia)	Soil investigation, material testing, dewatering, environmental testing, hydrology studies, marine studies, probing and grouting, structural evaluation and geophysical study	Active	-	74%	Full consolidation
Soil and Foundation Company Limited Egypt	Villa7, Block8, Street9, Al Tjarien 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 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
Applus Velosi SA (Pty) Ltd	128 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
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	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (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	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (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.

Appendix II - Out of the scope of consolidation

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies: Direct	Indirect
Applus RTD Certification, B.V.	Delftweg 144, 3046 NC Rotterdam (The Netherlands)	Certification services	Inactive	-	100%
RTD Slovakia, s.r.o.	Vlčie hrdlo, 824 12, Bratislava, (Slovakia)	Certification services through non-destructive testing	Inactive	-	100%
APP Management, S. de R.L de C.V.	Blvd. 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%
Applus Laboratories, AS.	Langmyra 11, 4344 Bryne (Norway)	Certification	Active	-	95%
Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.	Ciudad de Guatemala (Guatemala)	Advisory and consulting services in the areas of engineering, infrastructure, environment, etc.	Inactive	-	100%
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%
Idiada Homologation Technical Service, S.L.U.	L'Albornar s/n 43710 Santa Oliva - Tarragona (Spain).	Engineering, testing and certification	Inactive	-	80%
CTAG - Idiada Safety Technology Germany, GmbH	Manfred-Hochstatter-Straße 2, 85055 Ingolstadt (Germany)	Engineering, testing and certification	Inactive	-	40%
Applus Centro de Capacitación, S.A.	Agustinas Nº640, Piso 9, Santiago de Chile (Chile)	Provision of training services	Inactive	-	95%
Velosi Turkmenistan	Ashgabat City, Kopetdag District, Turkmenbashy, Avenue, No. 54 (Turkmenistan).	No line of business	Inactive	-	100%
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%
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%
Velosi Siam Co Ltd	412, Sukhumvit 95, Bang Chak, Phra Khanong, Bangkok 10260 (Thailand).	Holding company	Inactive	-	100%
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%
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%

Name	Registered office	Line of business	Active / Inactive	Ownership interest held by Group companies: Direct	Indirect
Velosi Ukraine LLC	5A Piterska Street, 03087 Kyiv (Ukraine).	Provision of auxilary services in the oil and natural gas industries	Inactive	-	100%
Dijla & Furat Quality Assurance, LLC.	Ramadan Area, District 623-S, No.1, Baghdad (Iraq).	Provision of quality control and training services	Inactive	-	100%
Velosi Services L.L.C. (Russia)	Kommunistichesky prospect, 32, suite 610, Yuzhno-Sakhalinsk, Sakhalin Region (Russia).	No line of business	Inactive	-	100%
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%
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%
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%
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%
Applus Velosi Kenya Limited	3rd floor, Kiganjo House, Rose Avenue Off Denis Pritt Road L.R No 1/1870, Nairobi P.O.Box 50719 - 00200, Nairobi (Kenya).	Services of provision of quality control, technical engineering of labor and consulting, Non Destructive Testing and certification, electrical inspection, engineering and project management and supervision of construction services	Inactive	-	100%
Velosi Do Brasil Ltda	Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro (Brazil).	No line of business	Inactive	-	98%
QA Management Services Pty Ltd	Unit 9, 783 Kingsford Smith Drive, Eagle Farm, Queensland 4009 (Australia)	Provision of quality assurance services, such as worldwide inspection and ISO 9000 Quality Management Consultancy, training courses, quality control software packages and specialized labor services	Inactive	-	100%
Janx Integrity Group Inc.	3 Sugar Creek Center Blvd. Suite 600 Sugar Land, TX 77478 (USA)	No line of business	Inactive	-	100%
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%

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

The Board of Directors of Applus Services, S.A., in compliance with the current mercantile legislation, have authorised for issue on February 23, 2023 the Consolidated Financial Statements and Consolidated Director's Report, which include the non-financial information statement and the Annual Corporate Governance Report for 2022, 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 9DCAE9A796907D9B88191CABE4E33CAAD61FD177E7270010642344AE26BEE536 hash code included in the ZIP file with number 213800M9XCA6NR98E873-2022-12-31-es (2).

The members of the Board of Directors declare signed, through this Diligence, the aforementioned Consolidated Financial Statements and Consolidated Directors' Report for 2022. They have been authorised for issue unanimously, awaiting on the auditors' verification and subsequent approval by the Parent's Annual General Meeting.

Barcelona, 23 February 2023

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