Applus Services, S.A. and subsidiaries

Interim Condensed Consolidated Financial Statements
for the six month period ended 30 June 2024,
together with Report on Limited Review

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Report on limited review of condensed consolidated interim financial statements

To the shareholders of Applus Services, S.A.

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Applus Services, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flow and related explanatory notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter

We draw attention to the accompanying note 2.a of the accompanying interim financial statements, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated financial statements of the Group for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2024 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2024. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Applus Services, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of the Parent company's board of directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Alfredo Aguilera Sanz (22290)

24 July 2024

Applus Services, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2024

Translation of a report originally issued in Spanish and of interim condensed 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 21). In the event of a discrepancy, the Spanish-language version prevails.

Translation of interim condensed 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 21). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.
AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024
(Thousands of Euros)

ASSETS	Notes	30/06/2024 (*)	31/12/2023
NON-CURRENT ASSETS			
Goodwill	4	794,696	802,660
Other intangible assets	5	323,701	342,221
Right of use assets	13	177,775	179,803
Property, plant and equipment	7	263,807	268,832
Investments accounted for using the equity method		3,102	3,176
Non-current financial assets	8	23,970	25,754
Deferred tax assets	15.a	57,138	52,639
Total non-current assets		1,644,189	1,675,085
CURRENT ASSETS			
Inventories		12,773	12,603
Trade and other receivables-			
Trade and other receivables	9	510,975	465,053
Trade receivables from related companies	9 & 18	199	197
Other receivables	9	43,380	41,882
Corporate income tax assets		15,296	20,116
Other current assets		28,287	18,597
Other current financial assets		4,221	3,601
Cash and cash equivalents		153,528	203,553
Total current assets		768,659	765,602
TOTAL ASSETS		2,412,848	2,440,687

EQUITY AND LIABILITIES	Notes	30/06/2024 (*)	31/12/2023
EQUITY			
Share capital and reserves-			
Share capital	10.a	11,676	11,676
Share premium	10.b	449,391	449,391
Retained earnings and other reserves		154,763	135,955
Profit / (Loss) for the year attributable to the Parent	10.e	(1,094)	20,191
Treasury Shares	10.c	-	(1,030)
Valuation adjustments-			
Valuation adjustments	10.f	(73,108)	(75,654)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		**541,628**	**540,529**
NON-CONTROLLING INTERESTS	**10.g**	**47,535**	**48,560**
Total Equity		**589,163**	**589,089**
NON-CURRENT LIABILITIES			
Long-term provisions		**35,562**	**35,870**
Obligations and bank borrowings	**11**	**-**	**831,140**
Borrowings from related parties	**18**	**251,275**	**-**
Obligations under leases	**13**	**132,033**	**133,947**
Other financial liabilities		**22,691**	**23,000**
Deferred tax liabilities	**15.b**	**91,145**	**97,115**
Other non-current liabilities		**81,665**	**74,313**
Total non-current liabilities		**614,371**	**1,195,385**
CURRENT LIABILITIES			
Short-term provisions		**8,438**	**5,538**
Obligations and bank borrowings	**11**	**588,739**	**50,025**
Borrowings from related parties	**18**	**875**	**-**
Obligations under leases	**13**	**58,597**	**58,652**
Trade and other payables		**519,468**	**495545**
Trade payables from related companies	**18**	**1**	**1**
Corporate income tax liabilities		**16,608**	**15,047**
Other current liabilities		**16,588**	**31,405**
Total current liabilities		**1,209,314**	**656,213**
TOTAL EQUITY AND LIABILITIES		2,412,848	2,440,687

(*) Unaudited interim condensed consolidated statement of financial position as at 30 June 2024.

The accompanying Notes 1 to 21 are an integral part of the interim condensed consolidated statement of financial positions at 30 June 2024.

Translation of interim condensed 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 21). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A
AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FIRST HALF OF 2024

(Thousands of Euros)

	Notes	30/06/2024 (*)	30/06/2023 (*)
CONTINUING OPERATIONS			
Revenue	16	1,094,258	1,000,837
Procurements		(117,714)	(108,784)
Staff costs	14.a	(588,530)	(549,146)
Other operating expenses		(201,132)	(176,901)
Operating Profit Before Depreciation, Amortization and Others		**186,882**	**166,006**
Depreciation and amortization charge	5, 7 & 13	(91,587)	(84,928)
Impairment and gains and losses on disposals of non-current assets	4	(7,776)	(6,138)
Other results		(39,398)	(4,567)
OPERATING PROFIT		**48,121**	**70,373**
Financial Result	14.b	(23,494)	(18,177)
Share of profit of companies accounted for using the equity method		(77)	(120)
Profit / (Loss) before tax		**24,550**	**52,076**
Corporate income tax		(17,552)	(15,979)
Net Profit / (Loss) from continuing operations		**6,998**	**36,097**
PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS NET OF TAX	3	-	**(3,951)**
NET CONSOLIDATED PROFIT / (LOSS)		**6,998**	**32,146**
Profit / (Loss) attributable to non-controlling interests	10.g	8,092	5,708
NET PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT		**(1,094)**	**26,438**
Profit / (Loss) per share from continuing operations (in euros per share)	10.e		
- Basic		**(0.01)**	**0.23**
- Diluted		**(0.01)**	**0.23**
Profit / (Loss) per share (in euros per share)			
- Basic		**(0.01)**	**0.20**
- Diluted		**(0.01)**	**0.20**

(*) Unaudited interim condensed consolidated statement of profit or loss for the first half of 2024 and of 2023.

The accompanying Notes 1 to 21 are an integral part of the interim condensed consolidated statement of profit or loss for the first half of 2024.

Translation of interim condensed 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 21). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A
AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF OF 2024
(Thousands of Euros)

	30/06/2024 (*)	30/06/2023 (*)
NET CONSOLIDATED PROFIT:	**6,998**	**32,146**
1. Other comprehensive income in equity		
a) Items that will not be transferred to profit or loss		
Others	-	-
b) Items that could be transferred to profit or loss:		
Exchange differences on translating foreign operations	3,200	(8,465)
2. Transfers to the statement of profit or loss:		
Exchange differences on translating foreign operations	(96)	(11,834)
Other comprehensive result	**3,104**	**(20,299)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**10,102**	**11,847**
Total comprehensive income for the year attributable to:		
- The Parent	1,452	7,579
- Non-controlling interests	8,650	4,268
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	**10,102**	**11,847**

(*) Unaudited interim condensed consolidated statement comprehensive income for the first half of 2024 and of 2023.

The accompanying Notes 1 to 21 are an integral part of the interim condensed consolidated statement of comprehensive income for the first half of 2024.

APPLUS SERVICES, S.A
AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE FIRST HALF OF 2024
(Thousands of Euros)

	Share capital	Share premium	Retained earnings and other reserves	Profit/(loss) for the period attributable to the Parent	Treasury shares	Valuation adjustments	Non-controlling interests	Total
Balance at 31 December 2022	**12,355**	**449,391**	**153,958**	**48,600**	**(14,117)**	**(43,440)**	**36,200**	**642,947**
Changes in the scope of consolidation	-	-	(406)	-	-	-	9,206	**8,800**
Allocation of 2022 profit	-	-	48,600	(48,600)	-	-	-	-
Dividends paid	-	-	(20,628)	-	-	-	(6,942)	**(27,570)**
Treasury shares	-	-	828	-	(34,526)	-	-	**(33,698)**
Share capital reduction	(679)	-	(46,934)	-	47,613	-	-	-
Other changes	-	-	715	-	-	-	(1)	**714**
Comprehensive income for the first half of 2023	-	-	-	26,438	-	(18,859)	4,268	**11,847**
Balance at 30 June 2023 (*)	**11,676**	**449,391**	**136,133**	**26,438**	**(1,030)**	**(62,299)**	**42,731**	**603,040**

	Share capital	Share premium	Retained earnings and other reserves	Profit/(loss) for the period attributable to the Parent	Treasury shares	Valuation adjustments	Non-controlling interests	Total
Balance at 31 December 2023	**11,676**	**449,391**	**135,955**	**20,191**	**(1,030)**	**(75,654)**	**48,560**	**589,089**
Changes in the scope of consolidation	-	-	-	-	-	-	-	-
Allocation of 2023 profit	-	-	20,191	(20,191)	-	-	-	-
Dividends paid	-	-	-	-	-	-	(9,695)	**(9,695)**
Treasury shares	-	-	(2,310)	-	1,030	-	-	**(1,280)**
Share capital reduction	-	-	-	-	-	-	-	-
Other changes	-	-	927	-	-	-	20	**947**
Comprehensive income for the first half of 2024	-	-	-	(1,094)	-	2,546	8,650	**10,102**
Balance at 30 June 2024 (*)	**11,676**	**449,391**	**154,763**	**(1,094)**	**-**	**(73,108)**	**47,535**	**589,163**

(*) Unaudited interim condensed consolidated statement of changes in equity for the first half of 2024 and of 2023.

The accompanying Notes 1 to 21 are an integral part of the interim condensed consolidated statement of changes in equity for the first half of 2024.

Translation of interim condensed 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 21). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST HALF OF 2024

(Thousands of Euros)

	Notes	30/06/2024 (*)	30/06/2023 (*)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit from operating activities before tax		24,550	50,184
Adjustments of items that do not give rise to operating cash flows-			
Depreciation and amortisation charge	5, 7 & 13	91,587	87,042
Changes in provisions and allowances		614	2,823
Financial result	14.b	23,494	18,335
Share of profit of companies accounted for using the equity method		77	120
Gains or losses on disposals of intangible and tangible assets		7,564	1,849
Profit from operations before changes in working capital (I)		**147,886**	**160,353**
Changes in working capital-			
Changes in trade and other receivables		(55,110)	(48,610)
Changes in inventories		(170)	(148)
Changes in trade and other payables		22,697	9,412
Cash generated by changes in working capital (II)		**(32,583)**	**(39,346)**
Corporate income tax payments		(18,457)	(16,425)
Cash flows from Income Tax (III)		**(18,457)**	**(16,425)**
NET CASH FLOW FROM OPERATING ACTIVITIES (A)= (I)+(II)+(III)		**96,846**	**104,582**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Business combination		-	(9,934)
Proceeds due to disposals of subsidiaries and other non-current financial assets		23	30,035
Payments due to acquisition of subsidiaries and other non-current financial assets		(22,557)	(60,700)
Proceeds from disposal of property, plant and equipment		4,202	-
Payments due to acquisition of tangible and intangible assets	5 & 7	(36,499)	(25,222)
Net cash flows used in investing activities (B)		**(54,831)**	**(65,821)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Share Buyback	10.c	-	(36,103)
Interest received	14.b	2,220	1,541
Interest paid		(18,242)	(15,513)
Net changes in non-current financing (proceeds and payments)		-	(9,813)
Net changes in current financing (proceeds and payments)		(31,835)	61,188
Net payment of lease liabilities	13.c	(35,511)	(32,423)
Dividends paid by Group companies to non-controlling interests		(8,910)	(13,098)
Net cash flows used in financing activities (C)		**(92,278)**	**(44,221)**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (D)		**238**	**(2,969)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		**(50,025)**	**(8,429)**
Cash and cash equivalents at beginning of year		**203,553**	**183,010**
Cash and cash equivalents at end of year		**153,528**	**174,581**

(*) Unaudited interim condensed consolidated statement of cash flows for the first half of 2024 and of 2023.

The accompanying Notes 1 to 21 are an integral part of the interim condensed consolidated statement of cash flows for the first half of 2024.

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Translation of interim condensed 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 21). In the event of a discrepancy, the Spanish-language version prevails.

Applus Services, S.A. and Subsidiaries

Explanatory Notes to the Interim Condensed Consolidated Financial Statements for the first half of 2024

1. Group activities

Applus Services, S.A. (formerly Applus Technologies Holding, S.L., "the Parent") 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.

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 organisation 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 organisation 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 organisation 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 Parent 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 Parent 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.

In view of the business activities carried out on by the Parent Company and its subsidiaries, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. The environmental activities carried out by the Group are detailed in the Note 23 to the consolidated financial statements for 2023.

The Group's consolidated financial statements for 2023 were approved at the General Shareholders' Meeting of the Parent company, held on 27 June 2024.

2. Basis of presentation and basis of consolidation

a) *Basis of presentation*

These interim condensed consolidated financial statements for the first half ended 30 June 2024 were prepared in accordance with IAS 34, Interim Financial Reporting, which forms part of the International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). These interim condensed consolidated financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, which were prepared in accordance with EU-IFRSs. Accordingly, it was not necessary to repeat or update certain notes or estimates included in those consolidated financial statements. Therefore, the accompanying selected explanatory notes include an explanation of the events and changes that are significant to an understanding of the changes in consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Applus Group in the period from 31 December 2023, the date of the aforementioned consolidated financial statements, to 30 June 2024.

These interim condensed consolidated financial statements were approved by the Parent's Directors at the Board of Directors meeting held on 24 July 2024.

The interim condensed consolidated financial statements of the Applus Group were prepared on the basis of the financial statements of the Parent and the Group companies in accordance with EU-IFRS.

b) *Comparative information*

In accordance to IAS 34, in order to obtain comparative information, these interim condensed consolidated financial statements include the interim condensed consolidated statement of financial position as at 30 June 2024 and the consolidated statement of financial position as at 31 December 2023, the interim condensed consolidated statements of profit or loss for the six-month periods ended 30 June 2024 and 2023, the interim condensed consolidated statements of comprehensive income for the six-month periods ended 30 June 2024 and 2023, the interim condensed consolidated statements of changes in equity for the six-month periods ended 30 June 2024 and 2023, the interim condensed consolidated statements of cash flows for the six-month periods ended 30 June 2024 and 2023, and the explanatory notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2024.

c) *Responsibility for the information and use of estimates*

The Parent's Directors are responsible for the information contained in these interim condensed consolidated financial statements with the applicable regulatory financial reporting framework (see section 2.a) above) and for such internal control measures that they consider necessary to ensure the interim condensed consolidated financial statements do not have any material misstatement.

In the Group's interim condensed consolidated financial statements at 30 June 2024 estimates were made by the Group Management, later ratified by the Directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The measurement of goodwill (see Note 4).
- The impairment losses on certain assets (see Note 6).
- The recoverability of the deferred tax assets recognised (see Note 15.a).
- The right-of-use assets and obligations under leases (see Note 13).
- The useful life of the property, plant and equipment and intangible assets.
- The assumptions used in measuring the recoverable amount of the financial instruments and the assets and liabilities in the business combinations.
- Income from pending to be billed services.
- Provisions and contingent liabilities (see Note 17).
- Corporate income tax and deferred tax assets and liabilities (see Note 15).

Although these estimates were made on the basis of the best information available as of 30 June 2024 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, 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.

Voluntary tender offer for shares of the Applus Group

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

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

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

In parallel, on 14 September 2023, Amber EquityCo, S.L.U., a company wholly owned indirectly by private equity funds managed by indirectly-owned subsidiaries of ISQ Holdings, L.L.C. and TDR Capital L.L.P. ("ISQ and TDR") (Amber EquityCo, S.L.U. is owned 50% by funds managed by subsidiaries of ISQ and 50% by funds managed by TDR), submitted an application for authorisation of a voluntary tender offer for all the shares of the Parent Company with an initial offer price of EUR 9.75 per Applus share. On 2 February 2024, ISQ and TDR announced their decision to increase the price of their offer to EUR 11 and reduce the Minimum Acceptance Condition to 50%. The Spanish Cabinet authorised the foreign investment without any conditions on 30 January 2024 and it was admitted for processing of the application for authorisation by the CNMV on February 16, 2024.

On 26 April 2024, the CNMV has opened the envelopes presented by the competing bids, resulting in the increase of the cash consideration offered by Apollo to EUR 12.51 per share and Amber to EUR 12.78 per share.

On 16 May 2024, Apollo communicated to the CNMV the decision to withdraw its offer, to the extent that there existed a competing offer at a higher price, which left the offer presented by ISQ and TDR as the unique one.

On 17 May 2024, the CNMV authorised the modification of Amber's takeover bid for Applus shares, raising its price to 12.78 euros per share. Such takeover bid continues to be subject to an acceptance condition of no less than 50% of Applus' share capital for it to be effective, which acceptance period was 15 days, from 21 May to 4 June (both included) 2024.

On 11 June 2024, the CNMV published that the takeover bid launched by Amber EquityCo, S.L.U. for 100% of the share capital of Applus Services, S.A. had been accepted for 91,188,306 shares, representing 70.65% of the shares.

The Group has certain debt, fundamentally, the syndicated loan and private debt placed with US investors (see Note 11), which amounted to EUR 494 million at 30 June 2024. The contractual conditions of these debts include a change of control clause that the lenders could activate, accelerating the repayment of the debt.

In accordance with the regulatory financial reporting framework applicable to the Group, the financial debt is presented as a current liability in the attached interim condensed consolidated statement of financial position at 30 June 2024. The Directors, together with their legal counsel, consider that the change of control clause might carry the right to accelerate the repayment of the financing granted if there is a change of control, which can only be exercised, as the case may be, when such change of control occurs, is therefore that the Parent's Directors expect all of the above liabilities to mature on the short-term but they will be refinanced during July 2024.

Also, certain long-term share-based incentive plans of the Group's management team and key employees foresee have been settled for an amount of EUR 21.4 million (see Note 19).

3. Accounting policies and measurement bases

The accounting policies and measurement bases used in these interim condensed consolidated financial statements as at 30 June 2024 are the same as those used to prepare the consolidated financial statements for the year ended 31 December 2023, with the following exceptions:

a) Changes in accounting policies and in disclosures of information effective in 2024

In 2024 new accounting standards came into force and were therefore taken into account when preparing the accompanying interim condensed consolidated financial statements. The following standards were applied in these interim condensed consolidated financial statements but did not have a significant impact on the presentation hereof or the disclosures herein:

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning on or after:**
Approved for use in the European Union		
Amendments and/or interpretations:		
Amendments to IAS 1 **Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants** (issued in January 2020)	Clarifications relating to the presentation of liabilities as current or non-current, and in particular of liabilities with maturities subject to compliance with covenants.	1 January 2024
Amendments to IFRS 16 **Lease Liability in a Sale and Leaseback** (issued in September 2022)	These amendments clarify the subsequent accounting for lease liabilities arising in a sale and leaseback.	1 January 2024
Amendments to IAS 7 and IFRS 7 **Supplier Finance Arrangements** (issued in May 2023)	These amendments introduce specific disclosure requirements regarding supplier finance arrangements and the effects of those arrangements on the entity's liabilities and cash flows, including its exposure to liquidity risk and the associated risk management.	1 January 2024

b) Accounting policies issued but not yet in force in 2024

At the date of preparation of these interim condensed 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 interim condensed consolidated financial statements or because they had not yet been adopted by the European Union (EU-IFRS):

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning on or after:**
Not yet approved for use in the European Union		
New standards:		
IFRS 18 **Presentation and breakdown in the financial statements** (issued in April 2024)	IFRS 18 replaces IAS 1 and changes the presentation and breakdown in the financial statements. It introduces a specific structure for the profit and loss account, breakdowns for performance measures defined by management, and improved principles on aggregation and disaggregation. It does not affect the	1 January 2027

	recognition or valuation of items but could change how the "operating result" is reported.	
IFRS 19 **Subsidiaries without public responsibility: Disclosures** (issued in May 2024)	This new standard has been developed to allow subsidiaries without public responsibility, with a parent company that applies IFRS standards in its consolidated financial statements, to apply IFRS standards with disclosure requirements condensed. IFRS 19 is a voluntary standard that eligible subsidiaries may apply when preparing their own consolidated, separate or individual financial statements, whenever permitted by applicable regulatory legislation. These subsidiaries will continue to apply the recognition, measurement and presentation requirements of other IFRS standards, but may replace the disclosure requirements of those standards with reduced disclosure requirements.	1 January 2027
Not yet approved for use in the European Union		
Amendments and/or interpretations:		
Amendments to IAS 21 **Lack of Exchangeability** (issued in August 2023)	These amendments establish an approach that specifies, when a currency is exchangeable and, if it is not, how to determine the spot exchange rate to be applied.	1 January 2025
Amendments to IFRS 9 & IFRS 7 **Modification to the Classification and Valuation of Financial Instruments** (issued in June 2024)	The primary modifications are: Clarification of the recognition and derecognition dates for financial assets and liabilities, with a new exception for certain financial liabilities settled via an electronic funds transfer system. Clarification on assessing whether a financial asset meets the principal and interest payment criterion. Incorporation of new disclosure requirements for instruments with contractual terms that can alter cash flows, such as those related to ESG factors. Updating the disclosuro requirements for equity instruments designated at fair value through other comprehensive income.	1 January 2026

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 interim condensed consolidated financial statements.

c) *Changes in the scope of consolidation*

In the first half of 2024 the following changes in the scope of consolidation occurred:

- Companies sold in the first half of 2024:
  - SKC Engineering, Ltd.
- Companies liquidated in the first half of 2024:
  - Velosi Jorson Sdn Bhd (Brunei)
  - Applus Middle East Engineering Consultancy, L.L.C. (UAE)
  - Applus Japan Kabushiki Kaisha
  - Velosi Quality Management International, L.L.C.

According to IFRS 3, in the first half of 2024 the accounting process of certain acquisitions made in 2023, which are detailed in Note 2.b.e.1.1. of the consolidated financial statements of the year ended 31 December 2023, has been completed.

On 5 January 2024, the Group sold the company SKC Engineering, Ltd. The transaction price was not significant. This company was included in the Applus+ Energy & Industry division.

The result obtained on divestments in 2023 (see Note 2.b.e.2 of the consolidated financial statements of the year ended 31 December 2023) have been included under "Discontinued Operations" in the interim condensed consolidated statements of profit or loss for the six-month period ended 2023.

d) *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". The main average and closing rates used in the translation to euros of the balances held in foreign currency at 30 June 2024 and 31 December 2023 were as follows:

Euro	Currency:	30/06/2024		31/12/2023	
		Average rate	Closing rate	Average rate	Closing rate
Danish Krone	DKK	7.46	7.46	7.45	7.45
Swedish Krona	SEK	11.39	11.26	11.47	11.02
Omani Riyal	OMR	0.42	0.41	0.42	0.42
Czech Koruna	CZK	25.00	24.80	23.97	24.57
Canadian Dollar	CAD	1.47	1.46	1.46	1.46
Singapore Dollar	SGD	1.46	1.45	1.45	1.46
US Dollar	USD	1.08	1.07	1.08	1.10
Papua New Guinean Kina	PGK	4.00	4.12	3.78	3.98
Pound Sterling	GBP	0.85	0.84	0.87	0.87
Argentine Peso	ARS	n/a	973.81	n/a	885.79
Chilean Peso	CLP	1,016.00	1,007.11	906.75	981.77
Colombian Peso	COP	4,230.71	4,378.37	4,675.71	4,287.60
Mexican Peso	MXN	18.45	19.38	19.16	18.71
Brazilian Real	BRL	5.48	5.84	5.40	5.35
Qatari Riyal	QAR	3.94	3.90	3.94	4.01
Malaysian Ringgit	MYR	5.11	5.04	4.93	5.10
Saudi Riyal	SAR	4.05	4.01	4.05	4.13
Indonesian Rupiah	IDR	17,192.66	17,579.02	16,454.84	17,050.00
Australian Dollar	AUD	1.64	1.61	1.63	1.62
Peruvian Nuevo Sol	PEN	4.04	4.07	4.03	4.04
Kuwait Dinars	KWD	0.33	0.33	0.33	0.34
Chinese Yuan Renminbi	CNY	7.80	7.78	7.65	7.85
Dirhams	AED	3.97	3.93	3.97	4.04
Panamanian Balboa	PAB	1.08	1.07	1.08	1.10
Angolan Kwanza	AOA	909.29	914.49	739.75	927.34
Indian Rupee	INR	89.93	89.30	89.18	91.52
Uruguayan Peso	UYU	41.93	42.05	41.96	43.34
Nigerian Naira	NGN	1,440.95	1,601.59	683.68	996.56
Egyptian Pound	EGP	44,64	51,67	32,99	33.92

4. Goodwill

The detail, by Cash-Generating Unit, of the Group's goodwill at 30 June 2024 and 2023 year-end is as follows:

Cash-Generating Unit	Thousands of Euros	
	30/06/2024	31/12/2023
Auto Spain (*)	189,065	189,065
Energy & Industry Northern Europe	83,543	83,643
Energy & Industry North America	21,802	21,819
IDIADA	3,024	8,975
Energy & Industry Seameap	62,515	61,742
Laboratories	251,685	250,221
Auto Finisterre (*)	12,550	14,343
Energy & Industry Latin America	33,051	33,773
Energy & Industry Spain	59,035	59,140
Auto Denmark	6,843	6,843
Auto Sweden	70,297	71,819
Other	1,286	1,277
Total goodwill	**794,696**	**802,660**

(*) Includes the aggregate business of various concessions and administrative authorisations.

The changes in the first half of 2024 and in 2023 were as follows:

	Thousands of Euros
Balance at 1 January 2023	**792,897**
Changes in the scope of consolidation	54,292
Impairment	(25,000)
Other Changes	(10,954)
Translation differences	(8,575)
Balance at 31 December 2023	**802,660**
Changes in the scope of consolidation	-
Other Changes	(7,475)
Translation differences	(489)
Balance at 30 June 2024	**794,696**

Since the Group has various concessions with a finite useful life and according to the business plan, in order to ensure that at the end of the concession term the carrying amount of the assets is zero, in the first half of 2024 the Group recognised a write-down of EUR 7,776 thousand on goodwill under "Impairment and gains and losses on disposals of non-current assets" in the accompanying interim condensed consolidated statement of profit or loss in relation to the goodwill of the IDIADA and Auto Finisterre Cash-Generating Units, as shown under "Other Changes" in the foregoing table, together with the changes in the goodwill of 2023 acquisitions.

5. Other intangible assets

The changes in the first half of 2024 and in 2023 in the intangible asset accounts and in the related accumulated amortisation and impairment losses were as follows:

	30 June 2024 – Thousands of Euros						
	Balance at 1 January 2024	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Change in exchange rates and other	Balance at 30 June 2024
Cost:							
Administrative concessions	197,262	-	121	(168)	672	-	197,887
Patents, licences and trademarks	264,305	-	7	-	506	(646)	264,172
Administrative authorisations	176,344	-	9	-	-	302	176,655
Customer portfolio and other	171,878	-	-	-	962	484	173,324
Computer software	83,311	(77)	1,576	(16)	1,604	(72)	86,326
Goodwill acquired	20,998	-	-	-	-	638	21,636
Asset usage rights	74,439	-	-	-	-	-	74,439
Accreditations	80,990	-	-	-	(962)	(28)	80,000
Advances of intangible assets in progress	4,793	-	2,861	-	(3,222)	4	4,436
Other	56,693	-	1,247	-	1,580	19	59,539
Total cost	**1,131,013**	**(77)**	**5,821**	**(184)**	**1,140**	**701**	**1,138,414**
Accumulated amortisation:							
Administrative concessions	(186,256)	-	(697)	159	-	-	(186,794)
Patents, licences and trademarks	(154,430)	-	(3,417)	-	(506)	115	(158,238)
Administrative authorisations	(83,856)	-	(4,172)	-	-	(150)	(88,178)
Customer portfolio and other	(109,044)	-	(5,599)	-	-	(325)	(114,968)
Computer software	(69,580)	73	(2,713)	16	(451)	85	(72,570)
Goodwill acquired	(78)	-	-	-	-	-	(78)
Asset usage rights	(62,810)	-	(1,989)	-	-	362	(64,437)
Accreditations	(23,836)	-	(4,724)	-	-	(123)	(28,683)
Other	(41,723)	-	(1,817)	-	(33)	(15)	(43,588)
Total accumulated amortisation	**(731,613)**	**73**	**(25,128)**	**175**	**(990)**	**(51)**	**(757,534)**
Total impairment losses	**(57,179)**	-	-	-	-	-	**(57,179)**
Total net value	**342,221**	**(4)**	**(19,307)**	**(9)**	**150**	**650**	**323,701**

In the first half of 2024, the amortisation charge of the intangible assets arising from the process to allocate the price paid on the acquisitions recognised in the accompanying interim condensed consolidated financial statements amounted to EUR 19,198 thousand.

	31 December 2023 – Thousands of Euros						
	Balance at 1 January 2023	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Change in exchange rates and other	Balance at 31 December 2023
Cost:							
Administrative concessions	205,110	-	286	(8,339)	205	-	197,262
Patents, licences and trademarks	290,377	(23,995)	48	-	-	(2,125)	264,305
Administrative authorisations	176,805	-	82	-	15	(558)	176,344
Customer portfolio and other	214,303	(40,479)	-	-	-	(1,946)	171,878
Computer software	80,989	(605)	3,188	(978)	590	127	83,311
Goodwill acquired	19,653	1,472	-	-	-	(127)	20,998
Asset usage rights	74,439	-	-	-	-	-	74,439
Accreditations	67,469	13,090	-	-	-	431	80,990
Advances of intangible assets in progress	-	-	4,262	-	531	-	4,793
Other	56,296	92	2,535	(119)	(2,063)	(48)	56,693
Total cost	**1,185,441**	**(50,425)**	**10,401**	**(9,436)**	**(722)**	**(4,246)**	**1,131,013**
Accumulated amortisation:							
Administrative concessions	(179,336)	-	(15,051)	8,191	(60)	-	(186,256)
Patents, licences and trademarks	(161,665)	13,953	(6,858)	-	-	140	(154,430)
Administrative authorisations	(75,847)	-	(8,280)	-	-	271	(83,856)
Customer portfolio and other	(126,462)	28,631	(12,266)	-	-	1,053	(109,044)
Computer software	(65,211)	(288)	(6,199)	962	1,321	(165)	(69,580)
Goodwill acquired	(78)	-	-	-	-	-	(78)
Asset usage rights	(58,822)	-	(4,954)	-	-	966	(62,810)
Accreditations	(14,697)	-	(9,092)	-	-	(47)	(23,836)
Other	(38,342)	(51)	(3,410)	72	-	8	(41,723)
Total accumulated amortisation	**(720,460)**	**42,245**	**(66,110)**	**9,225**	**1,261**	**2,226**	**(731,613)**
Total impairment losses	**(90,889)**	**33,710**	-	-	-	-	**(57,179)**
Total net value	**374,092**	**25,530**	**(55,709)**	**(211)**	**539**	**(2,020)**	**342,221**

Intangible assets by cash-generating unit

The detail of intangible assets by cash-generating unit is as follows:

	30 June 2024 - Thousands of Euros												
	Auto Spain	Energy & Industry Northern Europe	Energy & Industry Seameap	Energy & Industry North America	IDIADA	Energy & Industry Spain	Laboratories	Energy & Industry Latin America	Auto Denmark	Auto Finisterre	Auto Sweden	Other	Total
Cost:													
Administrative concessions	84,542	-	-	-	-	182	-	-	-	113,163	-	-	197,887
Patents, licences and trademarks	18,602	89,400	58,565	-	12,304	41,902	13,385	-	-	-	29,872	142	264,172
Administrative authorisations	165,986	-	-	-	-	-	-	-	-	-	-	10,669	176,655
Customer portfolio and other	-	41,532	46,887	-	-	35,110	30,338	15,993	-	-	3,464	-	173,324
Computer software	6,053	14,850	4,978	1,033	8,495	8,227	8,052	5,878	2,477	372	10,284	15,627	86,326
Goodwill acquired	-	8,522	-	3,525	4,184	1,381	1,993	-	2,031	-	-	-	21,636
Asset usage rights	723	-	-	-	36,729	-	34,987	-	-	-	-	2,000	74,439
Accreditations	-	-	-	-	-	-	80,000	-	-	-	-	-	80,000
Advances of intangible assets in progress	-	1,753	43	-	2,005	-	146	21	-	468	-	-	4,436
Other	666	19,956	435	-	27,958	7,010	2,562	13	939	-	-	-	59,539
Total cost	**276,572**	**176,013**	**110,908**	**4,558**	**91,675**	**93,812**	**171,463**	**21,905**	**5,447**	**114,003**	**43,620**	**28,438**	**1,138,414**
Accumulated amortisation:													
Administrative concessions	(77,280)	-	-	-	-	(182)	-	-	-	(109,332)	-	-	(186,794)
Patents, licences and trademarks	(12,344)	(39,272)	(53,366)	-	(11,800)	(27,520)	(7,249)	-	-	-	(6,545)	(142)	(158,238)
Administrative authorisations	(82,454)	-	-	-	-	-	-	-	-	-	-	(5,724)	(88,178)
Customer portfolio and other	-	(27,550)	(35,598)	-	-	(24,088)	(18,941)	(6,226)	-	-	(2,565)	-	(114,968)
Computer software	(5,529)	(10,954)	(4,218)	(783)	(7,730)	(7,360)	(6,515)	(3,877)	(2,423)	(366)	(10,232)	(12,583)	(72,570)
Goodwill acquired	-	-	-	-	-	(71)	(7)	-	-	-	-	-	(78)
Asset usage rights	(723)	-	-	-	(35,617)	-	(27,289)	-	-	-	-	(808)	(64,437)
Accreditations	-	-	-	-	-	-	(28,683)	-	-	-	-	-	(28,683)
Other	(563)	(13,283)	(307)	-	(22,334)	(4,757)	(2,344)	-	-	-	-	-	(43,588)
Total accumulated amortisation	**(178,893)**	**(91,059)**	**(93,489)**	**(783)**	**(77,481)**	**(63,978)**	**(91,028)**	**(10,103)**	**(2,423)**	**(109,698)**	**(19,342)**	**(19,257)**	**(757,534)**
Total impairment (Note 6)	**(7,051)**	**(50,128)**	-	-	-	-	-	-	-	-	-	-	**(57,179)**
Total net value	**90,628**	**34,826**	**17,419**	**3,775**	**14,194**	**29,834**	**80,435**	**11,802**	**3,024**	**4,305**	**24,278**	**9,181**	**323,701**

	2023 – Thousands of Euros												
	Auto Spain	Energy & Industry Northern Europe	Energy & Industry Seameap	Energy & Industry North America	IDIADA	Energy & Industry Spain	Laboratories	Energy & Industry Latin America	Auto Denmark	Auto Finisterre	Auto Sweden	Other	Total
Cost:													
Administrative concessions	84,542	-	-	-	-	182	-	-	-	112,538	-	-	197,262
Patents, licences and trademarks	18,602	89,400	58,565	-	12,304	41,389	13,385	-	-	-	30,518	142	264,305
Administrative authorisations	165,986	-	-	-	-	-	-	-	-	-	-	10,358	176,344
Customer portfolio and other	-	41,532	46,356	-	-	34,970	29,132	16,349	-	-	3,539	-	171,878
Computer software	5,902	14,080	4,759	1,113	8,068	7,429	7,567	5,835	2,479	372	10,507	15,200	83,311
Goodwill acquired	-	8,298	-	3,535	3,763	1,381	1,988	-	2,033	-	-	-	20,998
Asset usage rights	723	-	-	-	36,729	-	34,987	-	-	-	-	2,000	74,439
Accreditations	-	-	-	-	-	-	80,990	-	-	-	-	-	80,990
Advances of intangible assets in progress	-	3,065	9	-	1,186	-	-	20	-	513	-	-	4,793
Other	688	18,212	430	-	26,958	6,911	2,548	7	939	-	-	-	56,693
Total cost	**276,443**	**174,587**	**110,119**	**4,648**	**89,008**	**92,262**	**170,597**	**22,211**	**5,451**	**113,423**	**44,564**	**27,700**	**1,131,013**
Accumulated amortisation:													
Administrative concessions	(77,068)	-	-	-	-	(182)	-	-	-	(109,006)	-	-	(186,256)
Patents, licences and trademarks	(11,971)	(39,272)	(53,057)	-	(11,298)	(26,090)	(6,707)	-	-	-	(5,893)	(142)	(154,430)
Administrative authorisations	(78,822)	-	-	-	-	-	-	-	-	-	-	(5,034)	(83,856)
Customer portfolio and other	-	(26,719)	(33,707)	-	-	(23,059)	(17,607)	(5,685)	-	-	(2,267)	-	(109,044)
Computer software	(5,362)	(10,350)	(4,059)	(801)	(7,613)	(6,744)	(6,277)	(3,602)	(2,398)	(361)	(10,447)	(11,566)	(69,580)
Goodwill acquired	-	-	-	-	-	(71)	(7)	-	-	-	-	-	(78)
Asset usage rights	(723)	-	-	-	(34,499)	-	(26,880)	-	-	-	-	(708)	(62,810)
Accreditations	-	-	-	-	-	-	(23,836)	-	-	-	-	-	(23,836)
Other	(557)	(12,491)	(272)	-	(21,470)	(4,614)	(2,319)	-	-	-	-	-	(41,723)
Total accumulated amortisation	**(174,503)**	**(88,832)**	**(91,095)**	**(801)**	**(74,880)**	**(60,760)**	**(83,633)**	**(9,287)**	**(2,398)**	**(109,367)**	**(18,607)**	**(17,450)**	**(731,613)**
Total impairment (Note 6)	**(7,051)**	**(50,128)**	-	-	-	-	-	-	-	-	-	-	**(57,179)**
Total net value	**94,889**	**35,627**	**19,024**	**3,847**	**14,128**	**31,502**	**86,964**	**12,924**	**3,053**	**4,056**	**25,957**	**10,250**	**342,221**

6. Impairment of assets

Note 6 to the consolidated financial statements for 2023 details the various items included under this heading.

At each annual reporting date the Group's Management team reviews the Cash-Generating units' performance based on the types of business and the various geographical areas, at least once per year, at year end or if there are indications of impairment.

At 30 June 2024, the Parent's Directors consider that there are no significant indications of impairment of any of the Cash-Generating Units and, therefore, no significant asset impairment losses were recognised or reversed in the first half of 2024.

7. Property, plant and equipment

The changes in the first half of 2024 and in 2023 in the various property, plant and equipment accounts and in the related accumulated depreciation and provisions were as follows:

	30 June 2024 - Thousands of Euros						
	Balance at 1 January 2024	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Change in exchange rate and other	Balance at 30 June 2024
Cost:							
Land and buildings	190,526	-	1,188	(1,358)	2,851	2,762	195,969
Plant and machinery	480,107	(139)	6,880	(3,587)	19,866	2,743	505,870
Other fixtures, tools and furniture	76,437	(8)	923	(620)	(16,229)	276	60,779
Other items of property, plant and equipment	64,439	-	2,179	(1,433)	4,680	1,150	71,015
Advances and property, plant and equipment in progress	31,586	-	19,508	(894)	(8,254)	(97)	41,849
Grants	(22,307)	-	-	974	(1,095)	(51)	(22,479)
Total cost	**820,788**	**(147)**	**30,678**	**(6,918)**	**1,819**	**6,783**	**853,003**
Accumulated depreciation:							
Land and buildings	(92,613)	-	(6,137)	33	722	(2,495)	(100,490)
Plant and machinery	(339,571)	113	(22,624)	3,051	(9,342)	(2,021)	(370,394)
Other fixtures, tools and furniture	(53,409)	8	(2,386)	610	9,723	(217)	(45,671)
Other items of property, plant and equipment	(60,975)	-	(2,674)	1,411	(3,072)	(836)	(66,146)
Total accumulated depreciation	**(546,568)**	**121**	**(33,821)**	**5,105**	**(1,969)**	**(5,569)**	**(582,701)**
Total impairment	**(5,388)**	**-**	**(1,200)**	**127**	**-**	**(34)**	**(6,495)**
Total net value	**268,832**	**(26)**	**(4,343)**	**(1,686)**	**(150)**	**1,180**	**263,807**

	2023 - Thousands of Euros						
	Balance at 1 January 2023	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2023
Cost:							
Land and buildings	168,992	11,407	4,190	(2,973)	11,335	(2,425)	190,526
Plant and machinery	463,198	(10,006)	28,860	(10,814)	16,570	(7,701)	480,107
Other fixtures, tools and furniture	75,344	(1,139)	4,336	(1,335)	(354)	(415)	76,437
Other items of property, plant and equipment	65,866	1,730	4,429	(3,058)	(2,647)	(1,881)	64,439
Advances and property, plant and equipment in progress	18,389	1,295	27,052	(256)	(14,502)	(392)	31,586
Grants	(3,115)	(4,896)	-	399	(14,665)	(30)	(22,307)
Total cost	**788,674**	**(1,609)**	**68,867**	**(18,037)**	**(4,263)**	**(12,844)**	**820,788**
Accumulated depreciation:							
Land and buildings	(84,585)	(2,342)	(9,534)	1,237	1,125	1,486	(92,613)
Plant and machinery	(332,967)	17,376	(37,518)	7,863	90	5,585	(339,571)
Other fixtures, tools and furniture	(52,437)	1,170	(3,886)	1,217	211	316	(53,409)
Other items of property, plant and equipment	(63,440)	(1,161)	(3,901)	3,770	2,298	1,459	(60,975)
Total accumulated depreciation	**(533,429)**	**15,043**	**(54,839)**	**14,087**	**3,724**	**8,846**	**(546,568)**
Total impairment	**(2,188)**	**(1,241)**	**(2,600)**	**633**	**-**	**8**	**(5,388)**
Total net value	**253,057**	**12,193**	**11,428**	**(3,317)**	**(539)**	**(3,990)**	**268,832**

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.

8. Non-current financial assets

Note 8 to the consolidated financial statements for 2023 details the various items included under this heading.

As of 30 June 2024, "Non-Current Financial Assets" include deposits and guarantees for EUR 14.8 million (EUR 16.8 million in 2023), of which EUR 3 million (EUR 3.4 million in 2023) correspond to restricted cash deposits for certain signed contracts. Additionally, long-term loans for an amount of EUR 9.2 million (EUR 8.9 million in 2023) net of impairment.

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

The detail of these headings at 30 June 2024 and 31 December 2023 is as follows:

	Thousands of Euros	
	30/06/2024	31/12/2023
Trade receivables for sales and services	330,691	338,402
Work in progress	201,556	146,898
Provision for doubtful debts	(21,272)	(20,247)
Trade receivables for sales and services	**510,975**	**465,053**
Trade receivables from related companies	199	197
Other receivables	26,860	27,859
Other accounts receivable from public authorities	16,520	14,023
Total trade and other receivables	**554,554**	**507,132**

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 changes in "Provision for doubtful debts" in the first half of 2024 and in 2023 are as follows:

	Thousands of euros
Balance at 1 January 2023	**23,260**
Additions	6,605
Amounts used	(4,400)
Disposals	(5,336)
Effect of exchange rate changes	118
Balance at 31 December 2023	**20,247**
Additions	3,452
Amounts used	(1,710)
Disposals	(855)
Effect of exchange rate changes	138
Balance at 30 June 2024	**21,272**

10. Equity

a) Share capital

At 29 November 2007, the Parent increased share capital and the stamp duty on the capital increase amounted to EUR 1,231 thousand was recognised as a deduction in the share capital.

At 31 December 2023, the Parent's share capital was represented by 129,074,133 fully subscribed and paid-up ordinary shares of EUR 0.10 per value each, fully subscribed and paid.

At 30 June 2024, there has not been any movement in the share capital of the Parent Company. Consequently, at 30 June 2024, the Parent's share capital is represented by 129,074,133 ordinary shares of EUR 0.10 per value each, fully subscribed and paid.

As per the notifications of the number of shares submitted to the Spanish National Securities Market Commission (CNMV), the shareholders owning significant direct and indirect interests in the share capital of the Parent representing more than 3% of the total share capital at 30 June 2024 were as follows:

	% Voting rights attached to shares	% Voting rights through financial instruments	% Total voting rights
Amber EquityCo, S.L.U.	70.65%	-	70.65%
Manzana BidCo Spain, S.L.U.	21.85%	-	21.85%
TIG Advisors, L.L.C.	3.06%	-	3.06%

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 Parent, or of any lower ownership interests that might permit the holder to exercise a significant influence over the Parent.

b) Reserves and share premium

The Parent's legal reserve at 30 June 2024 amounts to EUR 2,860 thousand and it had reached the legally required minimum.

The total amount of share premium at 30 June 2024 is EUR 449,391 thousand and it is fully available.

At the closing of June 2024 and December 2023, the Group owns reserves that add up to EUR 154,763 and 135,955 thousand, respectively.

c) Treasury shares

At 30 June 2024, the Group does not hold treasury shares.

At 31 December 2023, the Group held a total of 146,997 treasury shares at an average cost of EUR 7.01 per share. The value of these treasury shares totaled EUR 1,030 thousand, which is recognised under "Treasury Shares" in the accompanying interim condensed consolidated statement of financial position at 31 December 2023.

During the first half of 2024 the Group delivered to the Executive Director and certain executives of the Group a total of 139,027 shares (248,598 shares in 2023) (see Note 19).

d) Distribution of profit

On June 2024, the shareholders at Annual General Meeting of the Parent Company resolved to allocate the 2023 net profit of the Parent Company that amounts to EUR 22,141 thousand to voluntary reserves.

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

e) 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 30 June 2024 and 2023 the profit per share is as follows:

	30/06/2024	30/06/2023
Number of shares	129,074,133	129,074,133
Average number of shares (excluding treasury shares)	129,027,273	130,761,150
Net consolidated profit from continuing operations	(1,094)	30,389
Net consolidated profit attributable to the Parent (thousands of euros)	(1,094)	26,438
Number of shares outstanding	129,074,133	128,927,136
Number of treasury shares	-	146,997
Total number of shares	129,074,133	129,074,133
Profit per share from continuing operations (in euros per share)		
- Basic	(0.01)	0.23
- Diluted	(0.01)	0.23
Profit per share (in euros per share)		
- Basic	(0.01)	0.20
- Diluted	(0.01)	0.20

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

f) Valuation adjustments

The amount classified under "Valuation adjustments" in the interim condensed consolidated statement of financial position is composed mainly by foreign currency translation reserves. The detail of the foreign currency translation at 30 June 2024 and 31 December 2023 is as follows:

	Thousands of Euros	
	30/06/2024	31/12/2023
Applus+ Energy & Industry	(34,805)	(37,236)
Applus+ Laboratories	(2,036)	(2,731)
Applus+ Automotive	(35,211)	(34,675)
Applus+ IDIADA	(490)	(557)
Other	40	151
Total	**(72,502)**	**(75,048)**

g) Non-controlling interests

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

	30 june 2024 - Thousands of Euros		
	Share capital, Reserves and Others	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	29,510	2,922	32,432
IDIADA Automotive Technology, S.A. subgroup	7,364	3,450	10,814
Arctosa Holding B.V. subgroup	946	244	1,190
Velosi S.à.r.l subgroup	8,811	1,266	10,077
Applus Iteuve Technology, S.L.U. subgroup	(7,188)	210	(6,978)
Total non-controlling interests	**39,443**	**8,092**	**47,535**

	2023 - Thousands of Euros		
	Share capital, Reserves and Others	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	24,869	4,212	29,081
IDIADA Automotive Technology, S.A. subgroup	10,408	5,375	15,783
Arctosa Holding B.V. subgroup	874	18	892
Velosi S.à r.l subgroup	6,407	3,258	9,665
Applus Iteuve Technology, S.L.U. subgroup	(7,345)	484	(6,861)
Total non-controlling interests	**35,213**	**13,347**	**48,560**

11. Obligations and bank borrowings

The detail, by maturity, of the obligations and bank borrowings at 30 June 2024 and 31 December 2023 in the interim condensed consolidated statement of financial position is as follows:

	30 June 2024 - Thousands of Euros						
	Limit	Short Term Drawn	Long Term Drawn 2025	2026	2027	2028 onwards	Total
Facility A "Term Loan"	**200,000**	200,000	-	-	-	-	**200,000**
Facility B "Revolving Credit Facility"	**400,000**	214,026	-	-	-	-	**214,026**
US Private Placement lenders	**80,000**	80,000	-	-	-	-	**80,000**
CaixaBank credit facility	**100,000**	20,000	-	-	-	-	**20,000**
Banco Sabadell Loan	-	14,727	-	-	-	-	**14,727**
Accrued interests	-	2,035	-	-	-	-	**2,035**
Debt Arrangement fees	-	(236)	-	-	-	-	**(236)**
Other loans	-	1,125	-	-	-	-	**1,125**
Credit facilities	**98,034**	56,921	-	-	-	-	**56,921**
Obligations under finance leases	-	112	-	-	-	-	**112**
Hedging instruments	-	29	-	-	-	-	**29**
	878,034	**588,739**	-	-	-	-	**588,739**

	2023 - Thousands of Euros						
	Limit	Short Term Drawn	Long Term Drawn 2025	2026	2027	2028 onwards	Total
Facility A "Term Loan"	**200,000**	-	200,000	-	-	-	**200,000**
Facility B "Revolving Credit Facility"	**400,000**	-	270,600	-	-	-	**270,600**
US Private Placement lenders	**330,000**	-	150,000	-	-	180,000	**330,000**
CaixaBank credit facility	**100,000**	30,000	-	-	-	-	**30,000**
Banco Sabadell Loan	-	3,348	3,509	3,677	3,854	1,996	**16,384**
Accrued interests	-	3,350	-	-	-	-	**3,350**
Debt Arrangement fees	-	(131)	(82)	(36)	(36)	(16)	**(301)**
Other loans	-	1,185	577	97	24	122	**2,005**
Credit facilities	**97,892**	12,160	16,807	-	-	-	**28,967**
Obligations under finance leases	-	124	38	9	-	-	**171**
Hedging instruments	-	(11)	-	-	-	-	**(11)**
Total	**1,127,892**	**50,025**	**641,449**	**3,747**	**3,842**	**182,102**	**881,165**

At 30 June 2024, the consolidated Group's debt structure is mainly composed of a 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 80 million, bearing interest at a fixed rate.

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 had been effective in 2022 of which EUR 20 million were drawn down at 30 June 2024.

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

On 13 June 2024, the private debt placement with one of the institutional investors for an amount of EUR 251 million including interests was cancelled. This debt was replaced by a new one of the same amount with the related company, Amber FinCo PLC. (see Note 18).

The Group had liquidity of EUR 461 million at 30 June 2024 at closing exchange rate, taking into account cash and cash equivalents reflected in the accompanying interim condensed consolidated statement of financial position and the undrawn balances of the financing lines detailed previously, as well as the debt with the related company Amber FinCo PLC. (2023 year-end: EUR 472 million).

The aforementioned bank borrowings include change of control covenants that entitle the financial creditors to demand repayment of the amounts drawn down. The Parent's Directors expect all of the above liabilities to mature on the short term but they will be refinanced (see Note 2.c).

a) Syndicated loan and private placement debt

The syndicated loan bears interest at Euribor for tranches in euros 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 40 million maturing on 11 July 2025 and a tranche of EUR 40 million maturing on 11 July 2028.

Accordingly, the Parent's Directors estimate that the new maturity date of the aforementioned debts will be 24 July 2024.

The detail of syndicated loan and the private placement debt at 30 June 2024 and at 31 December 2023 is as follows:

First half of 2024

Tranche	Thousands of Euros		Maturity
	Limit	Amount drawn + interest added to principal	
Facility A "Term Loan"	200,000	200,000	24/07/2024
Facility B "Revolving Credit Facility"	400,000	214,026	24/07/2024
US Private Placement lenders - 7 years	40,000	40,000	24/07/2024
US Private Placement lenders - 10 years	40,000	40,000	24/07/2024
Accrued Interests	-	1,427	
Debt arrangement expenses	-	(236)	
Total	**680,000**	**495,217**	

2023

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	270,600	27/07/2025
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	-	2,733	
Debt arrangement expenses	-	(301)	
Total	**930,000**	**803,032**	

a.1) Obligations and restrictions related 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, defined as the measure of earnings before interest, taxes, other results and depreciation and amortization (hereinafter, "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 30 June 2024 the ratio, calculated on the basis of the contractually established definitions of net consolidated debt and consolidated EBITDA, was 2.4x (the ratio has been calculated including financial debt with related companies).

Considering the current credit lines and with the current established terms and conditions, the Parent's Directors do not expect any non-compliance of the financial leverage ratio.

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 17.b).

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 SOFR, plus a market spread.

The Group entered into a non-recourse factoring agreement to sell outstanding receivables from customers for up to a maximum of EUR 33 million bearing interest at the market rate, of which EUR 25,128 thousand had been used at 30 June 2024 (2023 year-end: EUR 10,495 thousand).

c) Disclosure for currency of obligations and bank borrowings

The detail of the main current and non-current obligations and bank borrowings at 30 June 2024 and 31 December 2023, by currency, is as follows:

	30 June 2024 – Thousands of Euros						
	Euro	US dollar	Canadian dollar	Colombian Peso	Chilean Peso	Others	Total
Syndicated loan	415,217	-	-	-	-	-	**415,217**
US Private Placement	80,000	-	-	-	-	-	**80,000**
Banco Sabadell loan	14,727	-	-	-	-	-	**14,727**
CaixaBank credit facility	20,530	-	-	-	-	-	**20,530**
Other loans	1,125	-	-	-	-	-	**1,125**
Credit facilities	48,680	6,134	6	2,072	40	67	**56,999**
Finance leases	63	-	11	-	23	15	**112**
Hedging instruments	29	-	-	-	-	-	**29**
Total	**580,371**	**6,134**	**17**	**2,072**	**63**	**82**	**588,739**

	2023 – Thousands of Euros						
	Euro	US dollar	Canadian dollar	Colombian Peso	Chilean peso	Others	Total
Syndicated loan	415,375	-	57,657	-	-	-	**473,032**
US Private Placement	330,000	-	-	-	-	-	**330,000**
Banco Sabadell loan	16,384	-	-	-	-	-	**16,384**
CaixaBank credit facility	30,559	-	-	-	-	-	**30,559**
Others loans	1,804	-	-	201	-	-	**2,005**
Credit facilities	11,789	16,705	11	384	16	120	**29,025**
Finance leases	98	-	12	-	47	14	**171**
Hedging instruments	(11)	-	-	-	-	-	**(11)**
Total	**805,998**	**16,705**	**57,680**	**585**	**63**	**134**	**881,165**

12. Financial risks and derivative financial instruments

In the first half of 2024 the Group holds foreign currency derivatives contracts with Spanish banks with a high credit rating.

The Group opted to apply hedge accounting, as permitted by IFRS, 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 30 June 2024, the balance of "Current Liabilities – Obligations and Bank Borrowings" reflecting the fair value of the derivatives at that date amounted to EUR 29 thousand (EUR (11) thousand at 31 December 2023 (see Note 11)).

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

Details of the current hedging instruments are as follows, the value of which has not changed compared to 2023:

- Exchange rate hedging forward amounting to USD 355 thousand. The maturity of this instrument is on 15 July 2024.
- Exchange rate hedging forward amounting to USD 721 thousand. The maturity of this instrument is on 15 July 2024

The financial risks faced by the Group are the same as those indicated in Note 16 to the consolidated financial statements for 2023.

13. Leases

a) Amounts recognised in the interim condensed consolidated statement of financial position

The amounts related to operating leases recognised in the interim condensed consolidated statement of financial position as at 30 June 2024 are as follows:

Rights of use

	Thousands of Euros	
	Net value	
	30/06/2024	31/12/2023
Rights of use		
Offices	118,656	118,174
Rights of use of facilities (fixed levies)	14,802	16,959
Vehicles	25,528	25,106
Machinery	7,654	8,000
Land	10,731	11,412
Hardware	404	152
Total	**177,775**	**179,803**

Lease liabilities

	Thousands of Euros	
	30/06/2024	31/12/2023
Lease liabilities		
Current	58,597	58,652
Non-current	132,033	133,947
Total	**190,630**	**192,599**

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

At 30 June 2024, the amounts related to leases recognised in the interim condensed consolidated statement of profit or loss are as follows: amortisation of the right-of-use assets for an amount of EUR 31,438 thousand (first half of 2023: EUR 27,484 thousand), basically offices and vehicles; finance costs on lease liabilities for an amount of EUR 4,323 thousand (first half of 2023: EUR 3,147 thousand) (see Note 14.b); and operating expenses related to leases of low-value assets not considered short-term, short-term leases and, variable lease payments not included in the measurement of lease liabilities, for an amount of EUR 37,625 thousand (first half of 2023: EUR 33,848 thousand), which correspond, basically, to auto stations' variable rent levies of the Automotive division for an amount of EUR 19,156 (first half of 2023: EUR 18,388 thousand).

In the first half of 2024 and 2023, the consolidated EBITDA impact corresponds to minor operating lease expenses amounting EUR 35,511 thousand and EUR 32,423 thousand (EUR 30,859 thousand corresponding to continuing operations and EUR 1,564 thousand to discontinued operations), respectively.

*c) **Amounts recognised in the interim condensed consolidated statement of cash flows***

In the six-month period ended 30 June 2024 and 2023, the total amount of cash outflows relating to leases amounted to EUR 35,511 thousand and EUR 32,423 thousand (EUR 30,859 thousand corresponding to continuing operations and EUR 1,564 thousand to discontinued operations), respectively.

*d) **Leases in which the Group acts as lessee***

All amounts recognised in the interim condensed consolidated statement of financial position as at 30 June 2024 and 2023 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 the first half of 2024 and 2023, the Group has not recognised gains or losses in the interim condensed consolidated statement of profit or loss arising from sale and leaseback transactions.

In the first half of 2024 new lease contracts were registered as additions amounting to EUR 17.8 million, corresponding mainly to vehicle, office, laboratory and machinery contracts (14.5 million in the first quarter of 2023).

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 interim condensed consolidated statement of profit or loss.

14. Operating income and expenses

*a) **Staff costs***

The detail of "Staff Costs" in the accompanying interim condensed consolidated statement of profit or loss is as follows:

	Thousands of Euros	
	30/06/2024	30/06/2023
Wages, salaries and similar expenses	463,977	434,001
Severances	2,728	1,533
Employee benefit costs	71,990	65,103
Other staff costs	49,835	48,509
Total	**588,530**	**549,146**

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

Professional category	Average number of employees		
	First half of 2024		
	Men	Women	Total
Top management	76	18	94
Middle management	276	79	355
Supervisors	889	223	1,112
Operational employees & others	19,958	5,315	25,273
Total	**21,199**	**5,635**	**26,834**

Professional category	Average number of employees		
	First half of 2023		
	Men	Women	Total
Top management	75	21	**96**
Middle management	295	86	**381**
Supervisors	1,003	270	**1,273**
Operational employees & others	19,200	5,037	**24,237**
Total	**20,573**	**5,414**	**25,987**

Also, the distribution of the workforce, by gender and category at the end of the first half of 2024 and 2023, is as follows:

Professional category	Number of employees		
	First half of 2024		
	Men	Women	Total
Top management	76	18	94
Middle management	276	79	355
Supervisors	890	224	1,114
Operational employees & others	20,177	5,478	25,655
Total	**21,419**	**5,799**	**27,218**

Professional category	Number of employees		
	First half of 2023		
	Men	Women	Total
Top management	74	21	**95**
Middle management	287	82	**369**
Supervisors	949	192	**1,141**
Operational employees & others	19,170	5,095	**24,265**
Total	**20,480**	**5,390**	**25,870**

b) Financial result

The breakdown of the financial result in the first half of 2024 and 2023 is as follows:

	Thousands of Euros	
	30/06/2024	30/06/2023
Finance income:		
Other finance income from third parties	2,220	1,541
Total finance income	**2,220**	**1,541**
Finance costs:		
Borrowing costs relating to syndicated loan and US Private Placement	(14,285)	(12,540)
Other finance costs paid to third parties	(4,447)	(4,000)
Finance costs paid to related parties (Note 18)	(875)	-
Finance costs on leasing liabilities (Note 13)	(4,323)	(3,147)
Exchange differences	(2,083)	3
Total finance costs	**(26,013)**	**(19,684)**
Gains or losses on the net monetary position (Hyperinflation)	299	(34)
Total Financial Result	**(23,494)**	**(18,177)**

15. Corporate income tax

a) Deferred tax assets

The detail of "Deferred Tax Assets" recognised in the accompanying interim condensed consolidated statement of financial position as at 30 June 2024 and the consolidated statement of financial position as at 31 December 2023 is as follows:

	Thousands of Euros	
	30/06/2024	31/12/2023
Tax credit for tax loss carryforwards	11,099	16,620
Withholding taxes and other tax credits	16,159	10,215
Temporary differences	29,880	25,804
Total deferred tax assets	**57,138**	**52,639**

The deferred tax assets recognised in the interim condensed consolidated statement of financial position relate mainly to Spanish Group companies and amounted to EUR 23.197 thousand at 30 June 2024 (31 December 2023: EUR 23,017 thousand). Based on the expected results of the Spanish companies, the Group reassessed the probable recoverability of the deferred tax assets recognised in the foreseeable future over a period of time less than ten years.

b) Deferred tax liabilities

"Deferred Tax Liabilities" in the accompanying interim condensed consolidated statement of financial position as at 30 June 2024 and the consolidated statement of financial position as at 31 December 2023 includes mainly the following items:

	Thousands of euros	
	30/06/2024	31/12/2023
Temporary differences associated with:		
Recognition at fair value of the identifiable assets in acquisitions of business combinations	65,381	70,266
Depreciation and amortisation and measurement of assets and goodwill	9,227	9,747
Amortisation of goodwill paid in the acquisition of foreign companies by Spanish companies	7,217	7,196
Other deferred tax liabilities	9,320	9,906
Total deferred tax liabilities	**91,145**	**97,115**

c) Years open for review and tax audits

At 30 June 2024 the Spanish companies which belong to Spanish tax group have 2018-2022 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.

Note 20.f to the consolidated financial statements for 2023 details the main audit and tax contingencies the Group faces. In this connection, there have been no significant developments in the first half of 2024 with respect to the main inspection procedures in progress and the Parent's Directors do not expect significant additional liabilities to arise.

16. Segmented information

a) Financial information by segment

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 Group operating segments are detailed in Note 25 to the consolidated financial statements for 2023.

The financial information, by segment, in the interim condensed consolidated statement of profit or loss in the first half of 2024 and of 2023 is as follows (in thousands of euros):

First half of 2024

	Applus + Energy & Industry	Applus + Laboratories	Applus + Automotive	Applus + IDIADA	Other	Total
Revenue	564,238	141,813	206,988	181,129	90	**1,094,258**
Operating expenses	(518,011)	(119,188)	(168,974)	(155,423)	(17,660)	**(979,256)**
Adjusted Operating Profit	**46,227**	**22,625**	**38,014**	**25,706**	**(17,570)**	**115,002**
Amortisation of non-current assets identified in business combinations (Note 5)	(5,585)	(6,731)	(5,264)	(1,618)	-	**(19,198)**
Other results						**(47,683)**
Operating profit						**48,121**

First half of 2023

	Applus+ Energy & Industry	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Revenue	524,464	117,784	203,836	154,764	(11)	**1,000,837**
Operating expenses	(482,136)	(100,097)	(160,518)	(135,665)	(16,126)	**(894,542)**
Adjusted Operating Profit	**42,328**	**17,687**	**43,318**	**19,099**	**(16,137)**	**106,295**
Amortisation of non-current assets identified in business combinations (Note 5)	(5,112)	(5,670)	(12,277)	(2,158)	-	**(25,217)**
Other results						**(10,705)**
Operating profit						**70,373**

The Adjusted Operating Profit is the Operating Profit before the amortisation charge of the intangible assets allocated in the business combinations and other results.

Other results, impairment and gains and losses on disposals of non-current assets include "Impairment and gains or losses on disposal of non-current assets" and "Other results", both included in the interim condensed consolidated statement of profit or loss, and the provision for the reversion fund of the Cash Generating Unit of Laboratories, amounting to 509 thousand euros, which is included under "Depreciation and amortization charge", also in the interim condensed consolidated statement of profit or loss.

The finance costs were allocated mainly to the "Other" segment as it is the Holding division who manages bank borrowings (see Note 11).

The current, non-current assets and liabilities, by business segment, at 30 June 2024 and 31 December 2023 are as follows (in thousands of euros):

30 June 2024

	Applus + Energy & Industry	Applus + Laboratories	Applus + Automotive	Applus + IDIADA	Other	Total
Goodwill	259,946	251,685	278,755	3,024	1,286	**794,696**
Other intangible assets	97,656	80,435	122,235	14,194	9,181	**323,701**
Rights of use	33,168	32,027	72,897	39,202	481	**177,775**
Property, plant and equipment	70,161	94,883	82,094	14,739	1,930	**263,807**
Investments accounted for using the equity method	3,102	-	-	-	-	**3,102**
Non-current financial assets	12,670	1,253	2,141	781	7,125	**23,970**
Deferred tax assets	28,039	3,610	6,198	4,400	14,891	**57,138**
Total non-current assets	**504,742**	**463,893**	**564,320**	**76,340**	**34,894**	**1,644,189**
Total current assets	**459,478**	**95,890**	**36,867**	**163,365**	**13,059**	**768,659**
Total liabilities	**323,452**	**135,988**	**214,944**	**176,890**	**972,411**	**1,823,685**

2023

	Applus + Energy & Industry	Applus + Laboratories	Applus + Automotive	Applus + IDIADA	Other	Total
Goodwill	260,117	250,221	282,070	8,975	1,277	**802,660**
Other intangible assets	102,924	86,964	127,955	14,128	10,250	**342,221**
Rights of use	33,810	31,886	72,514	41,055	538	**179,803**
Property, plant and equipment	72,160	88,021	84,213	23,951	487	**268,832**
Investments accounted for using the equity method	3,176	-	-	-	-	**3,176**
Non-current financial assets	14,255	1,140	2,819	694	6,846	**25,754**
Deferred tax assets	22,811	3,628	6,311	4,099	15,790	**52,639**
Total non-current assets	**509,253**	**461,860**	**575,882**	**92,902**	**35,188**	**1,675,085**
Total current assets	**443,515**	**96,715**	**37,365**	**167,584**	**20,423**	**765,602**
Total liabilities	**330,017**	**149,483**	**208,682**	**170,182**	**993,234**	**1,851,598**

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

The additions to intangible assets and also to property, plant and equipment, by business segment, in the first half of 2024 and 2023 are as follows (in thousands of euros):

	Applus + Energy & Industry	Applus + Laboratories	Applus + Automotive	Applus + IDIADA	Other	Total
Capex - first half of 2024	8,350	14,180	4,405	9,339	225	**36,499**
Capex - first half of 2023	8,927	7,089	3,653	5,078	475	**25,222**

b) Financial information by geographical segment

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

The sales by geographical area, in the first half of 2024 and 2023, are as follows:

	Thousands of Euros	
	30/06/2024	30/06/2023
Spain	247,871	224,593
Rest of Europe	342,894	296,938
US and Canada	93,816	106,510
Asia and Pacific	131,959	130,988
Middle East and Africa	138,102	120,215
Latin America	139,616	121,593
Total	**1,094,258**	**1,000,837**

The non-current assets, by geographical area, at 30 June 2024 and 31 December 2023 are as follows (in thousands of euros):

Total non-current assets	Spain	Rest of Europe	US and Canada	Asia and Pacific	Latin America	Middle East and Africa	Total
30 June 2024	824,242	403,102	127,775	150,432	105,753	32,885	**1,644,189**
31 December 2023	852,413	411,890	130,285	144,174	101,470	34,853	**1,675,085**

17. Non-current provisions, obligations acquired and contingencies

a) Non-current provisions

Note 17 to the consolidated financial statements for 2023 details the various items included under this heading.

In the first half of 2024 there were no significant changes with respect to 31 December 2023.

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 Executive Committee and Committee of the subsidiaries, with the assistance of their advisers, considering the specific circumstances to each case.

b) Guarantees and obligations acquired

Note 27.a to the consolidated financial statements for 2023 details the guarantees provided by the Group.

In the first half of 2024 the guarantees granted amount to EUR 155.7 million (EUR 137.1 million at 31 December 2023).

The Parent's Directors do not expect any material liabilities additional to those recognised in the accompanying interim condensed consolidated statement of financial position as at 30 June 2024 to arise as a result of the transactions described in Note 27.a to the consolidated financial statements for 2023.

c) Contingencies

Note 27.b to the consolidated financial statements for 2023 details the main contingencies the Group faces.

There were no relevant changes in this connection in the first half of 2024.

At 30 June 2024, 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 interim condensed consolidated financial statements.

18. 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. 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 one member of the Board of Directors.

- The Directors and Senior Executive, as well as 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 of Directors or to the Chief Executive Officer (CEO) of the Group.

- Associates of the Group.

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

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

Transactions with associated companies
In the first half of 2024, the Parent and its subsidiaries have performed transactions with associated companies (Velosi (B) Sdn Bhd and Indoor Climate Management S.L.).

Balances with associated companies

a) Receivables from associated companies:

	Thousands of Euros	
	Trade receivables from associated companies	
	30/06/2024	31/12/2023
Velosi (B) Sdn Bhd	180	178
Indoor Climate Management, S.L.	19	19
Total	**199**	**197**

b) Payables to related companies:

	Thousands of Euros	
	Trade and other payables to associated companies	
	30/06/2024	31/12/2023
Velosi (B) Sdn Bhd	1	1
Total	1	1

Transactions with related companies

In the first half of 2024, the Parent and its subsidiaries have performed the following transactions with related companies (Amber FinCo, PLC):

	Thousands of Euros	
	Financial interest	
	30/06/2024	30/06/2023
Amber FinCo, PLC	875	-
Total	**875**	-

Balances with related companies

a) Borrowings with related companies:

	Thousands of Euros	
	Borrowings, related companies	
	30/06/2024	31/12/2023
Amber FinCo, PLC	252,150	-
Total	**252,150**	-

On 13 June 2024, Amber FinCo PLC. granted a loan to the Parent Company in the amount of EUR 251 million, replacing the private debt placement with one of the institutional investors for the same amount, which was cancelled on the same date (see Nota 11).

The transactions and balances between the Applus Group and related parties (Directors and Senior Executives) are detailed in Note 19.

19. Disclosures on the Board of Directors and Senior Executives

Remuneration of and obligations to the Board of Directors

The detail of the remuneration (including social benefits) earned during the first half of 2024 and of 2023 by the Executive Director and the rest of the members of the Parent's Board of Directors includes the following concepts:

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a) Remuneration for the half-year period:

	Thousands of Euros					
	30/06/2024			30/06/2023		
	Executive Director	Members of the Board of Directors	Total	Executive Director	Members of the Board of Directors	Total
Fixed remuneration	300	-	**300**	300	-	**300**
Variable remuneration	240	-	**240**	240	-	**240**
Other items	147	-	**147**	44	-	**44**
Non Executive Chairman and Independent Directors	-	359	**359**	-	368	**368**
Corporate Social Security Committee	-	34	**34**	-	35	**35**
Appointments & Compensation Committee	-	35	**35**	-	35	**35**
Audit Committee	-	44	**44**	-	45	**45**
Total	**687**	**472**	**1,159**	**584**	**483**	**1,067**

Executive Director include the Chief Executive Officer, being the only Executive Director.

The fixed remuneration of the Executive Director during his position as Chief Financial Officer included a portion in the form of RSUs amounting to EUR 37 thousand per year at the date on which they were granted. During the first half of 2024, in February, 4,653 net shares corresponding to the plan granted in February 2021 and 30% of the plan granted in February 2022 were delivered. The remaining RSUs were settled on an accelerated basis as a result of the change of control, see section "Information regarding the tender offer for shares in Applus Services, S.A. made by Amber EquityCo, S.L.U. and how it affects remuneration".

62.50% of the Executive Director 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. Due to the change of control, this amount in RSUs will be payable in cash. In February 2024, 6,976 net shares corresponding to 40% of the bonus RSUs delivered in 2021, 30% of the bonus RSUs delivered in 2022 and 30% of the RSUs delivered in 2023 were delivered.

More detailed information on share-based incentive plans is disclosed in Note 29 to the consolidated financial statements for 2023 and in the Remuneration Report.

In the first half of 2024 the Executive Director and the members of the Board of Directors did not earn or receive any termination benefits.

"Other items" include the total of benefits according to the Remuneration Policy, which is 15% of Fixed Compensation plus an economic benefit equivalent to the value of the dividends paid since the grant of the gross PSUs redeemed in 2024.

Additionally to the aforementioned concepts, the retirement plan benefits earned by the Executive Director in the first half of 2024 amounted to EUR 1 thousand, which are not included in the table.

b) Long-Term Incentive (LTI):

According to the current remuneration policy, the Executive Director shall annually receive PSUs (Performance Stock Units) derived from a recurrent plan 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. In February 2024, received 7,048 net shares under the plan granted in February 2021. The remaining PSUs were settled on an accelerated basis as a result of the change of control, see section "Information regarding the tender offer for Applus Services, S.A. by Amber EquityCo, S.L.U. and how it affects remuneration".

The detail of the PSU plans in force is disclosed in Note 29 to the consolidated financial statements for 2023 and in the Remuneration Report.

At 30 June 2024, no loans or advances had been granted to the members of the Parent's Board of Directors.

Executive Director has arranged life insurance detailed in the table above in "Other items". No material pension or life insurance obligations were incurred with the members of the Non-Executive Parent's Board of Directors.

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.

Information in relation to the tender offer for shares in Applus Services, S.A. made by Amber EquityCo, S.L.U. and how it affects the composition of the Board of Directors

The Board of Directors of Applus is composed of nine directors, as of June 30, 2024, 7 men and 2 women. At the General Shareholders' Meeting held on June 27, 2024, several of the members of the Board of Directors of the Parent Company to date were removed from the Board of Directors, and six proprietary directors of the offer, who do not receive any compensation from Applus, joined the Board of Directors.

Information in relation to the tender offer for shares in Applus Services, S.A. made by Amber EquityCo, S.L.U. and how it affects remuneration

There are three incentive schemes linked to Applus shares and under which RSUs and PSUs are delivered: (i) a plan under which a portion of the annual bonus of the Chief Executive Officer is paid in RSUs; (ii) a long-term incentive (LTI), approved in 2016, under which PSUs are delivered each year; and (iii) a strategic long-term incentive (Strategic LTI), under which PSUs are also delivered, for the period 2022-2024. The first two are considered recurring plans, with annual deliveries of RSUs and PSUs, subject to a vesting period. The Strategic LTI is a non-recurring one-off plan. As a consequence of the change of control described in note 2, the RSU's and PSU's granted prior to the effective date of the change of control have been settled on an accelerated basis under the terms of the agreements relating to the aforementioned plans.

Other than the Strategic LTI which was a one-off plan and has been expeditiously settled in its entirety under the change of control, the RSU's plans and the recurring LTI approved in 2016 remain in effect.

Due the positive outcome of the takeover bid launched by Amber EquityCo, S.L.U. (an investment vehicle of the ISQ and TDR groups), there was a change of control resulting in the early settlement of the compensation plans linked to the delivery of PSUs and RSUs of which the Executive Director is a beneficiary.

According with the provisions of the incentive plan agreements, in the event of a change of control of the Parent Company, all PSUs and RSUs granted and not yet vested are automatically subject to early vesting on the date of such change of control. In addition, they will be settled in cash on the date of the change of control (or on a date immediately thereafter) and, for the purposes of the PSUs, the performance conditions will be deemed to be 100% achieved.

In this regard, on June 13, 2024, the early settlement of the PSUs and RSUs pending vesting took place.

Therefore, the total number of RSUs and PSUs that were vesting and paid in cash to the Executive Director amounts to 453,479 shares, at a price per share of €12.78 (price equal to the closing price of the Applus share on the day of the settlement of the offer). In addition, an economic benefit equivalent to the value of the dividends that would have been paid on the gross PSUs subject to vesting was paid, amounting to €96,825 gross (included in the table under "other items").

Remuneration of and obligations to Senior Executives

Senior Executives are the ones who report directly to the Group's Chief Executive Officer (CEO). In relation to remuneration information, the internal auditor was also included, as defined in 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 the first half of 2024 and of 2023 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 2024, is as follows:

a) Remuneration for the half-year period:

	Thousands of Euros	
	30/06/2024	30/06/2023
Fixed remuneration	1,498	1,455
Variable remuneration	745	716
Other items	415	309
Termination benefits	-	-
Pension plans	6	6
Total	**2,664**	**2,486**

The fixed remuneration of certain Senior Executives includes an amount of 37 thousand euros, to date, granted in the form of fixed RSUs, which will be exchangeable for shares on the third anniversary of the grant date for those granted in 2021 and over a period of three years from the date of grant at a rate of 30% each of the first two years and 40% in the third year for those granted in 2022 and 2023. In February 2024, the delivery of this remuneration was made effective, consisting of the delivery of 9,932 net shares in the case of three executives and an amount of 373,667 euros gross in the case of 10 executives, corresponding to the plan granted in February 2021, 30% of the plan granted in 2022 and 30% of the plan granted in February 2023.

The variable compensation of certain Senior Executives is paid partly in cash and the remainder in RSUs exchangeable for shares over a period of three years from the date of grant, at a rate of 30% in each of the first two years and 40% in the third year. If in February 2025 the company is no longer listed, this amount in RSUs will be paid in cash. In February 2024, 7,580 net shares were delivered in the case of two executives and an amount of 570,646 euros gross in the case of 10 executives, corresponding to the plans for the years 2021, 2022 and 2023. Details of the plans can be found in note 29 of the consolidated financial statements for the year 2023.

In the first half of 2024, no termination benefits have been accounted.

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

Certain members of the Group's Management receive annual PSUs (Performance Stock Units), derived from a recurring plan, convertible into shares of the Parent Company to be received within three years from the date of grant. In February 2024 this remuneration was received, consisting of the delivery of 9,911 net shares in the case of two executives and an amount of 390,473 euros gross in the case of five executives, for the plan granted in February 2021.

Details of the PSU plans are shown in note 29 to the consolidated financial statements for 2023.

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

Some members of the Group's Management, participated in a strategic long-term incentive plan 22-24 by which they have received a number of PSU's (Performance Stock Units) convertible into shares of the Parent Company, depending on the fulfillment of certain objectives, to be received in the years 2023, 2024 and 2025; and one executive participates in a special cash incentive plan. By means of this extraordinary plan, a remuneration equivalent to 33,637 net shares was received by three executives and a monetary amount of 1,568,650 euros gross was received by nine executives.

In addition, certain members of the Group's Management have also taken out life insurance policies, the cost of which is included in the "Other Items" section of the above tables.

The Group's Management, excluding the internal auditor, as of June 30, 2024 is comprised of 8 men and 4 women (8 men and 4 women as of June 30, 2023).

Information in relation to the tender offer for shares in Applus Services, S.A. made by Amber EquityCo, S.L.U. and how it affects remuneration

There are three incentive schemes linked to Applus shares and under which deliveries of RSU's and PSU's occur: (i) a plan under which a portion of the Senior Executives fixed compensation and a portion of the Senior Executives annual bonus is paid in RSU's; (ii) the recurring LTI (recurring long-term incentive), approved in 2016, under which PSU's are delivered each year; and (iii) a strategic long-term incentive (Strategic LTI), under which PSU's have also been delivered, for the period 2022-2024. The first two are recurring plans, with annual deliveries of RSUs and PSUs, subject to a vesting period. The Strategic LTI is a non-recurring one-off plan.

As a consequence of the change of control described in note 2, the RSUs and PSUs granted prior to the effective date of the change of control have been settled on an accelerated basis under the terms of the agreements relating to the aforementioned plans.

With the exception of the Strategic LTI which was a one-off plan and which has been settled on an accelerated basis in its entirety as part of the change of control, the RSUs and recurring LTI plans approved in 2016 remain outstanding.

As a result of the positive outcome of the takeover bid launched by Amber EquityCo, S.L.U. (an investment vehicle of the ISQ and TDR groups), a change of control is taking place, which entails the early settlement of the compensation plans linked to the delivery of PSUs and RSUs of which the members of Management are beneficiaries.

Thus, as contemplated in the Plans, in the event of the aforementioned change of control, all PSUs and RSUs granted and not yet vested will automatically vest early on the date of such change of control. In addition, they will be settled in cash on the date of the change of control (or on a date immediately thereafter) and, for the purposes of the PSUs, the performance conditions will be deemed to be 100% achieved.

In this regard, on June 13, 2024, the early settlement of the PSUs and RSUs pending vesting took place.

Thus, the total number of RSU's and PSU's that vest and were paid in cash to the members of the Management amounted to 883,681 shares, at a price per share of 12.78 euros (price equal to the closing price of the Applus share on the day of the settlement of the offer). Additionally, an economic benefit equivalent to the value of the dividends that would have been paid on the gross PSUs subject to vesting was paid, amounting to €160,152 gross (included in the table under "other items").

20. Events after the reporting period

On July 3rd 2024, the Group notified the CNMV regarding the new IDIADA concession contract, that on that day a public meeting was held at which it was informed that: (i) it has obtained 18.884 points over a total available of 20 points in the envelope B (Technical Offer), and (ii) with regard to the opening of envelope C (Economic Offer) the price offered was 428 million euro. As previously informed, Applus+ was currently the only company that has submitted an offer. Now, it is expected that the Tender Contracting Board will address its proposal of adjudication to the contracting authority, which will subsequently award the contract by means of a reasoned decision and require the awardee, namely Applus+ as sole bidder, to file certain documentation to formally conclude the award.

On July 23rd 2024, the Group has been notified with the resolution ECO/2695/2024 of the award of the public tender for the sale of the 80% of the shares of IDIADA Automotive Technology S.A. to Applus Services S.A. – Novotec Consultores S.A.U. as per their joint bid [in the terms and conditions of the public tender and the offer] for the next 25 years. The new contract is expected to be signed in September.

In the Extraordinary General Shareholder's Meeting celebrated on July 18, 2024 it has been approved the delisting from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and, consequently, from trading through the Spanish Stock Exchange Interconnection System ("SIBE"), of all the shares representing the Company's share capital; all in accordance with the provisions of article 65 of Act 6/2023, of 17 March, on Securities Markets and Investment Services (the "Securities Market Act") and article 10 and related articles of Royal Decree 1066/2007, of 27 July, on the rules governing takeover bids (the "Royal Decree 1066/2007"). The justification for the delisting is contained in the report prepared by the Board of Directors of the Company on 17 June 2024, in compliance with the provisions of article 65.3 of the Securities Market Act, which was made available to the shareholders together with the call to this General Shareholders' Meeting. Accordingly, it has been approved to acknowledge the resolution passed by the joint directors of Amber EquityCo, S.L.U. ("Amber EquityCo" or the "Offeror"), which is the majority shareholder of the Company, to promote a takeover bid over all the shares of the Company for its delisting, all in accordance with the communication of other relevant information published on 17 June 2024 that allows the majority shareholder of the Company (Amber EquityCo) to launch a takeover bid over the shares of the Company pursuant to article 65 of the Securities Market Act and article 10 of Royal Decree 1066/2007 due to the delisting of all the Company's shares from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges at a price of 12.78 euros per share.

In the Extraordinary General Shareholder's Meeting celebrated on July 18, 2024 it has been also approved the amendment of section 1 of Article 24 of the Company's Articles of Association (without variation of the other sections of the said article) related to the minimum and maximum members of the Board of Directors of the Parent Company, being now this 3 and 12 respectively, and pursuant to this, it is resolved to establish the number of members of the Board of Directors at four (4).

Finally, in July 4 2024, it was announced on the CNMV as "Other relevant Information", with register number 29537, the information related to the fixed pricing of the senior secured notes by an aggregate principal amount of 895 million euros, due in 2029 and at 6.625%.

At the date of this Condensed Consolidated Financial Statements, no relevant event has occurred, in addition to those already included in these explanatory notes and, in particular, in relation to the OPA procedure indicated in Note 2.c, that must be included or that modifies or affects significantly these interim condensed consolidated financial statements as of 30 June 2024.

21. Explanation added for translation to English

These interim condensed consolidated financial statements are presented in accordance with 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 with other generally accepted accounting principles and rules.

Applus Services, S.A. and Subsidiaries

Management Report to the Interim Condensed Consolidated Financial Statements for the first half of 2024

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Applus Services, S.A. and Subsidiaries

Management Report to the Interim Condensed Consolidated Financial Statements for the first half of 2024

MID-YEAR REPORT 2024

Profit and Loss Overview

	H1		
	2024	2023	Change vs LY
Revenue	**1,094.3**	**1,000.8**	**9.3%**
Adj. Op. Profit	**125.2**	**110.6**	**13.2%**
Adj. Op. Profit margin	***11.4%***	***11.0%***	
Accelerated depreciation	(10.2)	(4.3)	
Adj. Operating Profit incl. AD[1]	**115.0**	**106.3**	**8.2%**
Adj. Op. Profit margin incl. AD[1]	***10.5%***	***10.6%***	
PPA Amortisation	(27.5)	(31.4)	
Other results	(39.4)	(4.6)	
Operating profit	**48.1**	**70.4**	**(31.6)%**
Finance Results	(23.6)	(18.3)	
Profit before tax	**24.5**	**52.1**	**(52.9)%**
Income taxes	(17.6)	(16.0)	
Net Profit	**7.0**	**36.1**	**(80.6)%**
Minorities	(8.1)	(5.7)	
Net Profit Group	**(1.1)**	**30.4**	**(103.6)%**
Discontinued operations	-	(4.0)	
Net Profit after Disc. Op.	**(1.1)**	**26.4**	**(104.2)%**
Adjusted Net Profit Group incl. AD	**61.0**	**60.0**	**1.6%**
EPS in €[2]	**(0.01)**	**0.23**	**(103.7)%**
Adjusted EPS in € incl. AD[2]	**0.47**	**0.46**	**3.0%**
# Shares (M)	**129.1**	**130.8**	

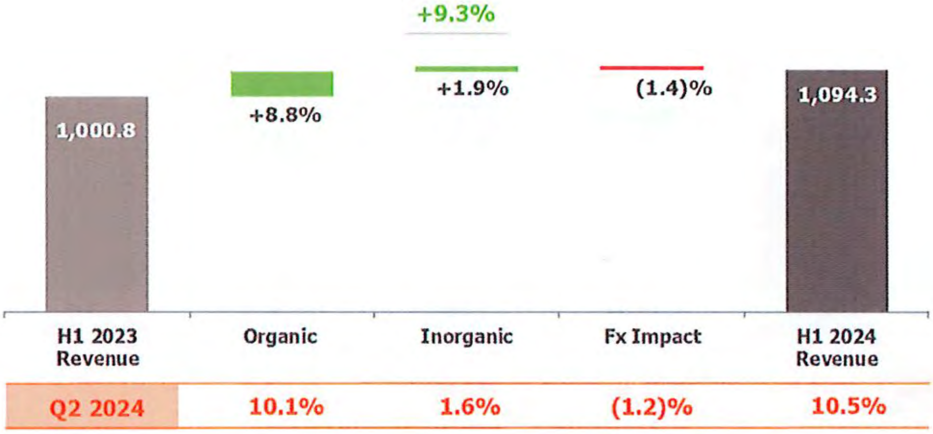
The figures shown in the table above are rounded to the nearest €0.1 million

1. AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration
2. EPS calculation based on Net Profit from Continuing Operations

Revenue

Revenue for the six-month period ending 30 June 2024 was €1,094.3 million which was 9.3% higher than the revenue of €1,000.8 million reported in the first half of last year.

The revenue bridge for the first half in € million is shown below.



The total revenue increase of 9.3% for the half year was made up of an increase in organic revenue at constant exchange rates of 8.8%, a contribution in revenue from acquisitions made in the previous 12 months of 1.9% and a negative currency translation impact of 1.4%.

In the second quarter, the total revenue was up 10.5% with the organic component of 10.1% plus the contribution from acquisitions of 1.6% and a negative currency translation impact of 1.2%.

It was a strong first half year with demand for services remaining robust across the board supplemented by price increases. There was good organic revenue growth in all four divisions in both the first and second quarters, with only Automotive having low single digits organic revenue growth in the first quarter due to the tough comparable following the ending of the contract in Alicante in February last year.

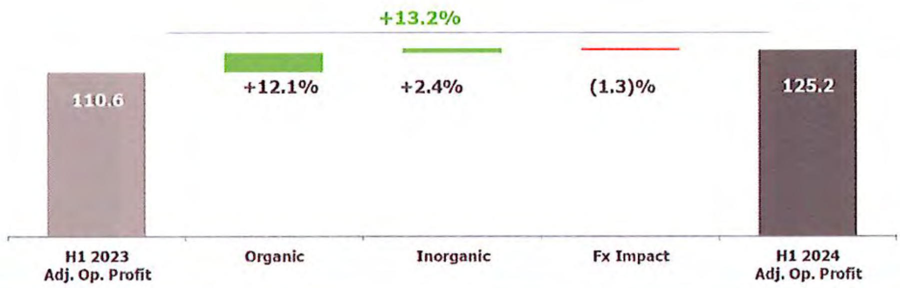
The 1.9% inorganic revenue growth in the first half relates to the acquisitions made in 2023 with the most relevant coming from Rescoll that closed in June of last year and Barlovento, purchased in December last year. No acquisitions have been made so far this year.

Of the revenue in the first half of 2024, half was generated in the reporting currency of the Group (euro) and the other half in other currencies of which the US dollar and other currencies linked to the US dollar are the largest at 16%. The average exchange rate of the US dollar to the euro was almost the same in the first half of this year compared to the first half of last year resulting in no material impact on Group Fx. Nevertheless, there were other currency movements including from those material ones that accounted for more than 4% of Group revenue, being the Colombian peso that strengthened significantly, offset by the Canadian and Australian dollars which weakened. There were many other currency movements including the Argentinian peso, which despite being far less material in weight at the Group level, depreciated materially giving an overall negative currency impact on revenue of 1.4% in the first half.

Adjusted Operating Profit

Adjusted operating profit for the six-month period ending 30 June 2024 was €125.2 million which was 13.2% higher than the adjusted operating profit of €110.6 million reported in the first half of last year.

The adjusted operating profit bridge for the first half in € million is below.



% Adj. Op. Profit Margin	11.0%	+ 31 bps	+ 7 bps	+ 1 bps	11.4%

Organic adjusted operating profit was up 12.1%, incremental profit from acquisitions was 2.4% and currency translation had a negative impact of 1.3%.

The adjusted operating profit margin was 11.4%, 40 basis points above the equivalent first half margin of 2023.

The margin increase of 40 basis points compared to the equivalent first half margin in 2023 was due to the strong margin performance in three of the four divisions offset by the Automotive division which reported a lower margin due to the ending of the contract in Alicante in February 2023, one-off investments into new Auto contracts in build out phase and a change in the phasing of revenue in Spain.

The margin for the second quarter of this year was 12.3% which was 30 basis points higher than the second quarter of last year.

Other Financial Indicators

The reported operating profit was €48.1 million in the half year compared to a reported operating profit of €70.4 million in the previous period. The reported operating profit is after deducting IDIADA Accelerated Depreciation of €10.2 million (H1 2023: €4.3m), PPA Amortisation of €27.5 million (H1 2023: €31.4m) and Other results of €39.4 million that in 2024 include the takeover bid related costs (H1 2023: €4.6m).

The net financial expense in the profit and loss for the period was €23.6 million (H1 2023: €18.3m), higher than the prior half year due to the higher cost of debt in 2024 compared to 2023 from rising interest rates.

The statutory profit before tax was €24.5 million (H1 2023: €52.1m). The statutory profit before tax was lower than for the corresponding period last year due to the lower statutory operating profit and higher financial expense in 2024.

The reported tax on a statutory basis was a charge of €17.6 million versus €16.0 million (actual reported) in the first half of last year. The effective tax charge, being the tax on the adjusted profit before tax, for the first half at €22.4 million was in line with the prior year first half of €22.3 million. This gave an effective tax rate of 24.4%, being lower than the rate of 25.3% in the prior period.

Non-controlling interests increased in the half year from €5.7 million in the first half of last year to €8.1 million in the first half of 2024. The increase of €2.4 million is mainly due to the strong performance of the IDIADA business that has a 20% minority.

The adjusted net profit was €61.0 million, being 1.6% higher than the adjusted net profit in the comparable period. The adjusted earnings per share was 0.47 cents for the first half, being 3.0% higher than the adjusted earnings per share in the comparable period with the difference of 1.4% between these growth rates being due to the reduced share count following the two recently executed share buybacks. The adjusted earnings per share excluding the impact of the IDIADA Accelerated Depreciation was 0.55 cents and this was 12.2% higher than the equivalent adjusted earnings per share excluding IDIADA Accelerated Depreciation in 2023.

The statutory net profit of €26.4 million in the first half of 2023 was after the charge of €4.0 million from the disposals of the businesses.

Cash Flow and Debt

Cash flow generation is strong at Applus+ with the first half of 2024 having solid operating and free cash flow generation and above the previous year´s performance. The increase in working capital of €55.5 million was a similar increase to that in the equivalent comparable period of €52.1 million which, alongside the higher adjusted earnings before interest, tax, depreciation and amortisation (Adjusted Ebitda) and after capex spending of €32.3 million, generated €99.1 million of adjusted operating cash flow this first half.

The table below shows the key line items of the cash flow for the first half of 2024 compared to the equivalent first half of last year (2023 Proforma) and also shows the reported cash flow in the prior year that includes the cash movements relating to the disposed businesses in 2023. In € million.

	H1				
	2024	2023 Proforma	Change vs LY Proforma	2023 Reported	Change vs LY Reported
Adjusted Ebitda	**186.9**	**166.0**	**12.6%**	**164.9**	**13.3%**
Change in Working Capital	(55.5)	(52.1)		(38.6)	
Capex	(32.3)	(24.8)		(25.2)	
Adjusted Operating Cash Flow	**99.1**	**89.0**	**11.3%**	**101.1**	**(2.0)%**
Cash Conversion rate	*53.0%*	*53.6%*		*61.3%*	
Taxes paid	(18.5)	(16.4)		(16.4)	
Interest paid	(16.0)	(14.0)		(14.0)	
Adjusted Free Cash Flow	**64.6**	**58.6**	**10.1%**	**70.7**	**(8.6)%**
Extraordinaries & Others	(16.1)	(1.5)		(12.6)	
Dividends to Minorities	(8.9)	(13.1)		(13.1)	
Operating Cash Generated	**39.6**	**44.1**	**(10.1)%**	**45.0**	**n/a**
Acquisitions	(22.6)	(60.7)		(60.7)	
Divestments	0.0	30.0		30.0	
Cash b/Changes in Financing & FX	**17.1**	**13.4**		**14.3**	
Payments of lease liabilities (IFRS 16)	(35.5)	(30.9)		(32.4)	
Other changes in financing	(31.8)	48.2		48.2	
Share buybacks	-	(36.1)		(36.1)	
Currency translations	0.2	(3.0)		(3.0)	
Discontinued operations	-	(0.7)		-	
Cash Increase/(Decrease)	**(50.0)**	**(9.0)**		**(9.0)**	

The figures shown in the table above are rounded to the nearest €0.1 million.

The net capital expenditure on expansion of existing and into new facilities was €32.3 million (H1 2023: €24.8m) which represented 3.0% (H1 2023: 2.5%) of Group revenue. The increase in capex spend in 2024 was due to the increased number of opportunities to invest in growing the business.

Adjusted operating cash flow (after capital expenditure) of €99.1 million was 11.3% higher than for the same period last year when it was €89.0 million. After tax and interest paid, the adjusted free cash flow was €64.6 million, which was 10.1% higher than the first half last year when it was €58.6 million.

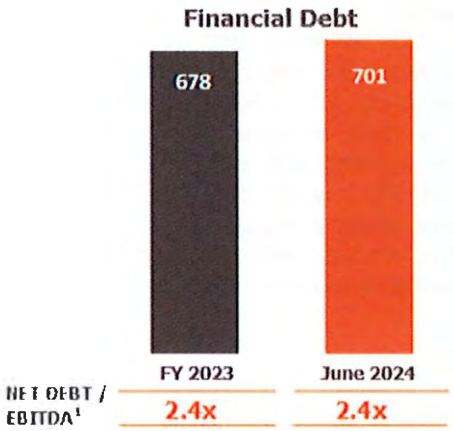
Extraordinaries and Others includes the cash outflow relating to the takeover bid costs.

The cash outflow of €22.6 million for Acquisitions in the first half relates to deferred consideration and earn-outs on previously made acquisitions that have successfully met their target financial criteria. In the first half of 2023, the Acquisitions spend of €60.7 million related mainly to payments made to acquire Riportico in Portugal, CLM in Spain, CFI in China and Rescoll in France and also includes the amount paid for the 20% minority interest in Inversiones Finisterre (Auto Galicia) not already owned. Furthermore, in the first half of 2023, the Group received €30 million in cash from divestments.

The final net cash decrease in the period was €50.0 million. This is after the payment or lease liabilities of €35.5 million (from the accounting standard of IFRS16) plus a net repayment in borrowings of €31.8 million. In the first half of 2023, there was also a net cash outflow of €36.1 million for the share buyback.

The Net Debt, as defined by the bank covenant for the syndicated debt facilities and the US Private Placement notes, was €701 million at the end of the first half period which was €23 million higher than at the end of 2023 and it was €29 million lower than at the end of the first half of 2023 when it stood at €730 million.

The financial leverage of the Group has reduced each year over the last few years since 2020 reflecting the strong increase in EBITDA more than offsetting the investments made to fulfil the inorganic strategy and share buyback programmes. At the period end, the leverage measured as Net Debt to last twelve months Adjusted EBITDA, was 2.4x (as defined by the bank covenant for the syndicated debt facilities), at the same level as the position on 31 December 2023 and lower than the position at the same time last year when it was 2.6x. This is considerably lower than the leverage covenant of 4.0x which is tested twice per year.



	FY 2023	H1 2024
Gross Debt	886	857
Cash	(208)	(156)
Net Debt	678	701

(1) Stated at annual average rates and excluding IFRS 16 as defined by bank covenant.

The net debt position as calculated under the IFRS16 accounting standard was €892 million at the end of the first half. This is a decrease of €18 million compared to the same time last year and €21 million higher than the year-end position.

Sustainability Services

In 2023, the total revenue measured that has a positive effect on either the environment or on society was €1,138 million or 55% of the Group revenue, having increased by 8% in total revenue over the prior year. In the first half of 2024, the sustainability services revenue continued to grow with the full period inclusion of the recent significant acquisitions of Barlovento in Spain that is focused on renewable energy services that benefit the environment and Rescoll in France that has a strong business line in testing medical devices that supports society.

Environmental, Social and Governance

Applus is increasing the awareness of the importance of ESG within the Group through communications and financial incentives at senior management level and important ESG matters are becoming increasingly embedded within the day to day operations of the business. The Group is on track to meet environmental targets, such as emissions reduction and decarbonization as well as targets relating to health and safety and equality and ethical behaviour.

The ratings agencies, that perform their independent analysis on the Group, taking different perspectives and approaches, have all recognised and confirmed the Group´s resilience and commitment to sustainability validating the progress made and alignment to the strategic objectives. There have been no ratings downgrades and in February of this year MSCI ESG reaffirmed their very strong AA rating. Other ratings are from Sustainalytics "low risk" score of 11.6, Standard & Poor´s Global Corporate Sustainability Assessment with a high score of 54, Gaïa at 70/100, Standard Ethics EE+ or "Very Strong", the CDP the highest level which is an "A" and being included in the FTSE4GoodIBEX and IBEX Gender Equality. Furthermore, the Financial Times and Statista included Applus+ for the third year running amongst 400 companies within its list of Europe Climate Leaders 2023 that have achieved the greatest reduction in the intensity of their Scope 1 and 2 greenhouse gas emissions over a 5-year period.

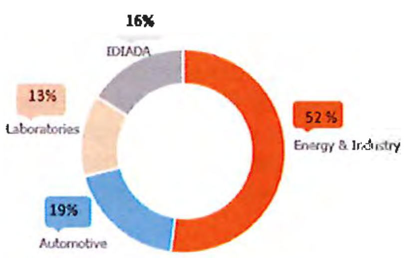
Outlook

The outlook for the full year remains as announced in February 2024. It is for organic revenue growth of mid to high single digits and an adjusted operating profit margin of around 11.5% (including adjusted to be before IDIADA accelerated depreciation). The focus on portfolio mix quality improvement through further acquisitions continues.

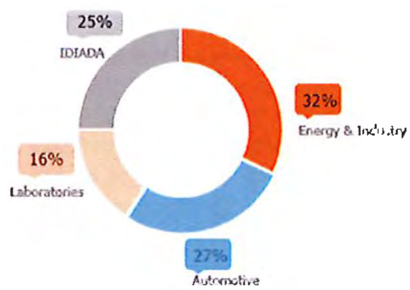
Operating review by division

The Group operates through four global business divisions: Energy & Industry Division, Automotive Division, Laboratories Division and IDIADA Division, and the respective shares of the revenue and adjusted operating profit for the first half of 2024 are shown below.

H1 2024 revenue split



H1 2024 adjusted operating profit split



Energy & Industry Division

Energy & Industry is a world leader in non-destructive testing, industrial and environmental inspection, quality assurance and quality control, engineering and consultancy, vendor surveillance, certification and asset-integrity services. The division employs approximately 16,000 people and is active in over 60 countries.

The Division designs and deploys proprietary technology and industry know-how across diverse sectors, helping clients to develop and control industry processes, protect assets and increase operational and environmental safety.
The revenue in the division was €564.2 million and the adjusted operating profit was €46.2 million in the six-month period giving an adjusted operating profit margin of 8.2%.

EUR Million	H1					
	2024	2023	Change	Organic	Inorganic	FX
Revenue	564.2	524.5	7.6%	*7.1%*	*1.0%*	*(0.5)%*
Adj. Op. Profit	46.2	42.3	9.3%	*9.9%*	*1.0%*	*(1.6)%*
% AOP Margin	*8.2%*	*8.1%*	*+ 13 bps*			

The figures shown in the table above are rounded to the nearest €0.1 million

Revenue for the six-month period ended 30 June 2024 was 7.6% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 7.1% in organic revenue at constant exchange rates, 1.0% from acquisitions (Inorganic) and a decrease of 0.5% due to unfavourable exchange rates (FX).
The revenue in the second quarter of €296.3 million was significantly higher than the first quarter revenue of €267.9 million due to seasonality and the full period benefit of the recently made acquisitions, with the organic revenue growth in the first and second quarters at similar rates, at 7.2% in the first quarter and 7.1% in the second.

Inorganic revenue of 1.0% from acquisitions relates to the revenue from Barlovento that was purchased in December 2023.

Adjusted operating profit was 9.3% higher than the reported adjusted operating profit last year. The adjusted operating profit increase was made up of an increase of 9.9% in organic revenue at constant exchange rates, 1.0% from acquisitions (Inorganic) and a decrease of 1.6% due to unfavourable exchange rates (FX).

The adjusted operating profit margin of 8.2% was 13 basis points higher than the equivalent margin last year. The margin increase came from a 20 basis points increase in the organic margin, with the inorganic margin impact being neutral and FX having a negative impact on the margin.

The division is performing well, with the increase in revenue coming from an increased volume of services, especially in the faster growing developing regions of the world and in the more sustainable services, such as Renewables and civil infrastructure projects, with some price inflation benefit.

Renewables, Power, Infrastructure and Diversified Industries now represent 58% of the division´s revenue and is growing strongly and at a faster pace than the Oil & Gas segment that now represents 42% of the division by revenue.

16

Automotive

Automotive is one of the global leaders for statutory-vehicle-inspection services for safety and emissions. The programmes inspect vehicles in jurisdictions where vehicles must comply with statutory technical-safety and environmental regulations.

The division employs approximately 4,000 people managing more than 20 programmes across Spain, Ireland, Sweden, Denmark, Andorra, Argentina, Georgia, Chile, Ecuador, Mexico and Uruguay. New contracts in Saudi Arabia, China and India are expected to be fully operational soon. The market for statutory vehicle inspection for safety and emissions is expected to continue growing well in existing and new markets.

The revenue in the division was €207.0 million and the adjusted operating profit was €38.0 million in the six-month period giving an adjusted operating profit margin of 18.4%.

EUR Million	H1				
	2024	**2023**	**Change**	**Organic**	**FX**
Revenue	**207.0**	**203.8**	**1.6%**	***5.7%***	***(4.1)%***
Adj. Op. Profit	**38.0**	**43.3**	**(12.3)%**	***(11.3)%***	***(1.0)%***
% AOP Margin	*18.4%*	*21.3%*	*-290 bps*		

The figures shown in the table above are rounded to the nearest €0.1 million

Revenue for the six-month period ended 30 June 2024 was 1.6% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 5.7% in organic revenue at constant exchange rates and a decrease of 4.1% due to unfavourable exchange rates (FX). There was no inorganic revenue impact.

The revenue in the second quarter of €107.0 million was higher than the first quarter revenue of €100.0 million with an acceleration in the organic revenue in the second quarter to 7.8% after growing at 3.6% in the first quarter.

Adjusted operating profit was 12.3% lower than the equivalent adjusted operating profit last year. The adjusted operating profit decrease was made up of a decrease of 11.3% in organic at constant exchange rates and a decrease of 1.0% due to exchange rates.

The adjusted operating profit margin of 18.4% was 290 basis points lower than the margin in the first half of last year. The margin decrease of 290 basis points was mainly due to the start up costs of investing in the three new contracts in Saudi Arabia, China and India as well as the ending of the high margin Alicante contract in February of last year and was also temporarily impacted due to lower revenue in the first half in Spain following a change in phasing after COVID with some inspections previously performed in the first half moving to the second half of the year.

Overall, the concessions and programmes are performing well.

Laboratories

Laboratories provides testing, certification and engineering services to improve product competitiveness and promote innovation. The Division operates a network of multidisciplinary laboratories in Europe, Asia and North America, employs approximately 3,000 people and is active in 13 countries.

The division comprises six key business units: Mechanical (includes aerospace and materials testing); Electrical & Electronic (includes electrical and electromagnetic compatibility testing and product certification for the electronics and automotive sector); Cybersecurity (includes electronic payment system protocol testing and approval); Construction (includes fire and structural testing of building materials); Metrology (includes calibration and measuring instruments) and Systems Certification.

The revenue in the division was €141.8 million and the adjusted operating profit was €22.6 million in the six-month period, giving an adjusted operating profit margin of 16.0%.

EUR Million

	H1					
	2024	2023	Change	Organic	Inorganic	FX
Revenue	141.8	117.8	20.4%	*9.5%*	*11.7%*	*(0.8)%*
Adj. Op. Profit	22.6	17.7	27.9%	*14.6%*	*14.6%*	*(1.3)%*
% AOP Margin	*16.0%*	*15.0%*	*+ 94 bps*			

The figures shown in the table above are rounded to the nearest €0.1 million

Revenue for the six-month period ended 30 June 2024 was 20.4% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 9.5% in organic revenue at constant exchange rates, 11.7% from acquisitions (Inorganic) and a decrease of 0.8% due to unfavourable exchange rates (FX).

The revenue in the second quarter of €74.6 million was higher than the first quarter revenue of €67.2 million due to acquisitions with some acceleration in organic revenue growth in the second quarter at 10.7% over the first quarter of 8.1%.

Inorganic revenue of 11.7% from acquisitions relates to four made in the last 12 months including the largest of these being Rescoll which is a materials testing laboratory in France that specialises in medical products and aerospace that was purchased in June last year.

Adjusted operating profit was 27.9% higher than the adjusted operating profit last year. The adjusted operating profit increase was made up of an increase of 14.6% in organic, 14.6% from acquisitions (Inorganic) and a decrease of 1.3% due to unfavourable exchange rates (FX).

The adjusted operating profit margin of 16.0% was 94 basis points higher than the margin last year. The significant margin improvement was a mixture of organic and inorganic with a better profitability mix in the organic business and higher margins from the acquisitions.

The division is becoming increasingly diversified by business line and in the period all the main segments grew well benefiting from the increased demand for structural, mechanical and electrical testing of materials for Auto, Aerospace, transportation and other industrial products as well as new business and services for the rapidly growing cybersecurity assurance.

AS

IDIADA

IDIADA A.T. (80% owned by Applus+ and 20% by the Government of Catalonia) has been operating under an exclusive contract from the 351-hectare technology centre near Barcelona (owned by the Government of Catalonia) since 1999. The contract to operate the business runs until September 2024 following which Applus will continue to operate the business for a further 25 years.

IDIADA A.T. provides services to the world's leading vehicle manufacturers for new product development activities in design, engineering, testing and homologation.

The division employs approximately 3,000 people and is active in 22 countries.

The revenue in the division was €181.1 million and the adjusted operating profit, before taking account of Accelerated Depreciation was €35.9 million in the six-month period giving an adjusted operating profit margin of 19.8%. After taking account of Accelerated Depreciation, that is required to adapt assets useful life to contract or concession duration, the margin was 14.2%.

EUR Million	H1				
	2024	2023	Change	Organic	FX
Revenue	181.1	154.8	17.0%	*17.8%*	*(0.8)%*
Adj. Op. Profit	35.9	23.4	53.6%	*54.1%*	*(0.5)%*
% AOP Margin	*19.8%*	*15.1%*	*+472 bps*		
Adj. Op. Profit incl. AD[1]	25.7	19.1	34.6%		
% AOP Margin	*14.2%*	*12.3%*	*+185 bps*		

The figures shown in the table above are rounded to the nearest €0.1 million

(1) AD is IDIADA Accelerated Depreciation to adapt assets useful life to contract/concession duration

Revenue for the six-month period ended 30 June 2024 was 17.0% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 17.8% in organic revenue at constant exchange rates less 0.8% due to unfavourable exchange rates.

The revenue in the second quarter of €101.3 million was considerably higher than the first quarter revenue of €79.9 million due to seasonality and strong sequential growth with year on year organic revenue growth in the second quarter at 22.6% being considerably higher than the first quarter organic revenue growth of 12.3%.

Adjusted operating profit was 53.6% higher than the adjusted operating profit in the first half of last year, before taking account of Accelerated Depreciation in both periods. After Accelerated Depreciation it was 34.6% higher. The adjusted operating profit increase was all organic.

The adjusted operating profit margin of 19.8% before Accelerated Depreciation was 472 basis points higher than the equivalent margin in H1 last year and even after Accelerated Depreciation it was 185 basis points higher. This margin increase was entirely organic due to the benefit of operational gearing and product service mix.

This strong growth is supported by some significant sized one-off projects alongside the continued demand for testing and homologation of vehicles, batteries and parts. Revenue generated from services to electric and hybrid vehicles continue to be the strongest contribution to the growth, although combustion engines were also higher in this first half compared to the first half of last year with current new emission regulations supporting this.

The Group was pleased to find it was the only company that presented a bid for the new 25-year contract with the Government of Catalonia for the IDIADA business and following the notification of the award of the contract is expecting to sign this prior to the ending of the current contract in September of this year. The formal bid process commenced in March of this year with one other company qualifying to bid. In the meantime, the assets of the business must continue to undergo accelerated depreciation to nil value by the end of the current concession. The accelerated depreciation in the first half of 2024 was €10.2 million compared to €4.3 million in the prior year first half.

Appendix 1

Reconciliation of Adjusted to Statutory results

The financial performance of the Group is presented in an "adjusted" format alongside the statutory ("reported") results. The adjustments are made in order that the underlying financial performance of the business can be viewed and compared to prior periods by removing the financial effects of other results.

Where stated, organic revenue and profit are adjusted for acquisitions or disposals (unless classified as discontinued operations), in the prior twelve-month period and are stated at constant exchange rates, taking the current year average rates used for the income statement and applying them to the results in the prior period.

In the table below, adjusted results are presented alongside the statutory results (proforma for the divestments).

	H1 2024			H1 2023			
EUR Million	**Adj. Results**	**Other results**	**Statutory results**	**Adj. Results**	**Other results**	**Statutory results**	**+/- % Adj. Results**
Revenue	**1,094.3**	**0.0**	**1,094.3**	**1,000.8**	**0.0**	**1,000.8**	**9.3%**
Ebitda	**186.9**	**0.0**	**186.9**	**166.0**	**0.0**	**166.0**	**12.6%**
Operating Profit	**115.0**	**(66.9)**	**48.1**	**106.3**	**(35.9)**	**70.4**	**8.2%**
Net financial expenses	(23.6)	0.0	(23.6)	(18.3)	0.0	(18.3)	
Profit Before Taxes	**91.4**	**(66.9)**	**24.5**	**88.0**	**(35.9)**	**52.1**	**3.9%**
Current Income tax	(22.4)	4.8	(17.6)	(22.3)	6.3	(16.0)	
Extraordinary Income tax	0.0	0.0	0.0	0.0	0.0	0.0	
Non controlling interests	(8.1)	0.0	(8.1)	(5.7)	0.0	(5.7)	
Net Profit	**61.0**	**(62.1)**	**(1.1)**	**60.0**	**(29.6)**	**30.4**	**1.6%**
Discontinued Operations	0.0	0.0	0.0	0.0	(4.0)	(4.0)	
Net Profit after Disc. Op.	**61.0**	**(62.1)**	**(1.1)**	**60.0**	**(33.6)**	**26.4**	
Number of Shares	129,074,133		129,074,133	130,761,150		130,761,150	
EPS, in Euros	**0.47**		**(0.01)**	**0.46**		**0.23**	**3.0%**
Income Tax/PBT	*(24.4)%*		*(71.5)%*	*(25.3)%*		*(30.7)%*	

The figures shown in the table above are rounded to the nearest €0.1 million.

Other results of €66.9 million (H1 2023: €35.9m) in the Operating Profit represent amortisation of acquisition intangibles of €27.5 million (H1 2023: €31.4m) and transaction costs and other items of €39.4 million (H1 2023: €4.6m). In 2024, these other items included one-off charges relating to the change of control and takeover bid costs. A tax income of €4.8 million (H1 2023: €6.3m) relates to the tax impact on these Other results. The Other results in H1 2023 also include the overall net cost of €4.0 million for the discontinued operations.

Appendix 2

Alternative Performance Metrics

Applus' financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others based on the Group's disclosure model referred to as Alternative Performance Metrics.

- **AD - IDIADA accelerated depreciation**, to adapt assets useful life to contract/concession duration
- **Adjusted measures** are stated before other results
- **AOP**, Adjusted Operating Profit
- **CAGR**, Compounded Annual Growth Rate
- **Capex**, realised investments in property, plant & equipment, or intangible assets
- **Cash conversion**, calculated as the ratio of EBITDA minus capex & change in working capital over EBITDA
- **EBITDA**, measure of earnings before interest, taxes, other results and depreciation and amortisation
- **EPS**, Earnings per share
- **EV**, Electrical Vehicle
- **FX**, Foreign exchange
- **FX impact**, The impact on the prior period revenue and adjusted operating profit from the restatement to current foreign exchange rates
- **Free Cash Flow**, operating cash generated after capex investment, working capital variation and tax & interest payments and before leases
- **Inorganic**, The revenue or adjusted operating profit relating to acquisitions and disposals (unless classified as discontinued operations) made in the previous twelve months
- **Leverage**, calculated as Net Debt/LTM EBITDA as per bank covenant definition
- **LTM**, Last twelve months
- **Net Debt**, current and non-current financial debt, other institutional debt less cash. As per bank covenant definition, calculated at annual average exchange rates and pre-IFRS16
- **Net Profit**, measure of earnings operating profit after interest, taxes and minorities
- **Operating Profit**, measure of earnings before interest and taxes
- **Other results** are those impacts corrected from the relevant measures to provide a better understanding of the underlying results of the Group, for example: amortisation of acquisition intangibles, restructuring, impairment and transaction & integration costs
- **P.A.**, per annum
- **PPA Amortisation** corresponds to the amortisation of the Purchase Price Allocation related to acquisitions, allocated to intangible assets and Goodwill reduction for finite life concessions
- **ROCE**, Net Adjusted Operating Profit After Tax/Capital Employed excluding IFRS 16 lease adjustment. Net adjusted operating profit is proforma acquisitions and disposals, excluding IDIADA Accelerated Depreciation and at 25% tax rate
- **Statutory results,** consolidated results of the Group under IFRS regulation, as shown in the Consolidated Financial Statements
- **WC**, Working Capital

Applus Services, S.A. and Subsidiaries

Authorisation for issue of the interim condensed consolidated financial statements and consolidated directors' report for the six-month period ended 30 June 2024

At their meeting of 24 July 2024, and in compliance with the requirements of Article 253 of the Spanish Companies Act and Article 42 of the Spanish Commercial Code, the directors of Applus Services, S.A. authorised for issue the Interim Condensed Consolidated Financial Statements (consisting of the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of change in equity, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and the explanatory notes to the interim condensed consolidated financial statements) and the consolidated directors´ report for the first half of 2024, constituted by the documents annexed which precede this sheet and which are correlatively ordered. All the Directors have signed to certify the above mentioned.

Barcelona, 24 July 2024

Mr. Christopher Cole Chairman	Ms. Maria Cristina Henríquez de Luna Basagoiti Director
Mr. Alexander Metelkin Director	Ms. Linda Zhang Director

The members of the Board of Directors of Applus Services, S.A. declare that, to the best of their knowledge, the Interim Condensed Consolidated Financial Statements and the explanatory notes to the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2024 authorised for issue by the Board of Directors at its meeting of 24 July 2024 and prepared in accordance with the applicable accounting principles provide a fair presentation of Applus Services, S.A. and of the subsidiaries included in the scope of consolidation, taken as a whole, and that the consolidated directors' report for the first half of 2024 includes a fair analysis of the business performance and results and position of Applus Services, S.A. and of the subsidiaries included in the scope of consolidation, taken as a whole, and a description of the main risks and uncertainties they face. All the Directors have signed to certify the above mentioned.

Barcelona, 24 July 2024

Mr. Christopher Cole
Chairman

Ms. Maria Cristina Henríquez de Luna Basagoiti
Director

Mr. Alexander Metelkin
Director

Ms Linda Zhang
Director