

AMBER JVCO LIMITED

RESULTS FOR THE NINE MONTHS

ENDED 30 September 2024

Introduction

This statement includes the unaudited consolidated results of the Amber JVCo Limited Group (the "Group") for the nine months ended September 30, 2024.

For illustrative purposes, we have included in this report certain unaudited pro forma income statement information, which have been prepared on a pro forma basis for the acquisition of Applus Services, S.A. ("Applus") and its subsidiaries (the "Applus Group") by Amber EquityCo, S.L.U. (the "Acquisition") and related financing to reflect the business performance on a continuing basis, along with comparisons to the actual income statement and balance sheet information, as indicated herein.

Explanation of the differences between Amber JVCo Limited and Amber HoldCo Limited

Amber JVCo Limited is the direct parent company of Amber MidCo 1 Limited, which is, in turn, the direct parent company of Amber HoldCo Limited (the "Parent"). Amber JVCo Limited was incorporated under the laws of England and Wales on June 15, 2023 for the purpose of facilitating the Acquisition. The Parent was incorporated under the laws of England and Wales on June 15, 2023 for the purpose of facilitating the Acquisition. The Parent is a holding company that indirectly holds shares in Applus. The Parent has no material assets or liabilities other than those related to the financing arrangements entered into in connection with the Acquisition and its investments in subsidiaries, and it has not engaged in any material activities other than those related to its incorporation and the financing arrangements entered into in connection with the Acquisition.

We have presented the consolidated results of Amber JVCo Limited, which include the consolidated results of the Parent and its subsidiaries. There are few differences in the consolidated results of Amber JVCo Limited as compared to the Parent as neither Amber JVCo Limited nor Amber MidCo 1 Limited has engaged in any material activities other than those related to the Acquisition. As of September 30, 2024, the cash held at Amber JVCo Limited on a consolidated basis was €73 million higher than the Parent. Neither Amber JVCo Limited nor Amber MidCo 1 Limited has any material assets or liabilities other than those relating to the Acquisition.

Significant events in the period

On June 13, 2024 the Group acquired 70.65% of the ordinary share capital of Applus by means of a voluntary takeover bid launched on September 14, 2023 at a price of 12.78 euros per share. As of September 30, 2024, the Group held 72.38% of Applus shares.

In connection with the Acquisition, the Group entered into various financing arrangements including:

- A senior term and revolving facilities agreement originally dated June 7, 2024, which includes the €800,000,000 senior term facility and the €200,000,000 senior multicurrency revolving credit facility (the "Senior Facilities Agreement").
- Senior secured notes in an aggregate principal amount of €895,000,000.

Repricing of Senior Term Facility

On December 12, 2024, the €800,000,000 term facility under the Senior Facilities Agreement was repriced to reduce the margin applicable to the term facility. The opening margin of the term facility was reduced from 4.00% p.a. to 3.50% p.a. and each level of the leverage based margin ratchet was reduced by 0.50% p.a.

Results of Operations

Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

For illustrative purposes, the table below sets out our results of operations on a pro forma basis for the nine months ended September 30, 2024, compared to the actual results of operations of the Applus Group for the nine months ended September 30, 2023:

	YTD Q3		
	2024 Pro forma	2023 Actual	Change
Revenue	1,632.3	1,518.6	7.5%
Adj. EBITDA	283.0	250.5	13.0%
Ebitda margin	17.3%	16.5%	+ 84 bps
D&A excl AD	(94.0)	(84.6)	
Adj. Op. Profit	189.0	165.9	13.9%
Adj. Op. Profit margin	11.6%	10.9%	+ 66 bps
Accelerated Depreciation	(30.4)	(7.2)	
PPA Amortisation	(81.2)	(47.0)	
Other results	(169.7)	(6.9)	
Operating profit	(92.2)	104.8	-188.0%
Operating Profit margin	(5.6)%	6.9%	
Finance result	(72.3)	(30.8)	
Associates	(0.1)	(0.2)	
Profit before tax	(164.5)	73.8	-322.9%
Income taxes	3.4	(22.2)	
Net Profit	(161.1)	51.6	
Minorities	(17.4)	(8.9)	
Net Profit Group	(178.5)	42.7	
Discontinued Operations	-	(4.0)	
Net Profit after discontinued Op.	(178.5)	38.8	

Revenue

Revenue	2024 Pro forma	Growths				Actual 2023
		Organic	Inorganic	FX	Total	
Energy & Industry	838.6	5.1%	1.0%	(0.9)%	5.2%	797.1
Laboratories	209.5	9.2%	7.3%	(0.7)%	15.8%	181.0
Auto	318.3	9.0%	0.0%	(4.3)%	4.7%	304.1
Idiada	265.7	13.2%	0.0%	(0.8)%	12.4%	236.4
Total Revenue	1,632.3	7.6%	1.4%	(1.5)%	7.5%	1,518.6

Revenue increased by 7.5% from €1,518.6 million in the nine months ended September 30, 2023 to €1,632.3 million in the nine months ended September 30, 2024. This increase was primarily due to organic revenue growth of 7.6% with all divisions contributing to the growth, inorganic revenue growth of 1.4% from acquisitions completed in the prior 12-month period, mainly attributable to the acquisitions of the Rescoll Group in June 2023 and the Barlovento Group in December 2023, partially offset by negative FX revenue impact of 1.5%, mainly attributable to the weaker performance of the U.S. dollar and currencies linked to the U.S. dollar as well as the Canadian and Australian dollars against the euro in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

The Energy & Industry division reported revenue of €838.6 million for the period, being just over half of the revenue of the Group and delivered good growth of 5.2% of which 5.1% was organic. There was good demand for services across the division in most regions especially for services to the Renewables, Power and Infrastructure end markets which grew on an organic basis in the double digits with Oil & Gas decreasing affected by the Opex works.

The Laboratories division had €209.5 million revenue in the period, which is now at 13% of the Group, and had strong revenue growth of 15.8% of which 9.2% was organic. The division continues to benefit from the increased demand in all business lines with Cybersecurity, Materials & Structures and Product Conformity growing at double digits.

The Auto division, with €318.3 million of revenue in the period or 20% of the Group revenue, was up 4.7% to last year, with positive organic revenue growth of 9.0% partially offset by negative translation currency impact coming mainly from Argentina. The division performed well with all countries growing compared to last year and Spain and Ireland leading the growth. The investment into operations in new countries continues and it is expected that one or more of these contracts produces revenue before the end of the year.

The IDIADA division, with €265.7 million of revenue or 16% of the Group in the period, delivered strong revenue growth of 12.4% of which 13.2% was organic. This strong growth is supported by 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 with current new emission regulations supporting this. On September 9, 2024, the acquisition of 80% of the share capital of IDIADA was completed, which means the consolidation of one of the most relevant Group businesses' for a further 25 years.

Adjusted EBITDA

Adjusted EBITDA increased by 13.0%, from €250.5 million in the nine months ended September 30, 2023 to €283.0 million in the nine months ended September 30, 2024. Our EBITDA margin increased by 84 basis points in the same period, mainly attributable to good operational performance, operating leverage and acquisitions.

Depreciation and Amortization excluding Accelerated Depreciation

Depreciation and amortization charge excluding the IDIADA accelerated depreciation (to adapt assets useful life to contract/concession duration) increased from €84.6 million in the nine months ended September 30, 2023 to €94.0 million in the nine months ended September 30, 2024. This increase was primarily due to the capex invested in the previous year and the impact of the acquisitions. The impact of the Accelerated Depreciation charge was of €30.4 million in the nine months ended September 30, 2024, compared to €7.2 million in the nine months ended September 30, 2023.

Other Results

Other results increased from €6.9 million in the nine months ended September 30, 2023 to €169.7 million in the nine months ended September 30, 2024. This increase was due to costs related to the takeover bid for the shares of Applus launched by Amber EquityCo, S.L.U.

Operating Profit

Operating profit decreased by 188.0% from €104.8 million gain in the nine months ended September 30, 2023 to €92.2 million loss in the nine months ended September 30, 2024. This decrease was primarily due to the increase in other results, which more than offset the improvement in our Adjusted EBITDA in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Finance Result

Negative finance result increased from €30.8 million in the nine months ended September 30, 2023 to €72.3 million in the nine months ended September 30, 2024. This increase was primarily due to the higher cost of debt from rising interest rates and costs related to the refinancing process of our debt in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Associates

Associates increased from €0.2 million loss in the nine months ended September 30, 2023 to €0.1 million loss in the nine months ended September 30, 2024.

Profit / (Loss) Before Tax

Profit / (loss) before tax decreased from a profit of €73.8 million in the nine months ended September 30, 2023 to a loss of €164.5 million in the nine months ended September 30, 2024, primarily due to the decrease in our operating profit and the increase in financial expense in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Income Tax

Income tax expense decreased from €22.2 million in the nine months ended September 30, 2023 to an income of €3.4 million in the nine months ended September 30, 2024.

Net Profit

Net profit decreased from €51.6 million in the nine months ended September 30, 2023 to €161.1 million loss in the nine months ended September 30, 2024, primarily due to the factors mentioned above.

Liquidity and Capital Resources

Liquidity

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including: our ability to generate cash flows from our operations; the level of our outstanding indebtedness, and the interest we are obligated to pay on such indebtedness, which affects our finance costs; and our ability to continue to borrow funds from financial institutions. Our cash requirements consist mainly of the following: funding working capital requirements, including payments under contracts and leases; funding capital expenditures needs; servicing our indebtedness and the indebtedness of our subsidiaries; operating activities; paying taxes; and funding acquisitions.

We expect our sources of liquidity will consist mainly of the following: cash generated from our operating activities; borrowings under the Senior Facilities Agreement; issuances of debt securities; and borrowings under our local facilities.

Commitments and Contingent Obligations

There have been no material changes in our commitments and contingencies that are not in the ordinary course of business since our most recent report.

APPENDIX 1 – AMBER JVCO LIMITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GROUP INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)
THOUSAND OF EUROS

	30/09/2024
CONTINUING OPERATIONS	
Revenue	649,400
Procurements	(67,163)
Staff costs	(352,573)
Other operating expenses	(123,210)
Operating Profit Before Depreciation, Amortization and Others	106,454
Depreciation and amortization charge	(87,724)
Impairment and gains or losses on disposal of non-current assets	(4,162)
Other losses	(168,985)
OPERATING PROFIT	(154,417)
Financial result	(36,581)
Refinancing Costs	(14,287)
Share of profit of companies accounted for using the equity method	-
Profit / (Loss) before tax	(205,285)
Corporate income tax	10,356
NET CONSOLIDATED PROFIT / (LOSS)	(194,928)
Profit / (Loss) attributable to non-controlling interests	(12,969)
NET PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT	(181,959)

GROUP INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)
THOUSAND OF EUROS

Assets	30/09/2024	Liabilities	30/09/2024
Non-current Assets		Equity	
Goodwill	1,369,176	Share capital and reserves	
Other intangible assets	1,080,023	Share capital	7,538
Rights of use	189,722	Share premium	746,294
Property, plant and equipment	247,264	Retained earnings and other reserves	(24,080)
Investments accounted for using the equity method	2,240	Profit / (Loss) for the year attributable to the Parent	(181,959)
Non-current financial assets	25,516	Treasury Shares	-
Deferred tax assets	67,876	Valuation adjustments	
Total non-current assets	2,981,817	Valuation adjustments	(12,937)
		Equity attributable to the shareholders of the parent	534,856
		Non-controlling interests	179,090
		Total Equity	713,946
		Non-current Liabilities	
		Long-term provisions	35,607
		Bank borrowings	1,738,128
		Borrowings from related parties	123,980
		Leasing Liabilities	139,507
		Other financial liabilities	22,715
		Deferred tax liabilities	281,707
		Other non-current liabilities	78,862
		Total non-current liabilities	2,420,505
Current Assets		Current Liabilities	
Inventories	12,969	Short-term provisions	5,427
Trade and other receivables		Bank borrowings	73,743
Trade and other receivables	481,915	Borrowings from related parties	-
Trade receivables from related companies	195	Leasing Liabilities	62,914
Other receivables	46,305	Trade and other payables	610,632
Corporate income tax assets	14,942	Trade payables from related companies	2
Other current assets	24,383	Corporate income tax liabilities	16,776
Current financial assets	3,719	Other current liabilities	12,719
Cash and cash equivalents	350,419		
Total current assets	934,847	Total current liabilities	782,213
TOTAL ASSETS	3,916,664	TOTAL EQUITY AND LIABILITIES	3,916,664

GROUP INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)
THOUSAND OF EUROS

	30/09/24
CASH FLOWS FROM OPERATING ACTIVITIES:	
Profit from operating activities before tax	(205,285)
Adjustments for items that do not give rise to operating cash flows-	
Depreciation and amortisation charge	87,724
Changes in provisions and allowances	46
Financial result	50,868
Share of profit of companies accounted for using the equity method	13
Gains or losses on disposals of intangible assets and property, plant and equipment	6,105
Profit from operations before changes in working capital (I)	(60,529)
Changes in working capital -	
Changes in trade and other receivables	-
Changes in inventories	-
Changes in trade and other payables	116,680
Cash generated by changes in working capital (II)	116,680
Other cash flows from operating activities	-
Other payments	-
Cash flows from operating activities (III)	-
Corporate income tax payments	2,186
Cash flows from income tax (IV)	2,186
NET CASH FLOW FROM OPERATING ACTIVITIES (A) = (I) + (II) + (III) + (IV)	58,337
CASH FLOWS FROM INVESTING ACTIVITIES:	
Business combination	90,182
Proceeds from the sale of subsidiaries and other non-current financial assets	9,296
Payment due the acquisition of subsidiaries and other non-current financial assets	(1,632,106)
Proceeds from disposal of property, plant and equipment	2,348
Payments due to acquisition of intangible assets and property, plant and equipment	(21,473)
Net cash flows used in investing activities (B)	(1,551,753)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Interest received	-
Interest paid	(12,865)
Net change in long-term financing (payments and proceeds)	1,885,826
Net payment of lease liabilities	(17,924)
Dividends	-
Dividends paid by Group companies to non-controlling interests	(8,789)
Net cash flows used in financing activities (C)	1,846,248
EFFECT OF EXCHANGE RATE IN FOREIGN CURRENCY (D)	(2,413)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)	350,419
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	350,419

**GROUP INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT-
PROFORMA**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)
THOUSAND OF EUROS

For illustrative purposes, we have included in this report certain pro forma income statement information, which have been prepared on a pro forma basis for the Acquisition and related financing to reflect the business performance on a continuing basis, along with comparisons to the actual income statement and balance sheet information, as indicated herein.

	30/09/2024 Pro forma JVCO	30/09/2023 Actual Applus
CONTINUING OPERATIONS		
Revenue	1,632,304	1,518,601
Procurements	(173,085)	(165,426)
Staff costs	(884,640)	(829,881)
Other operating expenses	(291,561)	(272,767)
Operating Profit Before Depreciation, Amortization and Others	283,018	250,527
Depreciation and amortization charge	(193,885)	(129,655)
Impairment and gains or losses on disposal of non-current assets	(11,664)	(9,207)
Other losses	(169,653)	(6,891)
OPERATING PROFIT	(92,184)	104,774
Financial result	(57,983)	(30,760)
Refinancing Costs	(14,287)	-
Share of profit of companies accounted for using the equity method	(65)	(186)
Profit / (Loss) before tax	(164,519)	73,828
Corporate income tax	3,429	(22,203)
Net Profit / (Loss) from continuing operations	(161,090)	51,625
Profit / (Loss) from discontinued operations net of tax	-	(3,929)
NET CONSOLIDATED PROFIT / (LOSS)	(161,090)	47,696
Profit / (Loss) attributable to non-controlling interests	17,447	8,915
NET PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT	(178,537)	38,781

NOTES TO THE ACCOUNTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2024 of the Group were prepared in accordance with the international accounting standards (IFRS) in conformity with the Companies Act 2006.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the unaudited condensed consolidated financial statements of the Group have been prepared on a going concern basis.

2. ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2024 were prepared from the separate accounting records of the Parent and of each of the subsidiaries and, accordingly, they accurately present the consolidated equity, the consolidated financial position, the consolidated results of the Group, the consolidated equity and the consolidated cash flows under IFRSs and the other rules contained in the regulatory financial reporting framework applicable to the Group.

Comparative Information

For illustrative purposes, we have included in this report certain pro forma income statement information, which have been prepared on a pro forma basis for the Acquisition of the Applus Group and the related financing to reflect the business performance on a continuing basis, along with comparisons to the actual income statement and balance sheet information, as indicated herein.

3. SEGMENTAL REPORTING

	30/09/24	30/09/23
Energy & Industry	838,641	797,119
Automotive	318,324	304,109
Laboratories	209,546	181,001
IDIADA	265,702	236,366
Holding	91	7
Total Amber JVCO Limited	1,632,304	1,518,601

4. EXCEPTIONAL ITEMS

Other results in the period ended September 30, 2024 are mainly referred to the costs of the takeover bid and refinancing, and also includes costs related to restructuring processes and costs related to acquisitions.

5. NET FINANCE COST

	Thousands of Euros
	30 September 2024
Finance Income:	
Other finance income by third parties	7,272
Total finance income	7,272
Finance costs:	
Borrowing costs relating to syndicated loan and US Private Placement	(44,362)
Refinancing related costs	(14,287)
Other finance costs paid to third parties	(9,817)
Interest expense on lease liabilities	(6,756)
Exchange differences	(4,795)
Total finance costs	(80,017)
Gains or losses on the net monetary position	475
Financial result	(72,270)

6. DISCONTINUED OPERATIONS

No divestments have been made in 2024.

In 2023, certain non-strategic businesses were identified for disposal and a process has been underway to accomplish this with the best possible outcome. One disposal was made of a business within the Automotive division and one in the Energy & Industry division. The first of them was agreed in January 2023 and closed in February, of the Automotive division business and operations in the United States which had €36.6 million of annual revenue in 2022. The net proceeds after post-closing balancing transactions, from these two disposals was €34 million. The second was the disposal from the Energy & Industry division of a non-destructive asset testing and inspection business in the USA that served the Oil & Gas industry. This disposal was announced in March 2023 and completed in June. The business generated revenue of €101.8 million in 2022 at an operating loss trading under challenging competitive local market conditions over the last few years and the net proceeds were non-material.

7. BORROWINGS

	30 September 2024 - Thousands of Euros						Total
	Limit	Short Term Drawn	Long Term Drawn				
			2025	2026	2027	2028 onwards	
Senior Secured Notes	895,000	-	-	-	-	895,000	895,000
Term Loan Facility B	800,000	-	-	-	-	800,000	800,000
Revolving Credit Facility	200,000	-	-	-	-	64,281	64,281
Accrued Interests	-	15,715	-	-	-	-	15,715
Debt Arrangement fees	-	(1,589)	(6,305)	(6,305)	(6,305)	(9,717)	(30,221)
Other loans	-	1,205	-	-	-	-	1,205
Credit facilities	96,080	58,331	-	-	-	-	58,331
Obligations under finance leases	-	81	-	-	-	-	81
Hedging instruments	-	-	-	-	7,479	-	7,479
Total	1,991,080	73,743	(6,305)	(6,305)	1,174	1,749,563	1,811,871