



FLUIDRA S.A. and Subsidiaries

**Consolidated Balance Sheet; Income Statement; Cash Flow Statement and
other selected data.**

September 30, 2020

Delivered pursuant to Section 5.4 of the credit agreements of Fluidra S.A. signed July 2, 2018

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Nature and principal activities of the Group.

Fluidra, S.A. (hereinafter the Company) was incorporated as a limited liability company for an indefinite period in Girona on October 3, 2002 under the name Aquaria de Inv. Corp., S.L., and changed to its current name on September 17, 2007.

The Company's corporate purpose and activity consists in the holding and use of equity shares, securities and other stock, and advising, managing and administering the companies in which the Company holds an ownership interest.

The Company is domiciled at Avenida Francesc Macià, nº 60, planta 20, in Sabadell (Barcelona).

The Group's activities consist in the manufacture and distribution of equipment, accessories and consumables for swimming-pools, irrigation and water treatment.

Fluidra, S.A. is the parent company of the Group comprising the subsidiaries detailed in the accompanying Appendix I of the consolidated financial statements for the year 2019 (hereinafter Fluidra Group or the Group). Additionally, the Group holds ownership interests in other entities, which are also detailed in Appendix I.

Fluidra's share capital consists of 112.629.070 ordinary shares with a par value of Euro 1 each, fully subscribed. On October 31, 2007, the "Company" completed its initial public offering process through the public offering of 44.082.943 ordinary shares with a par value of Euro 1 each.

These shares representing share capital are listed on the Barcelona and Madrid stock exchanges, and also on the continuous market.

On July 2, 2018 Fluidra, S.A. carried out a capital increase for a nominal amount of Euro 83.000.000 by issuing and circulating 83,000,000 new ordinary shares of Euro 1 par value each, which were fully subscribed by the sole shareholder of Piscine Luxembourg Holdings 2 S.à r.l. (penultimate holder of the Luxembourgian company Zodiac Pool Solutions S.à.r.l. holding company of the Zodiac Group) without entitlement, as per article 304.2 of the Spanish Corporations Act, to any preferential subscription rights. The difference between the fair value of the equity received by Fluidra, S.A. by virtue of the merger and the par value of the new shares was allocated to share premium.

Basis of Preparation

This Balance Sheet, Income Statement and Cash Flow Statement have been prepared from the accounting records of Fluidra, S.A. and the companies included in the Group, according to the going concern principle. This Balance Sheet, Income Statement and Cash Flow Statement have been prepared in accordance with the International Financial Reporting Standards. These financial statements do not include all disclosures required for annual financial statements, nor for IAS 34 "Interim Financial Reporting" as adopted by the European Union (IFRS-EU) and shall be read together with the consolidated financial statements for the years ended December 31, 2019 and 2018 prepared in accordance to IFRS-EU.

Selected Definitions

Consolidated Adjusted EBITDA (“EBITDA”): represents the Group’s operating result before depreciation, amortization, impairment losses, and unusual and non-recurring adjustments, as defined in Fluidra’s credit agreements.

Consolidated Total Debt: as defined in Fluidra’s credit agreements, it means the aggregate principal amount of funded Indebtness of Holdings and its Restricted Subsidiaries outstanding on such date and determined on a consolidation basis.

The Group in the annual financial statements includes a definition for EBITDA (referred to as Reported EBITDA) and Net Financial Debt. These two magnitudes are periodically reported to shareholders and included in the annual financial statements, therefore we have included a reconciliation between them and those required by the credit agreements mentioned above.

Business Overview

For the Business Overview please refer to www.fluidra.com - Shareholders and Investors - Regulatory Filings – 2020 3rd Quarter Results.

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(Thousands of Euros)	30/9/2020	30/9/2019
Operating Income		
Sales of goods and finished products	1.142.915	1.062.745
Income from the rendering services	18.020	19.523
Work performed by the Group and capitalised as non-current assets	10.297	10.498
Total operating income	1.171.232	1.092.766
Operating expenses		
Change in inventories of finished products, work in progress and raw material consumables	(546.355)	(521.322)
Personnel expenses	(204.379)	(214.114)
Depreciation and amortization expenses and impairment losses	(88.833)	(94.707)
Other operating expenses	(185.898)	(187.465)
Total operating expenses	(1.025.465)	(1.017.608)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	42	(738)
Total other profit / (loss)	42	(738)
Operating profit	145.809	74.420
Finance income / (expenses)		
Finance income	5.729	1.920
Finance expenses	(27.821)	(36.904)
Financial Expenses of Lease Liabilities	(3.681)	(3.567)
Exchange gains / (losses)	(7.816)	2.707
Net financial income / (loss)	(33.589)	(35.844)
Share in profit / (loss) for the year from investments accounted for using the equity		
Profit / (loss) before tax from continuing operations	112.220	38.548
Income tax expense		
Profit / (loss) after tax from continuing operations	79.888	27.270
Profit / (loss) after tax from discontinued operations	-	(114)
CONSOLIDATED PROFIT / (LOSS) AFTER TAX		
Profit attributed to non-controlling interest	2.869	3.164
Profit attributed to equity holders of the parent	77.019	23.992
From continuing operations	77.019	24.106
From discontinued operations	-	(114)
EBITDA	234.642	169.099

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(Thousands of Euros)

30/9/2020

30/9/2019

Cash flows from operating activities

Profit of the year before tax	112.220	38.434
<i>Adjustments for:</i>		
Amortization and depreciation	87.296	94.628
Adjustments due to impairment of receivables	4.475	3.314
Provision for / (reversal of) impairment losses on assets	1.513	-
Provision for / (reversal of) impairment losses on financial assets	93	79
Provision for / (reversal of) impairment losses on risks and expenses	9.219	361
Provision for / (reversal of) impairment losses on inventories	404	3.463
Income from financial assets	(4.227)	(862)
Financial expenses	31.255	39.245
(Income) / expenses from currency translation differences	7.816	(2.707)
Share in profit / (loss) for the year from associates accounted for using equity method	-	28
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(42)	(361)
(Profit)/losses on the sale of subsidiaries	(5)	1.214
Government grants recognized in profit and loss	(54)	(60)
Shared-based payment expenses	7.167	9.527
Adjustments to consideration given against gains/losses on business combinations	(1.344)	284
(Gains) / losses from derivative financial instruments at fair value	(27)	(122)
Operating profit before changes in working capital	255.759	186.465
 Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	31.128	13.143
Increase / (decrease) in inventories	(9.221)	(43.223)
Increase / (decrease) in trade and other payables	4.965	(15.597)
Utilization of provisions	(769)	(756)
Cash Flows from operating activities	281.862	140.032
 Interest paid	(32.606)	(35.965)
Interest received	4.217	768
Corporate income tax paid	(29.663)	4.544
 Net Cash Flows from operating activities	223.810	109.379

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Cash Flows from investing activities

From the sale of property, plant and equipment	891	2.847
From the sale of other intangible assets	41	28
From the sale of financial assets	3.510	1.896
Proceeds from the sale of subsidiaries, net of cash used	(300)	25.983
Proceeds from the sale of subsidiaries in prior years	730	0
Acquisition of property, plant and equipment	(12.562)	(18.576)
Acquisition of intangible assets	(13.092)	(13.481)
Acquisition of financial assets	(4.542)	(5.076)
Payments for acquisitions of subsidiaries	(10.637)	-
Payments for acquisitions of subsidiaries in prior years	(8.837)	(6.316)
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Net Cash Flows used in investing activities	(44.798)	(12.695)

Cash Flows from financing activities

Payments for repurchase of treasury shares	(8.374)	(9.784)
Proceeds from the sale of treasury shares	8.285	675
Proceeds from grants	-	47
Proceeds from bank financing	53.303	30.813
Payments from bank borrowings, finance leases and others	(162.828)	(25.840)
Payments from leases liabilities (IFRS- 16)	(15.517)	(9.840)
Dividends paid	(1.361)	(2.103)
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Net Cash Flows from financing activities	(126.492)	(16.032)

Net increase / (decrease) in cash and cash equivalents	52.520	80.652
Cash and cash equivalents as of January 1, 2020	242.240	181.233
Effect of currency translation differences on cash	(6.564)	1.280
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Cash and cash equivalents as of June 30, 2020	288.196	263.165

Note: This cash flow includes cash flows arising from continuing and discontinued operations.

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Calculation and Reconciliation of EBITDA

(in millions of Euros)	Sept 20 LTM
Net Profit attributed to equity holders of the parent company	61,3
Income Tax Expense	27,0
Finance Income	(6,6)
Finance Costs	49,8
Exchange gains / (losses)	10,0
Depreciation & Amortisation Expense & Impairment	123,9
Minority Interest	5,4
Reported EBITDA	270,8
Integration related and other Non-Recurring Expenses	10,4
EBITDA discontinued Operations Aquatron	0,0
Share based payment expense	8,9
Run Rate synergies	4,9
Profit/Loss from sale of subsidiaries	13,8
EBITDA October 19 - September 20	308,6

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(in millions of Euros)	At 30 September 2020
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First-lien credit facility	707,4
Asset-based lending facility	1,3
Other debt	62,1
Total debt	770,8
Unamortized debt issuance costs	(16,1)
Debt, current and non-current	754,7
Current portion of first-lien credit facility	7,1
Asset-based lending facility	1,3
Current portion of other debt	0,0
Debt, current	8,4
Debt, non-current	746,3
Lease liabilities	115,1
Cash and Cash Equivalents	288,2
Non Current Financial Assets	6,6
Current Financial Assets	10,6
Derivative Instruments	(19,2)
Total Cash & Financial Assets	286,2
Net Financial Debt as per Group Definition	468,5
Net Debt as per Group Definition	583,6

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Disclaimer

Data included in this report is unaudited. This release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction. Various statements contained in this document constitute “forward-looking statements”.

Words like “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target” and other words of similar meaning identify these forward-looking statements. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate.

The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events: negative or uncertain worldwide economic conditions; volatility and cyclicity in the markets in which we operate; volatility in the costs and availability of raw materials; operational risks inherent in pool industry, including disruptions as a result of severe weather conditions, natural disasters; our dependence on major customers; competition in the industries in which we operate; our ability to develop new products and technologies successfully; our ability to implement our business strategies successfully; our ability to realise benefits from investments, joint ventures, acquisitions or alliances; environmental, safety and other regulatory requirements, and the related costs of maintaining compliance and addressing liabilities; litigation or legal proceedings, including product liability claims; enforceability of our intellectual property rights; fluctuations in foreign currency exchange and interest rates; information technology systems failures, network disruptions and breaches of data security; our ability to recruit or retain key management and personnel; relationships with our workforce, including negotiations with labour unions, strikes and work stoppages; political or country risks, or dislocations in credit and capital markets; decreases in the fair value of our business and potential impairments or write-offs of certain assets; the adequacy of our insurance coverage; and changes in our jurisdictional earnings mix or in the tax laws of those jurisdictions.

We caution readers not to place undue reliance on any forward-looking statements contained herein, which speak only as of the date of this document, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

In any event, Fluidra S.A. provides information on these and other factors that may affect the Company’s forward-looking statements, business and financial results in documents filed with the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores). We invite all interested persons or entities to consult these documents.