



FLUIDRA S.A. and Subsidiaries

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

June 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 2nd Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

	<u>Assets</u>	<u>30/6/2020</u>	<u>30/6/2019</u>
Property, Plant and Equipment		116.969	109.584
Investment property		3.131	3.204
Goodwill		1.112.658	1.093.978
Other intangible assets		713.236	761.337
Rights of Use assets		107.756	109.281
Equity-Accounted Investments		-	8
Non-current financial assets		6.875	6.865
Other account receivables		2.275	5.754
Deferred tax assets		81.682	83.862
Total non- current assets		2.144.582	2.173.873
Non-current assets held for sale		633	-
Inventories		273.772	307.228
Trade and other receivables		393.391	415.186
Other current financial assets		9.812	8.457
Derivative financial instruments		448	306
Cash and cash equivalents		172.551	183.687
Total current assets		850.607	914.864
TOTAL ASSETS		2.995.189	3.088.737
	<u>Equity</u>		
Share Capital		195.629	195.629
Share Premium		1.148.591	1.148.591
Retained earnings and other reserves		172.594	129.536
Treasury shares		(14.493)	(10.411)
Other comprehensive income		(13.995)	(16.285)
Equity attributed to equity holders of the parent		1.488.326	1.447.060
Non-controlling interests		7.145	7.371
Total equity		1.495.471	1.454.431
	<u>Liabilities</u>		
Debt, Bank Borrowings and other marketable securities		733.449	854.677
Lease liabilities		97.027	85.280
Derivative financial instruments		21.622	16.517
Deferred tax liabilities		177.890	193.126
Provisions		10.808	15.550
Government grants		253	310
Other non-current liabilities		26.443	19.177
Total non-current liabilities		1.067.492	1.184.637
Liabilities linked to non-current assets held for sale		713	-
Debt, Bank Borrowings and other marketable securities		53.542	68.264
Lease liabilities		21.959	22.418
Trade and other payables		325.175	332.128
Provisions		30.739	26.841
Derivative financial instruments		98	18
Total current liabilities		432.226	449.669
TOTAL EQUITY AND LIABILITIES		2.995.189	3.088.737

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(Thousands of Euros)	30/6/2020	30/6/2019
Operating Income		
Sales of goods and finished products	771.267	753.204
Income from the rendering services	11.596	12.880
Work performed by the Group and capitalised as non-current assets	6.254	6.787
Total operating income	789.117	772.871
Operating expenses		
Change in inventories of finished products, work in progress and raw material consumables	(370.373)	(363.530)
Personnel expenses	(134.445)	(146.799)
Depreciation and amortization expenses and impairment losses	(59.876)	(61.835)
Other operating expenses	(123.321)	(129.072)
Total operating expenses	(688.015)	(701.236)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	118	(1.115)
Total other profit / (loss)	118	(1.115)
Operating profit	101.220	70.520
Finance income / (expenses)		
Finance income	6.218	996
Finance costs	(20.565)	(23.694)
Financial Expenses of Lease Liabilities	(2.495)	(2.324)
Exchange gains / (losses)	(4.138)	(757)
Net financial income / (loss)	(20.980)	(25.779)
Share in profit / (loss) for the year from investments accounted for using the equity	-	(19)
Profit / (loss) before tax from continuing operations	80.240	44.722
Income tax expense	(22.800)	(13.221)
Profit / (loss) after tax from continuing operations	57.440	31.501
Profit / (loss) after tax from discontinued operations	-	(114)
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	57.440	31.387
Profit attributed to non-controlling interest	2.562	2.724
Profit attributed to equity holders of the parent	54.878	28.663
From continuing operations	54.878	28.777
From discontinued operations	-	(114)
EBITDA	161.096	132.336

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(Thousands of Euros)	30/6/2020	30/6/2019
<u>Cash flows from operating activities</u>		
Profit of the year before tax	80.240	44.608
<i>Adjustments for:</i>		
Amortization and depreciation	58.946	61.835
Adjustments due to impairment of receivables	4.163	2.285
Provision for / (reversal of) impairment losses on assets	930	-
Provision for / (reversal of) impairment losses on financial assets	93	79
Provision for / (reversal of) impairment losses on risks and expenses	2.814	726
Provision for / (reversal of) impairment losses on inventories	691	2.874
Income from financial assets	(3.984)	(778)
Financial expenses	22.866	25.682
(Income) / expenses from currency translation differences	4.138	757
Share in profit / (loss) for the year from associates accounted for using equity method	-	19
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(118)	15
(Profit)/losses on the sale of subsidiaries	-	1.214
Government grants recognized in profit and loss	(50)	(56)
Shared-based payment expenses	3.771	6.902
Adjustments to consideration given against gains/losses on business combinations	(1.268)	-
(Gains) / losses from derivative financial instruments at fair value	(865)	5
Operating profit before changes in working capital	172.367	146.167
Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(88.974)	(119.170)
Increase / (decrease) in inventories	(13.665)	(58.873)
Increase / (decrease) in trade and other payables	28.435	58.084
Utilization of provisions	(652)	(553)
Cash Flows from operating activities	97.511	25.655
Interest paid	(23.933)	(23.517)
Interest received	3.978	719
Corporate income tax paid	(11.573)	(1.093)
Net Cash Flows from operating activities	65.983	1.764

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Cash Flows from investing activities

From the sale of property, plant and equipment	681	1.879
From the sale of other intangible assets	134	20
From the sale of financial assets	2.318	1.106
Proceeds from the sale of subsidiaries, net of cash used	-	25.983
Acquisition of property, plant and equipment	(8.577)	(13.905)
Acquisition of intangible assets	(8.222)	(9.341)
Acquisition of financial assets	(2.106)	(4.305)
Payments for acquisitions of subsidiaries	(7.946)	-
Payments for acquisitions of subsidiaries in prior years	(6.997)	(1.432)
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Net Cash Flows used in investing activities	(30.715)	5

Cash Flows from financing activities

Payments for repurchase of treasury shares	(3.441)	(5.831)
Proceeds from the sale of treasury shares	3.360	297
Proceeds from grants	-	47
Proceeds from bank borrowings and other	66.831	30.770
Payments from bank borrowings, finance leases and others	(157.872)	(19.057)
Payments from leases liabilities (IFRS- 16)	(10.586)	(4.975)
Dividends paid	(1.061)	(1.724)
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Net Cash Flows from financing activities	(102.769)	(473)

Net increase / (decrease) in cash and cash equivalents	(67.501)	1.296
Cash and cash equivalents as of January 1, 2020	242.240	181.233
Effect of currency translation differences on cash	(1.968)	1.158
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Cash and cash equivalents as of June 30, 2020	172.771	183.687

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)	June 20 LTM
Net Profit attributed to equity holders of the parent company	34,5
Income Tax Expense	15,6
Finance Income	(8,0)
Finance Costs	55,8
Exchange gains / (losses)	2,9
Depreciation & Amortisation Expense & Impairment	127,8
Minority Interest	5,6
Reported EBITDA	234,1
Integration related and other Non-Recurring Expenses	18,0
Share based payment expense	9,1
Run Rate synergies	9,7
Profit/Loss from sale of subsidiaries	13,5
EBITDA July 19 - June 20	284,2

Fluidra S.A. and Subsidiaries
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(in millions of Euros)

At 30 June
2020

First-lien credit facility	726,0
Asset-based lending facility	2,5
Other debt	74,7
Total debt	803,1
Unamortized debt issuance costs	(16,1)
Debt, current and non-current	787,0
Current portion of first-lien credit facility	7,3
Asset-based lending facility	2,5
Current portion of other debt	17,9
Debt, current	27,7
Debt, non-current	759,3
Lease liabilities	119,0
Cash and Cash Equivalents	172,6
Non Current Financial Assets	6,9
Current Financial Assets	9,8
Derivative Instruments	(21,3)
Total Cash & Financial Assets	168,0
Net Financial Debt as per Group Definition	619,0
Net Debt as per Group Definition	738,0

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 cyclicalities 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.