



FLUIDRA S.A. and Subsidiaries

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

March 31, 2021

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 2020 (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, 2020 and 2019 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 – 2021 1st Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

	<u>Assets</u>	31/3/2021	31/3/2020
Property, Plant and Equipment		130.415	119.731
Investment property		3.167	3.148
Goodwill		1.218.818	1.124.492
Other intangible assets		710.487	741.980
Rights of Use assets		121.129	111.278
Equity-Accounted Investments		29	-
Non-current financial assets		4.694	7.030
Other account receivables		3.652	2.192
Deferred tax assets		92.450	96.729
Total non- current assets		2.284.841	2.206.580
Non-current assets held for sale		-	-
Inventories		376.558	309.576
Trade and other receivables		476.741	427.711
Other current financial assets		10.717	9.570
Derivative financial instruments		816	1.661
Cash and cash equivalents		90.758	120.240
Total current assets		955.590	868.758
TOTAL ASSETS		3.240.431	3.075.338
	<u>Equity</u>		
Share Capital		195.629	195.629
Share Premium		1.148.591	1.148.591
Retained earnings and other reserves		303.603	117.722
Interim dividend		(40.752)	-
Treasury shares		(70.630)	(14.323)
Other comprehensive income		(36.783)	5.132
Equity attributed to equity holders of the parent		1.499.658	1.452.751
Non-controlling interests		7.416	6.088
Total equity		1.507.074	1.458.839
	<u>Liabilities</u>		
Debt with Financial Institutions		687.188	708.574
Lease liabilities		109.597	98.059
Derivative financial instruments		14.285	22.491
Deferred tax liabilities		171.462	190.484
Provisions		13.683	11.534
Government grants		201	269
Other non-current liabilities		8.210	26.057
Total non-current liabilities		1.004.626	1.057.468
Liabilities linked to non-current assets held for sale		-	-
Debt with Financial Institutions		246.987	211.071
Lease liabilities		25.215	22.596
Trade and other payables		412.891	295.875
Provisions		42.819	29.166
Derivative financial instruments		819	323
Total current liabilities		728.731	559.031
TOTAL EQUITY AND LIABILITIES		3.240.431	3.075.338

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(Thousands of Euros)	31/3/2021	31/3/2020
Operating Income		
Sales of goods and finished products	508.358	315.815
Income from the rendering services	5.514	4.924
Work performed by the Group and capitalised as non-current assets	2.935	3.163
Total operating income	516.807	323.902
Operating expenses		
Change in inventories of finished products, work in progress and raw material consumables	(235.962)	(146.031)
Employee Benefits Expense	(82.848)	(70.144)
Depreciation and amortization expenses and impairment losses	(27.987)	(30.102)
Other operating expenses	(70.279)	(60.064)
Total operating expenses	(417.076)	(306.341)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	40	123
Total other profit / (loss)	40	123
Operating profit	99.771	17.684
Finance income / (expenses)		
Finance income	1.805	5.638
Finance expenses	(8.296)	(10.407)
Financial Expenses of Lease Liabilities	(1.256)	(1.255)
Exchange gains / (losses)	550	(8.803)
Net financial income / (expense)	(7.197)	(14.827)
Share in profit / (loss) for the year from investments accounted for using the equity		
Profit / (loss) before tax from continuing operations	92.574	2.857
Income tax expense		
Profit / (loss) after tax from continuing operations	67.929	2.017
Profit / (loss) after tax from discontinued operations	-	-
CONSOLIDATED PROFIT / (LOSS) AFTER TAX		
Profit attributed to non-controlling interest	605	435
Profit attributed to equity holders of the parent	67.323	1.582
From continuing operations	67.323	1.582
From discontinued operations	-	-
EBITDA	127.758	47.786

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Cash flows from operating activities

Profit of the year before tax	92.574	2.857
<i>Adjustments for:</i>		
Amortization and depreciation	27.987	29.848
Adjustments due to impairment of receivables	1.038	2.224
Provision for / (reversal of) impairment losses on assets	0	253
Provision for / (reversal of) impairment losses on financial assets	0	0
Provision for / (reversal of) impairment losses on risks and expenses	3.108	554
Provision for / (reversal of) impairment losses on inventories	1.929	(506)
Income from financial assets	(91)	(3.787)
Financial cost	9.230	11.573
Exchange (gains) / losses	(550)	8.803
Share in profit / (loss) for the year from associates accounted for using equity method	0	0
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(40)	(123)
(Profit)/losses on the sale of subsidiaries	0	0
Government grants recognized in profit and loss	(40)	(34)
Shared-based payment expenses	3.555	2.265
Adjustments to consideration given against gains/losses on business combinations	0	0
(Gains) / losses from derivative financial instruments at fair value	(1.518)	(1.854)
Operating profit before changes in working capital	137.182	52.074
Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(207.649)	(123.059)
Increase / (decrease) in inventories	(60.782)	(48.131)
Increase / (decrease) in trade and other payables	48.266	887
Utilization of provisions	0	(400)
Cash Flows from operating activities	(82.983)	(118.629)
Interest paid	(8.353)	(10.976)
Interest received	88	255
Corporate income tax paid	(3.479)	(785)
Net Cash Flows from operating activities	(94.727)	(130.134)

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Cash Flows from investing activities

From the sale of property, plant and equipment	375	590
From the sale of other intangible assets	450	294
From the sale of financial assets	1.127	1.118
Dividends received	0	0
Proceeds from the sale of subsidiaries, net of cash used	-	0
Proceeds from the sale of subsidiaries in prior years	105	0
Acquisition of property, plant and equipment	(6.756)	(5.782)
Acquisition of intangible assets	(4.907)	(4.161)
Acquisition of other financial assets	(654)	(672)
Payments for acquisitions of subsidiaries , net of cash and cash equivalents	(164.076)	(8.104)
Payments for acquisitions of subsidiaries in prior years	(8.152)	(7.347)
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Net Cash Flows used in investing activities	(182.488)	(24.063)

Cash Flows from financing activities

Payments for repurchase of treasury shares	(51.283)	(789)
Proceeds from the sale of treasury shares	21.658	565
Proceeds from grants	-	0
Proceeds from bank financing	226.845	192.125
Payments from bank borrowings	(54.186)	(153.188)
Lease liability payments	(5.595)	(5.710)
Dividends paid	(17)	(77)
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Net Cash Flows from financing activities	137.422	32.927

Net increase / (decrease) in cash and cash equivalents	(139.793)	(121.270)
Cash and cash equivalents as of January 1, 2021	225.631	242.240
Effect of currency translation differences on cash	4.920	(730)
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Cash and cash equivalents as of March 31, 2021	90.758	120.240

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)	March 21 LTM
Net Profit attributed to equity holders of the parent company	162,1
Income Tax Expense	62,9
Finance Income	(3,5)
Finance Costs	40,7
Exchange gains / (losses)	0,3
Depreciation & Amortisation Expense & Impairment	115,9
Minority Interest	3,7
Reported EBITDA	382,0
Integration related and other Non-Recurring Expenses	7,9
Share based payment expense	10,4
Run Rate synergies	3,0
Profit/Loss from sale of subsidiaries	0,7
EBITDA April 20 - March 21	404,1

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(in millions of Euros)

**At 31 March
2021**

First-lien credit facility	706,3
Asset-based lending facility	70,8
Other debt	171,3
Total debt	948,4
Unamortized debt issuance costs	(14,3)
Debt, current and non-current	934,2
Current portion of first-lien credit facility	7,2
Asset-based lending facility	70,8
Current portion of other debt	123,7
Debt, current	201,7
Debt, non-current	732,5
Lease liabilities	134,8
Cash and Cash Equivalents	90,8
Non Current Financial Assets	4,7
Current Financial Assets	10,7
Derivative Instruments	(14,3)
Total Cash & Financial Assets	91,9
Net Financial Debt as per Group Definition	842,3
Net Debt as per Group Definition	977,1

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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.