



FLUIDRA S.A. and Subsidiaries

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

June 30, 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 Alcalde Barnils, nº 69, in Sant Cugat del Vallés (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 2nd Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

	<u>Assets</u>	<u>30/6/2021</u>	<u>30/6/2020</u>
Fixed Assets		130.716	116.969
Investment Property		3.145	3.131
Goodwill		1.144.985	1.112.658
Other Intangible Assets		759.562	713.236
Rights of Use		120.247	107.756
Equity-Accounted Investments		29	-
Non-Current Financial Assets		4.592	6.875
Other Receivables		3.557	2.275
Deferred Tax Assets		95.061	81.682
Total non- current assets		2.261.894	2.144.582
Non-current assets held for sale		4.960	633
Inventories		356.314	273.772
Trade and other receivables		405.406	393.391
Other current financial assets		10.679	9.812
Derivative financial instruments		527	448
Cash and cash equivalents		99.797	172.551
Total current assets		877.683	850.607
TOTAL ASSETS		3.139.577	2.995.189
	<u>Equity</u>		
Share Capital		195.629	195.629
Share Premium		1.148.591	1.148.591
Retained earnings and other reserves		322.223	172.594
Interim dividend		-	-
Treasury shares		(142.537)	(14.493)
Other comprehensive income		(45.241)	(13.995)
Equity attributed to equity holders of the parent		1.478.665	1.488.326
Non-controlling interests		8.626	7.145
Total equity		1.487.291	1.495.471
	<u>Liabilities</u>		
Debt with Financial Institutions		680.288	733.449
Lease liabilities		108.240	97.027
Derivative financial instruments		12.029	21.622
Deferred tax liabilities		170.553	177.890
Provisions		14.686	10.808
Government grants		215	253
Other non-current liabilities		8.609	26.443
Total non-current liabilities		994.620	1.067.492
Liabilities linked to non-current assets held for sale		2.752	713
Debt with Financial Institutions		69.240	53.542
Lease liabilities		26.115	21.959
Trade and other payables		511.838	325.175
Provisions		47.380	30.739
Derivative financial instruments		341	98
Total current liabilities		657.666	432.226
TOTAL EQUITY AND LIABILITIES		3.139.577	2.995.189

Fluidra S.A. and Subsidiaries
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(Thousands of Euros)	30/6/2021	30/6/2020
Operating Income		
Sales of goods and finished products	1.186.740	771.267
Revenues from Services Rendered	14.825	11.596
Work performed by the Group and capitalised as non-current assets	7.105	6.254
Total operating income	1.208.670	789.117
Operating expenses		
Change in inventories of finished products, work in progress and raw material consumables	(558.937)	(370.373)
Employee Benefits Expense	(181.508)	(134.445)
Depreciation and amortization expenses and impairment losses	(59.409)	(59.876)
Other operating expenses	(164.321)	(123.321)
Total operating expenses	(964.175)	(688.015)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	(309)	118
Total other profit / (loss)	(309)	118
Operating profit	244.186	101.220
Finance income / (expenses)		
Finance income	1.934	6.218
Finance expenses	(18.888)	(20.565)
Financial Expenses of Lease Liabilities	(2.540)	(2.495)
Exchange gains / (losses)	1.210	(4.138)
Net financial income / (expense)	(18.284)	(20.980)
Share in profit / (loss) for the year from investments accounted for using the equity		
Profit / (loss) before tax from continuing operations	225.902	80.240
Income tax expense	(49.665)	(22.800)
Profit / (loss) after tax from continuing operations	176.237	57.440
Profit / (loss) after tax from discontinued operations	-	-
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	176.237	57.440
Profit attributed to non-controlling interest	1.997	2.562
Profit attributed to equity holders of the parent	174.240	54.878
From continuing operations	174.240	54.878
From discontinued operations	-	-
EBITDA	303.595	161.096

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(Thousands of Euros)

30/6/2021 30/6/2020

Cash flows from operating activities

Profit of the year before tax	225.902	80.240
<i>Adjustments for:</i>		
Amortization and depreciation	58.180	58.946
Adjustments due to impairment of receivables	229	4.163
Provision for / (reversal of) impairment losses on assets	1.230	930
Provision for / (reversal of) impairment losses on financial assets	127	93
Provision for / (reversal of) impairment losses on risks and expenses	9.751	2.814
Provision for / (reversal of) impairment losses on inventories	1.872	691
Income from financial assets	(226)	(3.984)
Financial cost	18.565	22.866
Exchange (gains) / losses	(1.210)	4.138
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	309	(118)
Government grants recognized in profit and loss	(53)	(50)
Shared-based payment expenses	18.308	3.771
Adjustments to consideration given against gains/losses on business combinations	2.736	(1.268)
(Gains) / losses from derivative financial instruments at fair value	(1.708)	(865)
Operating profit before changes in working capital	334.012	172.367
 Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(136.177)	(88.974)
Increase / (decrease) in inventories	(44.982)	(13.665)
Increase / (decrease) in trade and other payables	95.936	28.435
Utilization of provisions	(579)	(652)
Cash Flows from operating activities	248.210	97.511
 Interest paid	(16.586)	(23.933)
Interest received	219	3.978
Corporate income tax paid	(43.586)	(11.573)
 Net Cash Flows from operating activities	188.257	65.983

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<u>Cash Flows from investing activities</u>	<u>30/6/2021</u>	<u>30/6/2020</u>
From the sale of property, plant and equipment	1.083	681
From the sale of other intangible assets	450	134
From the sale of financial assets	7.545	2.318
Proceeds from the sale of subsidiaries in prior years	105	-
Acquisition of property, plant and equipment	(15.798)	(8.577)
Acquisition of intangible assets	(11.464)	(8.222)
Acquisition of other financial assets	(7.104)	(2.106)
Payments for acquisitions of subsidiaries , net of cash and cash equivalents	(164.603)	(7.946)
Payments for acquisitions of subsidiaries in prior years	(14.668)	(6.997)
	(204.454)	(30.715)
Net Cash Flows used in investing activities		
 <u>Cash Flows from financing activities</u>		
Payments for repurchase of treasury shares	(158.694)	(3.441)
Proceeds from the sale of treasury shares	72.614	3.360
Proceeds from grants	27	-
Proceeds from bank financing	63.645	66.831
Payments from bank borrowings	(76.540)	(157.872)
Lease liability payments	(11.395)	(10.586)
Dividends paid	(131)	(1.061)
	(110.474)	(102.769)
Net Cash Flows from financing activities		
Net increase / (decrease) in cash and cash equivalents	(126.671)	(67.501)
Cash and cash equivalents as of January 1, 2021	225.631	242.240
Effect of currency translation differences on cash	3.473	(1.968)
	102.433	172.771

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 21 LTM
Net Profit attributed to equity holders of the parent company	215,7
Income Tax Expense	66,0
Finance Income	(3,1)
Finance Costs	41,2
Exchange gains / (losses)	4,3
Depreciation & Amortisation Expense & Impairment	117,5
Minority Interest	3,0
Reported EBITDA	444,5
Integration related and other Non-Recurring Expenses	11,1
Share based payment expense	23,6
Run Rate synergies	2,2
Profit/Loss from sale of subsidiaries	0,0
EBITDA July 20 - June 21	481,5

Fluidra S.A. and Subsidiaries
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(in millions of Euros)	At 30 June 2021
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First-lien credit facility	698,4
Asset-based lending facility	0,0
Other debt	64,4
Total debt	762,8
Unamortized debt issuance costs	(13,3)
Debt, current and non-current	749,5
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Current portion of first-lien credit facility	7,1
Asset-based lending facility	0,0
Current portion of other debt	29,5
Debt, current	36,6
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Debt, non-current	712,9
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Lease liabilities	134,4
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Cash and Cash Equivalents	99,8
Non Current Financial Assets	4,6
Current Financial Assets	10,7
Derivative Instruments	(11,8)
Total Cash & Financial Assets	103,2
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Net Financial Debt as per Group Definition	646,3
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Net Debt as per Group Definition	780,7
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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 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.