



FLUIDRA S.A. and Subsidiaries

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

December 31, 2020

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

Fluidra S.A. and Subsidiaries
December 31, 2020

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 – 2020 4th Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

	<u>Assets</u>	<u>31/12/2020</u>	<u>31/12/2019</u>
Property, Plant and Equipment		117.941	119.976
Investment property		2.940	3.166
Goodwill		1.075.483	1.103.856
Other intangible assets		641.717	736.185
Rights of Use assets		101.714	112.659
Equity-Accounted Investments		28	-
Non-current financial assets		4.384	7.376
Other account receivables		3.680	1.831
Deferred tax assets		90.389	85.588
Total non- current assets		2.038.276	2.170.637
Non-current assets held for sale		-	-
Inventories		281.838	259.471
Trade and other receivables		249.341	314.745
Other current financial assets		10.867	9.713
Derivative financial instruments		10	291
Cash and cash equivalents		225.631	242.240
Total current assets		767.687	826.460
TOTAL ASSETS		2.805.963	2.997.097
	<u>Equity</u>		
Share Capital		195.629	195.629
Share Premium		1.148.591	1.148.591
Retained earnings and other reserves		227.648	113.208
Interim dividend		(40.752)	-
Treasury shares		(35.841)	(14.000)
Other comprehensive income		(73.969)	(3.814)
Equity attributed to equity holders of the parent		1.421.306	1.439.614
Non-controlling interests		6.734	5.878
Total equity		1.428.040	1.445.492
	<u>Liabilities</u>		
Debt with Financial Institutions		671.102	857.035
Lease liabilities		91.694	98.587
Derivative financial instruments		15.987	14.951
Deferred tax liabilities		165.365	181.154
Provisions		13.636	11.406
Government grants		241	302
Other non-current liabilities		18.602	22.326
Total non-current liabilities		976.627	1.185.761
Liabilities linked to non-current assets held for sale		-	-
Debt with Financial Institutions		20.013	21.862
Lease liabilities		22.454	23.173
Trade and other payables		319.696	291.564
Provisions		37.602	28.437
Derivative financial instruments		1.531	808
Total current liabilities		401.296	365.844
TOTAL EQUITY AND LIABILITIES		2.805.963	2.997.097

Fluidra S.A. and Subsidiaries
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(Thousands of Euros)	31/12/2020	31/12/2019
Operating Income		
Sales of goods and finished products	1.488.108	1.367.550
Income from the rendering services	22.752	24.928
Work performed by the Group and capitalised as non-current assets	14.848	14.157
Total operating income	1.525.708	1.406.635
Operating expenses		
Change in inventories of finished products, work in progress and raw material consumables	(702.053)	(666.022)
Personnel expenses	(272.436)	(277.872)
Depreciation and amortization expenses and impairment losses	(117.981)	(129.762)
Other operating expenses	(248.789)	(256.089)
Total operating expenses	(1.341.259)	(1.329.745)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	(386)	(1.364)
Total other profit / (loss)	(386)	(1.364)
Operating profit	184.063	75.526
Finance income / (expenses)		
Finance income	7.378	2.803
Finance expenses	(37.927)	(53.792)
Financial Expenses of Lease Liabilities	(4.861)	(4.929)
Exchange gains / (losses)	(9.660)	485
Net financial income / (expense)	(45.070)	(55.433)
Share in profit / (loss) for the year from investments accounted for using the equity		
Profit / (loss) before tax from continuing operations	28	-
Income tax expense	(39.118)	(5.982)
Profit / (loss) after tax from continuing operations	99.903	14.111
Profit / (loss) after tax from discontinued operations	-	(114)
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	99.903	13.997
Profit attributed to non-controlling interest	3.515	5.675
Profit attributed to equity holders of the parent	96.388	8.322
From continuing operations	96.388	8.436
From discontinued operations	-	(114)
EBITDA	302.072	205.288

Fluidra S.A. and Subsidiaries
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(Thousands of Euros)

31/12/2020 31/12/2019

Cash flows from operating activities

Profit of the year before tax	139.021	19.979
<i>Adjustments for:</i>		
Amortization and depreciation	116.326	125.958
Adjustments due to impairment of receivables	3.720	4.224
Provision for / (reversal of) impairment losses on assets	1.655	3.804
Provision for / (reversal of) impairment losses on financial assets	493	355
Provision for / (reversal of) impairment losses on risks and expenses	11.936	1.845
Provision for / (reversal of) impairment losses on inventories	47	5.721
Income from financial assets	(5.318)	(1.481)
Financial expenses	40.425	51.886
(Income) / expenses from currency translation differences	9.660	(485)
Share in profit / (loss) for the year from associates accounted for using equity method	(28)	0
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	295	(336)
(Profit)/losses on the sale of subsidiaries	91	1.700
Government grants recognized in profit and loss	(86)	(100)
Shared-based payment expenses	9.091	12.166
Adjustments to consideration given against gains/losses on business combinations	(1.195)	4.313
(Gains) / losses from derivative financial instruments at fair value	1.004	810
Operating profit before changes in working capital	327.137	230.359
 Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	55.909	(35.851)
Increase / (decrease) in inventories	(19.255)	(14.250)
Increase / (decrease) in trade and other payables	(2.189)	26.577
Utilization of provisions	(195)	(879)
Cash Flows from operating activities	361.407	205.956
 Interest paid	(39.459)	(48.186)
Interest received	5.306	1.544
Corporate income tax paid	(35.190)	(3.771)
 Net Cash Flows from operating activities	292.064	155.543

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Cash Flows from investing activities

From the sale of property, plant and equipment	655	2.891
From the sale of other intangible assets	141	338
From the sale of financial assets	3.406	2.497
Dividends received	0	28
Proceeds from the sale of subsidiaries, net of cash used	(344)	29.176
Proceeds from the sale of subsidiaries in prior years	730	0
Acquisition of property, plant and equipment	(21.839)	(26.737)
Acquisition of intangible assets	(19.476)	(20.301)
Acquisition of financial assets	(4.477)	(7.104)
Payments for acquisitions of subsidiaries	(10.637)	-
Payments for acquisitions of subsidiaries in prior years	(8.837)	(7.344)
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Net Cash Flows used in investing activities	(60.678)	(26.556)

Cash Flows from financing activities

Payments for repurchase of treasury shares	(37.735)	(10.177)
Proceeds from the sale of treasury shares	21.815	1.246
Proceeds from grants	14	50
Proceeds from bank financing	42.976	5.598
Payments from bank borrowings	(202.093)	(46.185)
Lease liability payments	(20.328)	(15.601)
Dividends paid	(42.817)	(4.376)
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Net Cash Flows from financing activities	(238.168)	(69.445)

Net increase / (decrease) in cash and cash equivalents	(6.782)	59.542
Cash and cash equivalents as of January 1, 2020	242.240	181.233
Effect of currency translation differences on cash	(9.827)	1.465
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Cash and cash equivalents as of December 31, 2020	225.631	242.240

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)	Dec 20 LTM
Net Profit attributed to equity holders of the parent company	96,4
Income Tax Expense	39,1
Finance Income	(7,4)
Finance Costs	42,8
Exchange gains / (losses)	9,7
Depreciation & Amortisation Expense & Impairment	118,0
Minority Interest	3,5
Reported EBITDA	302,1
Integration related and other Non-Recurring Expenses	5,6
Share based payment expense	9,1
Run Rate synergies	3,3
Profit/Loss from sale of subsidiaries	0,7
EBITDA January 20 - December 20	320,8

Fluidra S.A. and Subsidiaries
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(in millions of Euros)	At 30 December 2020
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First-lien credit facility	690,7
Asset-based lending facility	0,0
Other debt	15,3
Total debt	706,0
Unamortized debt issuance costs	(14,9)
Debt, current and non-current	691,1
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Current portion of first-lien credit facility	7,0
Asset-based lending facility	0,0
Current portion of other debt	0,0
Debt, current	7,0
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Debt, non-current	684,1
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Lease liabilities	114,1
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Cash and Cash Equivalents	225,6
Non Current Financial Assets	4,4
Current Financial Assets	10,9
Derivative Instruments	(17,5)
Total Cash & Financial Assets	223,4
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Net Financial Debt as per Group Definition	467,7
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Net Debt as per Group Definition	581,9
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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.