



FLUIDRA S.A. and Subsidiaries

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

September 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, n° 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 3rd Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

	<u>Assets</u>	<u>30/9/2021</u>	<u>30/9/2020</u>
Fixed Assets		142.794	114.084
Investment Property		3.123	3.093
Goodwill		1.278.773	1.095.499
Other Intangible Assets		831.581	675.647
Rights of Use		146.149	103.522
Equity-Accounted Investments		583	-
Non-Current Financial Assets		4.576	6.590
Other Receivables		3.966	2.641
Deferred Tax Assets		98.918	84.738
Total non- current assets		2.510.463	2.085.814
Non-current assets held for sale		-	-
Inventories		421.229	271.953
Trade and other receivables		297.881	277.615
Other current financial assets		10.586	10.602
Derivative financial instruments		588	107
Cash and cash equivalents		118.091	288.196
Total current assets		848.375	848.473
TOTAL ASSETS		3.358.838	2.934.287
	<u>Equity</u>		
Share Capital		195.629	195.629
Share Premium		1.148.591	1.148.591
Retained earnings and other reserves		388.764	206.103
Interim dividend		-	(40.749)
Treasury shares		(157.482)	(15.999)
Other comprehensive income		(22.019)	(51.704)
Equity attributed to equity holders of the parent		1.553.483	1.441.871
Non-controlling interests		8.712	6.900
Total equity		1.562.195	1.448.771
	<u>Liabilities</u>		
Debt with Financial Institutions		687.821	710.377
Lease liabilities		133.678	93.803
Derivative financial instruments		10.013	18.705
Deferred tax liabilities		193.477	168.382
Provisions		14.610	10.645
Government grants		221	262
Other non-current liabilities		11.300	26.979
Total non-current liabilities		1.051.120	1.029.153
Liabilities linked to non-current assets held for sale		-	-
Debt with Financial Institutions		207.243	44.334
Lease liabilities		28.166	21.317
Trade and other payables		457.084	353.096
Provisions		52.883	37.019
Derivative financial instruments		147	597
Total current liabilities		745.523	456.363
TOTAL EQUITY AND LIABILITIES		3.358.838	2.934.287

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(Thousands of Euros)	30/9/2021	30/9/2020
Operating Income		
Sales of goods and finished products	1.703.755	1.142.915
Revenues from Services Rendered	22.556	18.020
Work performed by the Group and capitalised as non-current assets	10.998	10.297
Total operating income	1.737.309	1.171.232
Operating expenses		
Change in inventories of finished products, work in progress and raw material consumables	(807.419)	(546.355)
Employee Benefits Expense	(267.417)	(204.379)
Depreciation and amortization expenses and impairment losses	(91.592)	(88.833)
Other operating expenses	(247.846)	(185.898)
Total operating expenses	(1.414.274)	(1.025.465)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	80	42
Total other profit / (loss)	80	42
Operating profit	323.115	145.809
Finance income / (expenses)		
Finance income	2.530	5.729
Finance expenses	(26.951)	(27.821)
Financial Expenses of Lease Liabilities	(3.931)	(3.681)
Exchange gains / (losses)	(1.808)	(7.816)
Net financial income / (expense)	(30.160)	(33.589)
Share in profit / (loss) for the year from investments accounted for using the equity		
Profit / (loss) before tax from continuing operations	292.955	112.220
Income tax expense	(68.391)	(32.332)
Profit / (loss) after tax from continuing operations	224.564	79.888
Profit / (loss) after tax from discontinued operations	-	-
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	224.564	79.888
Profit attributed to non-controlling interest	3.165	2.869
Profit attributed to equity holders of the parent	221.399	77.019
From continuing operations	221.399	77.019
From discontinued operations	-	-
EBITDA	414.707	234.642

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(Thousands of Euros)

30/9/2021 30/9/2020

Cash flows from operating activities

Profit of the year before tax	292.955	112.220
<i>Adjustments for:</i>		
Amortization and depreciation	89.569	87.296
Adjustments due to impairment of receivables	233	4.475
Provision for / (reversal of) impairment losses on assets	2.023	1.513
Provision for / (reversal of) impairment losses on financial assets	227	93
Provision for / (reversal of) impairment losses on risks and expenses	12.583	9.219
Provision for / (reversal of) impairment losses on inventories	1.573	404
Income from financial assets	(446)	(4.227)
Financial cost	27.804	31.255
Exchange (gains) / losses	1.808	7.816
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(79)	(42)
(Profit)/losses on the sale of subsidiaries	0	(5)
Government grants recognized in profit and loss	(54)	(54)
Shared-based payment expenses	21.772	7.167
Adjustments to consideration given against gains/losses on business combinations	2.728	(1.344)
(Gains) / losses from derivative financial instruments at fair value	(1.962)	(27)
Operating profit before changes in working capital	450.734	255.759
 Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(1.488)	31.128
Increase / (decrease) in inventories	(92.349)	(9.221)
Increase / (decrease) in trade and other payables	50.961	4.965
Utilization of provisions	(582)	(769)
Cash Flows from operating activities	407.276	281.862
 Interest paid	(24.856)	(32.606)
Interest received	436	4.217
Corporate income tax paid	(66.231)	(29.663)
 Net Cash Flows from operating activities	316.625	223.810

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<u>Cash Flows from investing activities</u>	<u>30/9/2021</u>	<u>30/9/2020</u>
From the sale of property, plant and equipment	1.440	891
From the sale of other intangible assets	445	41
From the sale of financial assets	7.776	3.510
Proceeds from the sale of subsidiaries, net of cash used	-	(300)
Proceeds from the sale of subsidiaries in prior years	105	730
Acquisition of property, plant and equipment	(23.716)	(12.562)
Acquisition of intangible assets	(16.796)	(13.092)
Acquisition of other financial assets	(7.265)	(4.542)
Payments for acquisitions of subsidiaries , net of cash and cash equivalents	(352.273)	(10.637)
Payments for acquisitions of subsidiaries in prior years	(15.518)	(8.837)
Net Cash Flows used in investing activities	<u>(405.802)</u>	<u>(44.798)</u>
<u>Cash Flows from financing activities</u>		
Payments for repurchase of treasury shares	(212.667)	(8.374)
Proceeds from the sale of treasury shares	126.485	8.285
Proceeds from grants	28	-
Proceeds from bank financing	201.176	53.303
Payments from bank borrowings	(84.163)	(162.828)
Lease liability payments	(17.949)	(15.517)
Dividends paid	(36.406)	(1.361)
Net Cash Flows from financing activities	<u>(23.496)</u>	<u>(126.492)</u>
Net increase / (decrease) in cash and cash equivalents	(112.672)	52.520
Cash and cash equivalents as of January 1, 2021	225.631	242.240
Effect of currency translation differences on cash	5.132	(6.564)
Cash and cash equivalents as of September 30, 2021	<u>118.091</u>	<u>288.196</u>

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)	September 21 LTM
Net Profit attributed to equity holders of the parent company	240,8
Income Tax Expense	75,2
Finance Income	(4,2)
Finance Costs	42,2
Exchange gains / (losses)	3,7
Depreciation & Amortisation Expense & Impairment	120,7
Minority Interest	3,8
Reported EBITDA	482,1
Integration related and other Non-Recurring Expenses	15,8
Share based payment expense	23,7
Run Rate synergies	1,9
Profit/Loss from sale of subsidiaries	(0,3)
EBITDA October 20 - September 21	523,2

Fluidra S.A. and Subsidiaries
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(in millions of Euros)	At 30 September 2021
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First-lien credit facility	705,3
Asset-based lending facility	19,0
Other debt	183,2
Total debt	907,6
Unamortized debt issuance costs	(12,5)
Debt, current and non-current	895,1
Current portion of first-lien credit facility	7,2
Asset-based lending facility	19,0
Current portion of other debt	129,5
Debt, current	155,8
Debt, non-current	739,3
Lease liabilities	161,8
Cash and Cash Equivalents	118,1
Non Current Financial Assets	4,6
Current Financial Assets	10,6
Derivative Instruments	(9,6)
Total Cash & Financial Assets	123,7
Net Financial Debt as per Group Definition	771,4
Net Debt as per Group Definition	933,2

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.