

FLUIDRA

FLUIDRA S.A. and Subsidiaries

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

June 30, 2023

Delivered pursuant to Section 5.4 of the credit agreements of Fluidra S.A. signed January 27, 2022

Fluidra S.A. and Subsidiaries
June 30, 2023

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 2021 (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, the nominal share capital of Fluidra S.A. resulting in an amount of Euro 195,629,070, divided into 195,629,070 ordinary shares.

On 15 December 2022, the capital reduction approved by the Company's Board of Directors for a nominal amount of Euros 3,500,000 was carried out by redeeming 3,500,000 treasury shares with a par value of Euros 1 each. This reduction does not entail returning contributions to shareholders, as the Company itself is the owner of the shares being redeemed and a charge has been made to unrestricted reserves by allocating a restricted reserve for redeemed capital that it is equal to the par value of the redeemed shares. Moreover, it has also been agreed to request the delisting of the shares redeemed.

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, 2022 and 2021 prepared in accordance to IFRS-EU.

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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 – 2023 2nd Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

<u>Assets</u>	<u>30/06/2023</u>	<u>30/06/2022</u>
Fixed Assets	178.822	171.066
Investment Property	2.792	1.715
Goodwill	1.296.808	1.320.043
Other Intangible Assets	901.323	995.966
Rights of Use	172.988	172.964
Equity-Accounted Investments	796	834
Non-Current Financial Assets	4.471	4.348
Other Receivables	3.158	4.157
Derivative Financial Instruments	55.201	22.281
Deferred Tax Assets	118.554	112.576
Total non- current assets	2.734.913	2.805.950
Non-current assets held for sale	7.712	7.220
Inventories	545.514	681.216
Trade and other receivables	466.481	513.348
Other current financial assets	7.197	6.919
Derivative financial instruments	46	1.530
Cash and cash equivalents	89.233	78.369
Total current assets	1.116.183	1.288.602
TOTAL ASSETS	3.851.096	4.094.552
<u>Equity</u>		
Share Capital	192.129	195.629
Share Premium	1.148.591	1.148.591
Retained earnings and other reserves	197.700	432.160
Interim dividend	-	-
Treasury shares	(38.160)	(158.532)
Other comprehensive income	78.938	122.943
Equity attributed to equity holders of the parent	1.579.198	1.740.791
Non-controlling interests	8.734	10.933
Total equity	1.587.932	1.751.724
<u>Liabilities</u>		
Debt with Financial Institutions	1.102.859	1.143.262
Lease liabilities	150.824	154.491
Derivative financial instruments	-	-
Deferred tax liabilities	237.948	243.174
Provisions	10.464	12.456
Government grants	148	193
Other non-current liabilities	4.773	7.283
Total non-current liabilities	1.507.016	1.560.859
Liabilities linked to non-current assets held for sale	3.616	3.114
Debt with Financial Institutions	159.242	22.065
Lease liabilities	42.673	37.214
Trade and other payables	499.861	661.123
Provisions	50.579	57.452
Derivative financial instruments	177	1.001
Total current liabilities	756.148	781.969
TOTAL EQUITY AND LIABILITIES	3.851.096	4.094.552

Fluidra S.A. and Subsidiaries
June 30, 2023

(Thousands of Euros)	30/06/2023	30/06/2022
Operating Income		
Sales of goods and finished products	1.185.601	1.445.421
Revenues from Services Rendered	18.648	20.555
Work performed by the Group and capitalised as non-current assets	9.346	9.036
Total operating income	1.213.595	1.475.012
Operating expenses		
Changes in Inventories of Finished Goods and Work in Progress and Consumables of Raw Materials	(563.539)	(708.357)
Employee Benefits Expense	(197.103)	(203.211)
Depreciation and amortization expenses and impairment losses	(77.657)	(75.202)
Other operating expenses	(193.180)	(214.069)
Total operating expenses	(1.031.479)	(1.200.839)
Other profit / (loss)		
Extraordinary income / (expenses)	-	-
Profit / (loss) from sale of fixed assets	195	156
Total other profit / (loss)	195	156
Operating profit	182.311	274.329
Finance income / (expenses)		
Financial income	1.228	1.703
Financial expenses	(33.584)	(33.834)
Financial Expenses of Lease Liabilities	(3.842)	(3.036)
Exchange gains / (losses)	666	(9.906)
Net financial income / (expense)	(35.532)	(45.073)
Share in profit / (loss) for the year from investments accounted for using the equity	(9)	72
Profit / (loss) before tax from continuing operations	146.770	229.328
Income tax expense	(40.855)	(59.524)
Profit / (loss) after tax from continuing operations	105.915	169.804
Profit / (loss) after tax from discontinued operations	-	-
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	105.915	169.804
Profit attributed to non-controlling interest	1.844	3.329
Profit attributed to equity holders of the parent	104.071	166.475
From continuing operations	104.071	166.475
From discontinued operations	-	-
EBITDA	259.959	349.603

Fluidra S.A. and Subsidiaries
June 30, 2023

(Thousands of Euros)

30/06/2023

30/06/2022

Cash flows from operating activities

Profit of the year before tax	146.770	229.328
<i>Adjustments for:</i>		
Amortization and depreciation	77.606	75.184
Adjustments due to impairment of receivables	1.185	(4.409)
Provision for / (reversal of) impairment losses on assets	51	18
Provision for / (reversal of) impairment losses on financial assets	0	(200)
Provision for / (reversal of) impairment losses on risks and expenses	(1.282)	3.343
Provision for / (reversal of) impairment losses on inventories	2.677	3.238
Income from financial assets	(1.169)	(1.117)
Finance cost	36.950	36.779
(Profit) / Loss from the sale of associates	0	0
Exchange (gains) / losses	(666)	9.906
Share in profit / (loss) for the year from associates accounted for using equity method	9	(72)
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(234)	(1.153)
(Profit)/losses on the sale of subsidiaries	39	997
Government grants recognized in profit and loss	(25)	(31)
Shared-based payment expenses	(33.148)	6.238
(Profit) / losses from derivative financial instruments at fair value	417	(295)
Operating profit before changes in working capital	229.180	357.754
 Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(206.821)	(233.825)
Increase / (decrease) in inventories	55.353	(190.582)
Increase / (decrease) in trade and other payables	46.864	70.549
Utilization of provisions	(725)	(839)
Cash Flows from operating activities	123.851	3.057
 Interest paid	(35.827)	(23.642)
Interest received	1.169	655
Corporate income tax paid	(21.649)	(46.736)
 Net Cash Flows from operating activities	67.544	(66.666)

Fluidra S.A. and Subsidiaries
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<u>Cash Flows from investing activities</u>	30/06/2023	30/06/2022
From the sale of property, plant and equipment	1.127	6.495
From the sale of other intangible assets	274	85
From the sale of financial assets	2.916	6.327
Proceeds from the sale of subsidiaries, net of cash used	-	250
Proceeds from the sale of subsidiaries in prior years	-	-
Acquisition of property, plant and equipment	(15.861)	(22.665)
Acquisition of intangible assets	(10.991)	(11.561)
Acquisition of other financial assets	(3.289)	(1.899)
Payments for acquisitions of subsidiaries , net of cash and cash equivalents	(3.399)	-
Payments for acquisitions of subsidiaries in prior years	(6.883)	(5.572)
Net Cash Flows used in investing activities	(36.106)	(28.540)
<u>Cash Flows from financing activities</u>		
Payments for repurchase of treasury shares	(89.599)	(97.741)
Proceeds from the sale of treasury shares	90.707	97.171
Proceeds from bank financing	11.459	1.113.506
Payments from bank borrowings	(5.802)	(1.014.943)
Lease liability payments	(19.666)	(17.211)
Dividends paid	(124)	0
Net Cash Flows from financing activities	(13.025)	80.782
Net increase / (decrease) in cash and cash equivalents	18.413	(14.424)
Cash and cash equivalents as of January 1, 2023	78.656	90.118
Effect of currency translation differences on cash	(4.859)	5.074
Cash and cash equivalents as of June 30, 2023	92.210	80.768

Fluidra S.A. and Subsidiaries
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Calculation and Reconciliation of EBITDA

(in millions of Euros)	June 23 LTM
Net Profit attributed to equity holders of the parent company	97,5
Income Tax Expense	42,0
Finance Income	(2,9)
Finance Costs	69,3
Exchange gains / (losses)	3,3
Depreciation & Amortisation Expense & Impairment	167,8
Minority Interest	3,0
Reported EBITDA	380,1
Integration related and other Non-Recurring Expenses	44,3
Share based payment expense	14,4
Run Rate synergies	0,0
Profit/Loss from sale of subsidiaries	(0,1)
EBITDA July 22 - June 23	438,7

Fluidra S.A. and Subsidiaries
June 30, 2023

(in millions of Euros)	At 30 June 2023
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First-lien credit facility	1.123,1
Other debt	148,5
Total debt	1.271,6
Unamortized debt issuance costs	-9,6
Debt, current and non-current	1.262,1
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Current portion of first-lien credit facility	11,4
Current portion of other debt	147,8
Debt, current	159,2
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Debt, non-current	1.102,9
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Lease liabilities	193,5
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Cash and Cash Equivalents	89,2
Non Current Financial Assets	4,5
Current Financial Assets	7,2
Derivative Instruments	55,1
Total Cash & Financial Assets	156,0
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Net Financial Debt from Assets Held for sale	-3,0
Net Financial Debt as per Group Definition	1.103,2
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Net Debt from Assets Held for sale	-3,0
Net Debt as per Group Definition	1.296,7
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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 cyclicality 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.