The attached unaudited narrative report (the "**Narrative Report**") for the 12 months ended 30 September 2017 has been prepared by Zodiac Pool Solutions S.à r.l. pursuant to the Zodiac group's credit agreements.

Zodiac Pool Solutions S.à r.l. is a wholly-owned subsidiary of Piscine Luxembourg Holdings 3 S.à r.l., which is, in turn, a wholly-owned subsidiary of Piscine Luxembourg Holdings 2 S.à r.l., the absorbed company of the potential merger with Fluidra, S.A.

The Narrative Report does not constitute an offer to sell, exchange or buy, or an invitation to make offers to buy, securities issued by any of the companies mentioned, and it is not intended to provide the basis of any investment decision. The Narrative Report has not been audited and certain data included in the Narrative Report is preliminary in nature. The assumptions and information contained in the Narrative Report do not guarantee future results and are exposed to risks and uncertainties; actual results may differ significantly from those used in the assumptions and "forward-looking statements" for various reasons.

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Zodiac Pool Solutions S.à r.l.

Narrative Report for the 12 Months ended 30 September 2017

Delivered pursuant to Section 5.4 of the credit agreements of the Zodiac Group

FAMILY OF BRANDS | **Heritage of Excellence**

Zodiac Pool Solutions S.à r.l.
Narrative Report for the 12 Months ended 30 September 2017

General Information

Zodiac Pool Solutions S.à r.l. ("ZPS" or "the Company") and its subsidiaries (together "Zodiac" or the "Group") are a global manufacturer of residential pool equipment and connected pool solutions. ZPS is the parent company of the Group, comprising the consolidated subsidiaries detailed in the scope of consolidation. The Group operates on fiscal year ending September 30.

ZPS is a private limited liability company (*société à responsabilité limitée*), organised for an unlimited duration, and existing from 22 November 2016 under the laws of Luxembourg, with registered office at 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies (*R.C.S. Luxembourg*) under number B210786. The Company's corporate purpose is the acquisition of participations, in Luxembourg or abroad, in any company or enterprise, and the management of such participations.

On 20 December 2016, affiliates of Rhône Capital L.L.C. (the "Shareholder") acquired all of the shares of ZPES Holding S.A.S. (formerly known as Zodiac Pool Holding S.A., the "Predecessor Company"), from ZM Luxembourg SCA, a company affiliated with The Carlyle Group (the "Acquisition"). The Predecessor Company, together with its subsidiaries, are referred to as the Predecessor Group.

From 20 December 2016, the Shareholder controls ZPS and the Group through several affiliated holding companies.

Basis of Preparation

The Group's consolidated financial statements as at and for the year ended 30 September 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the Accounting Standard Board (IASB). All International Financial Reporting Standards ("IFRSs"), interpretations (IFRICs, SICs) originated by the IFRS Interpretations Committee applicable for the period ended 30 September 2017 have been applied.

The Group has various entities that are duly formed and registered in the following countries: Luxembourg, France, Germany, Italy, Spain, Portugal, Finland, United States of America, Canada, Australia, New Zealand, South Africa and China; together they form the consolidated reporting group of Zodiac. The Group's consolidated financial statements are prepared in US dollars (USD), the presentation currency of the Group. Except where stated otherwise, all figures are presented in millions of USD for the sake of clarity. Due to rounding differences, figures in tables may differ slightly from the actual figures.

Due to the Acquisition, financial information that relates to the period prior to 20 December 2016 is reported on a pro forma basis. Pro forma in this respect means that the financials have been derived from the consolidated financial statements of the Predecessor Company without giving regard to the effects of the subsequent Acquisition closing. The Group's audit opinion refers to the successor period from the formation of ZPS, which starts on 22 November 2016 and ends on 30 September 2017. The period covered by the audited consolidated financial statements of the Group is 10 months and 8 days, as opposed to the financial statements presented in this document that cover 12 months, built on a pro forma basis that combines the audited period and the predecessor period.

The Group's business is organised by geographic region into the following three operating segments: Americas, which is primarily the US and Canada; Europe, with primary operations in France, Germany, Spain, Italy, Portugal; and Southern Hemisphere (SoHem), with operations in Australia, South Africa and New Zealand. Operating segment performance is primarily assessed by reference to net sales and EBITDA (as defined below). Group management costs are managed on a centralised basis and are not allocated to operating segments for segment reporting purposes.

Selected Definitions

Consolidated Adjusted EBITDA ("EBITDA"): represents the Group's operating result before depreciation, amortisation, impairment losses, and unusual and non-recurring adjustments, as defined in Zodiac's credit agreements. EBITDA-based measures are not measures of performance under IFRS and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of the Group's operations in accordance with IFRS.

Net Working Capital: represents inventory plus trade accounts receivable minus trade accounts payable plus other operational receivables and minus other operational payables.

Currency Exchange Rates

The principal exchange rates used for the translation of the financial statements of the Group's main subsidiaries are as follows:

	Average rate for quarter ended:		**Average rate for the 12 months ended:**	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
EUR	0.8517	0.8855	0.9053	0.9004
CAD	1.2539	1.2888	1.3129	1.3253
AUD	1.2671	1.3412	1.3122	1.3587
ZAR	13.1815	15.0075	13.3768	14.7795

	Balance sheet closing rate as at:	
	30 September 2017	30 September 2016
EUR	0.8470	0.8960
CAD	1.2440	1.3162
AUD	1.2769	1.3132
ZAR	13.5050	13.9090

Zodiac Pool Solutions S.à r.l.
Pro Forma Consolidated Balance Sheets
(in USD millions unless otherwise stated)

	At 30 September 2017	At 30 September 2016
ASSETS		
Non-current assets		
Goodwill	644.3	462.9
Intangible assets	610.3	202.5
Tangible assets	24.6	23.6
Other financial assets	0.9	0.9
Deferred tax assets	23.1	15.8
	1,303.2	**705.7**
Current assets		
Inventories	92.6	80.1
Trade and other receivables	85.1	138.5
Current income tax receivables	3.2	3.9
Derivative financial instruments	1.3	0.2
Cash and cash equivalents	51.7	55.0
	233.8	**277.7**
Total assets	**1,537.1**	**983.4**
EQUITY		
Share capital and premium	572.0	179.0
Other reserves	2.0	(154.3)
Retained earnings/(accumulated losses)	(17.1)	(476.3)
Equity attributable to owners of the Company	**556.9**	**(451.6)**
Non-controlling interests	0.8	0.7
Total equity	**557.7**	**(450.9)**
LIABILITIES		
Non-current liabilities		
Debt	632.8	0.2
Employee benefit obligations	1.6	1.5
Provisions	16.4	18.8
Other non-current liabilities	-	0.3
Deferred tax liabilities	205.9	75.2
	856.8	**96.0**
Current liabilities		
Debt	5.9	1,175.1
Provisions	1.3	22.9
Trade and other payables	114.2	119.3
Current income tax liabilities	0.7	1.4
Derivative financial instruments	0.6	19.6
	122.6	**1,338.3**
Total liabilities	**979.4**	**1,434.2**
Total equity and liabilities	**1,537.1**	**983.4**

Zodiac Pool Solutions S.à r.l.
Pro Forma Consolidated Income Statements
(in USD millions unless otherwise stated)

	Quarter Ended		12 Months Ended	
	30 September 2017	**30 September 2016**	**30 September 2017**	**30 September 2016**
Net sales	100.1	149.3	498.0	518.1
Cost of sales	(68.9)	(88.1)	(311.5)	(315.8)
Gross profit	**31.2**	**61.2**	**186.6**	**202.3**
Selling expenses	(13.8)	(11.9)	(53.9)	(47.7)
General and administrative expenses	(21.5)	(39.2)	(144.4)	(85.3)
Research and development expenses	(3.1)	(2.7)	(13.4)	(13.3)
Other income/(expenses), net	(0.4)	2.3	(1.6)	(0.6)
Operating profit/(loss)	**(7.6)**	**9.7**	**(26.7)**	**55.4**
Finance expense	(8.0)	(15.1)	(52.6)	(64.0)
Profit/(loss) before income taxes	**(15.6)**	**(5.4)**	**(79.3)**	**(8.5)**
Income tax (expense)/benefit	11.6	(4.7)	16.3	(13.2)
Profit/(loss) attributable to:	**(4.0)**	**(10.1)**	**(63.0)**	**(21.7)**
Owners of the Company	*(3.9)*	*(10.1)*	*(63.0)*	*(21.7)*
Non-controlling interests	*(0.1)*	*0.0*	*0.1*	*0.0*

Zodiac Pool Solutions S.à r.l.
Pro Forma Consolidated Statements of Cash Flow
(in USD millions unless otherwise stated)

	Quarter Ended		12 Months Ended	
	30 September 2017	**30 September 2016**	**30 September 2017**	**30 September 2016**
Cash flows from operating activities				
Profit/(loss)	**(4.0)**	**(10.1)**	**(63.0)**	**(21.7)**
Adjustments for:				
Income tax expense	(11.6)	4.7	(16.3)	13.2
Share-based payment expense	0.7	-	2.2	-
Depreciation and amortisation	9.1	4.5	31.3	18.3
Impairment of fixed assets	0.3	(2.1)	1.1	0.3
Gain on disposals of fixed assets	(0.4)	(1.2)	(0.4)	(1.5)
Finance expense	7.9	15.2	52.5	64.0
Changes in working capital:				
Inventories	(6.3)	13.4	9.4	(7.9)
Trade and other receivables	56.7	(16.2)	57.1	(14.4)
Trade and other payables	(12.6)	1.1	(8.9)	15.8
Other assets and liabilities	(0.2)	19.2	(22.8)	17.1
Cash from/(used in) operating activities	**39.5**	**28.5**	**42.2**	**83.0**
Income tax paid	(3.3)	(1.6)	(14.7)	(10.9)
Net cash from/(used in) operating activities	**36.3**	**26.9**	**27.5**	**72.0**
Cash flows from investing activities				
Investments in fixed assets	(6.8)	(5.1)	(16.7)	(15.7)
Disposals of fixed assets	0.0	0.1	0.0	1.3
Business combination (1)	-	-	(1,216.8)	-
Other financial assets	0.0	0.1	0.1	0.2
Net cash from/(used in) investing activities	**(6.8)**	**(4.9)**	**(1,233.3)**	**(14.2)**
Cash flows from financing activities				
Capital contribution	-	-	572.0	-
Proceeds from/(repayments of) debt	(1.3)	(0.1)	666.1	-
Interest paid	(10.9)	(10.1)	(53.3)	(47.8)
Other financing activity	1.3	1.9	17.4	2.4
Net cash from/(used in) financing activities	**(10.9)**	**(8.3)**	**1,202.1**	**(45.4)**
Net increase/(decrease) in cash and cash equivalents	**18.6**	**13.7**	**(3.6)**	**12.4**
Cash and cash equivalents (beginning of the period)	**31.6**	**40.3**	**54.3**	**41.7**
Foreign exchange gains/(losses) on cash and cash equivalents	1.0	0.4	0.4	0.2
Net cash and cash equivalents (end of the period)	**51.1**	**54.3**	**51.1**	**54.3**

(1) The presentation of the business combination cash flow from investing activities differs from the audited consolidated financial statements. In this presentation, the cash acquired with the Predecessor Group is distributed among the various sections of the pro forma consolidated statement of cash flows, whereas the audited consolidated financial statements present the cash acquired with the Predecessor Group as reducing the business combination cash flow from investing activities

Fourth Quarter 2017 Highlights

- Net sales in the fourth quarter of 2017 amounted to $100.1 million, compared to $149.3 million in the fourth quarter of 2016, a decrease of 33%. The decrease in sales was the result of a decision by the company to change the timing of its annual US Early Buy program from Q4 2017 into the first half of fiscal 2018.
- EBITDA declined to $6.6 million, compared to $38.5 million in the fourth quarter of 2016. The reduction was driven primarily by the US Early Buy alignment initiative.
- EBITDA for the twelve months ending 30 September 2017 was $89.1 million, a decrease of 20% compared to $111.7 million for the twelve months ending 30 September 2016
- An independent accounting firm has analysed the impact of Zodiac's Early Buy alignment and calculated a $33.0 million temporary impact to EBITDA for FY 2017. On this basis, pro forma EBITDA for the twelve months ending 30 September 2017 was $122.0 million, an increase of approximately 9% compared to the twelve months ending 30 September 2016

Fourth Quarter 2017 Overview

Net sales in the fourth quarter of 2017 decreased by $49.2 million, or 33% compared to the fourth quarter of 2016 following the decision made by the company to change the timing of its US Early Buy program. During previous years, orders occurring under Zodiac's Early Buy program were placed, and most were shipped, in August and September. In order to better align the program with industry practices, the timing of the program was changed for the 2017/2018 pool season. Pursuant to the terms of Zodiac's 2018 Early Buy program, orders were required to be placed in October 2017, and are being shipped between October 2017 and February 2018. The shift allows Zodiac customers to better anticipate product needs for the subsequent season and reduces seasonality of net sales and net working capital requirements for Zodiac. Europe sales grew at a 14% rate in the quarter, and SoHem sales grew by 13% compared to last year.

Gross profit in the quarter decreased by $30.1 million, a 49% decrease over the fourth quarter of 2016. As a percent of net sales, gross profit decreased by 10 percentage points to 31.1%. Gross profit decreased in each of Zodiac's three operating segments. The Americas region generated the biggest decrease, driven by the region's lower net sales resulting from the Early Buy alignment.

EBITDA decreased by $31.8 million to $6.6 million in the fourth quarter of 2017, a decrease of approximately 83% from $38.5 million in the fourth quarter of 2016.

Reconciliation of profit/(loss) to EBITDA

	Quarter Ended		12 Months Ended	
(in USD millions)	**30 Sept 2017**	**30 Sept 2016**	**30 Sept 2017**	**30 Sept 2016**
Profit/(loss)	**(4.0)**	**(10.1)**	**(63.0)**	**(21.7)**
Income tax expense/(benefit)	(11.6)	4.7	(16.3)	13.2
Finance expense	8.0	15.1	52.6	64.0
Operating profit/(loss)	**(7.6)**	**9.7**	**(26.7)**	**55.4**
Other (income)/expenses, net	0.4	(2.3)	1.6	0.6
Non-operating expenses (1)	4.5	25.4	57.8	31.4
Depreciation and amortisation	3.8	3.7	13.4	15.1
Purchase accounting adjustments (2)	5.3	0.8	37.9	3.2
Share-based payment expense	0.7	-	2.2	-
Pro forma cost savings and other (3)	(0.4)	1.2	2.8	6.0
EBITDA	**6.6**	**38.5**	**89.1**	**111.7**
Early Buy alignment	33.0	-	33.0	-
PF EBITDA	**39.6**	**38.5**	**122.1**	**111.7**

(1) Non-operating expenses primarily relate to transaction costs incurred in connection with the Acquisition
(2) For the twelve months ended 30 September 2017, includes amortisation of purchased intangibles of $17.9 million and a non-cash inventory adjustment of $20.0 million
(3) In the three and twelve months ended 30 September 2017, primarily includes run rate cost savings related to value improvement projects and the closure of an office in Paris

Quarterly Operating Segment Results

	Americas			
(in USD millions)	**Q4 2017**	**Q4 2016**	**FY 2017**	**FY 2016**
Net sales	54.2	107.9	315.7	340.7
EBITDA	(0.8)	32.1	64.7	92.2

Net sales for the Americas operating segment decreased by $53.8 million, or 50%, in the fourth quarter of 2017 following the change of the Early Buy program. Gross profit as a percent of sales decreased by about 15 percentage points in the quarter compared to the prior year. The decline in net sales resulted in lower cost efficiency in several areas, including sales rebate programs, manufacturing cost and transportation. Improvements in warranty costs, pricing and value improvement projects partially offset the loss of efficiency. The lower net sales and gross profit were the primary drivers of the resulting $32.9 million decrease in EBITDA in the fourth quarter.

(in USD millions)	**Europe**			
	Q4 2017	**Q4 2016**	**FY 2017**	**FY 2016**
Net sales	23.9	21.1	115.3	111.1
EBITDA	4.6	4.3	26.1	24.0

Net sales for Europe increased by $2.8 million, or about 13% compared to the fourth quarter of 2016, supported by net sales increases in all major markets and product categories. Gross profit percentage decreased slightly in the fourth quarter compared to the prior year, primarily as a result increased rebate and discount allowances. The increase in EBITDA in the quarter compared to the fourth quarter of 2016 resulted from the net sales-driven increase in gross profit margin.

(in USD millions)	**SoHem**			
	Q4 2017	**Q4 2016**	**FY 2017**	**FY 2016**
Net sales	21.8	19.2	65.7	65.2
EBITDA	4.8	4.3	8.1	6.5

SoHem net sales grew to $21.8 million in the fourth quarter of 2017, or approximately 14% compared to the fourth quarter of 2016, as the result of strong net sales in Australia. SoHem gross profit percentage declined slightly compared to the same quarter of 2016, driven primarily by changes in currency values. The increase in net sales, combined with reductions in operating costs across the business, translated into an increase in EBITDA of $0.5 million in the quarter.

Balance Sheet and Cash Flow

As of 30 September 2017, Zodiac had $51.7 million of cash and cash equivalents, and $5.9 million of short-term borrowings and debt outstanding.

Zodiac's debt totalled $638.7 million at 30 September 2017. Debt increased by $0.7 million during the fourth quarter, due to scheduled principal repayments on the first lien term loan being offset by amortisation of debt issuance costs and a drawing on an overdraft facility at 30 September 2017.

(in USD millions)	**At 30 September 2017**	**At 30 June 2017**
Asset-based revolving credit facility	-	-
First lien credit facility	516.1	517.4
Second lien credit facility	150.0	150.0
Other debt	0.8	0.2
Total debt	**666.9**	**667.6**
Unamortised debt issuance costs	(28.2)	(29.6)
Debt, current and non-current	**638.7**	**638.0**
Current portion of first lien credit facility	5.2	5.2
Current portion of other debt	0.7	0.0
Debt, current	**5.9**	**5.2**
Debt, non-current	**632.8**	**632.8**

Net cash inflows from operating activities totalled $36.3 million during the fourth quarter of 2017, compared to $26.9 million in the fourth quarter of 2016. Cash generation consisted primarily of a Net Working Capital reduction of $37.6 million, driven by lower accounts receivable in the Americas as a result of the Early Buy alignment, and EBITDA of $6.6 million. Net cash outflows from investing activities in the fourth quarter amounted to $6.8 million, driven nearly entirely by investments in fixed assets. Net cash outflows from financing activities consisted primarily of $1.3 million of debt repayment and $10.9 million of interest paid.

For the twelve months ended 30 September 2017, net cash inflows from operating activities totalled $27.5 million. Cash generation from operations consisted primarily of $89.1 million of EBITDA and $34.8 million of cash generation from reducing net working capital in connection with the Early Buy alignment initiative. These inflows were offset by $14.7 million of income taxes, as well as non-operating expenses that primarily represent transaction costs incurred in connection with the Acquisition.

Net cash outflows from investing activities for the twelve months ended 30 September 2017 amounted to $1,233.3 million, and consisted primarily of the Acquisition. Net cash inflows from financing activities in 2017 equalled $1,202.1 million, consisting primarily of debt and equity financing drawn for the Acquisition.

Subsequent Events

On 2 October 2017, the Group completed the acquisition of Grand Effects, a manufacturer of premium fire and water features for both residential and commercial markets throughout the U.S.

On 3 November 2017, Piscine Luxembourg Holdings 2 S.à r.l., an affiliated holding company of the Group, entered into a definitive merger agreement with Fluidra, S.A. ("Fluidra"), a Spanish-listed pool equipment company. The transaction is subject to customary closing conditions, and is expected to close in the first half of 2018, at which point the Company will become an indirect wholly owned subsidiary of Fluidra. In connection with the definitive merger agreement, the Group obtained commitments from several banks for €400 million ($472 million) of incremental term loan and credit facilities, to be issued under the Group's existing credit agreements, in order to refinance the debt of Fluidra at closing of the merger.

Zodiac Pool Solutions S.à r.l.
Other Information

Scope of Consolidation

As at 30 September 2017, all Group companies are fully consolidated subsidiaries.

Entity	Country	% Interest at 30 September 2017
Zodiac Pool Solutions S.à r.l.	Luxembourg	100.0
ZPNA Holdings SAS	France	100.0
Zodiac Pool Solutions LLC	U.S.A.	100.0
Zodiac Pool Solutions North America LLC	U.S.A.	100.0
Jandy LLC	U.S.A.	100.0
Zodiac Pool Systems LLC	U.S.A.	100.0
Cover-Pools Incorporated	U.S.A.	100.0
Zodiac Pool Systems Canada, Inc.	Canada	100.0
ZPES Holdings SAS	France	100.0
Zodiac Pool Solutions SASU	France	100.0
Zodiac International SASU	France	100.0
Zodiac Pool Care Europe SASU	France	100.0
Zodiac Swimming Pool Equipment (Shenzhen) Co.	China	100.0
Zodiac Pool Ibérica, S.L.U.	Spain	100.0
Zodiac Pool Care South Africa Pty Ltd	South Africa	100.0
Zodiac Pool Care Portugal, Unipessoal, Lda.	Portugal	100.0
Zodiac Pool Systems Italia S.r.l.	Italy	89.49
Zodiac Pool Deutschland GmbH	Germany	100.0
SET Energietechnik GmbH	Germany	100.0
Zodiac Pool Solutions Pty Ltd	Australia	100.0
Zodiac Group Australia Pty Ltd	Australia	100.0
Zodiac Group (N.Z.) Limited	New Zealand	100.0
Dormant entities:		
AquaMar Wasserbehandlung, Chemikalien und Geräte GmbH	Germany	100.0
Marine Investment Finland Oy	Finland	100.0
Pool Resources Pty Ltd	Australia	100.0

Zodiac Pool Solutions S.à r.l.
Other Information

Disclaimer

Certain data included in this Narrative Report for the 12 months ended 30 September 2017 is unaudited and preliminary in nature. 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" as that term is defined by U.S. federal securities laws.

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.