

FLUIDRA

FLUIDRA S.A. and Subsidiaries

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

September 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
September 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 3rd Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

<u>Assets</u>	<u>30/09/2023</u>	<u>30/09/2022</u>
Fixed Assets	180.628	180.381
Investment Property	2.769	1.921
Goodwill	1.338.728	1.384.198
Other Intangible Assets	906.008	1.037.037
Rights of Use	182.699	178.452
Equity-Accounted Investments	782	836
Non-Current Financial Assets	4.442	4.622
Other Receivables	3.097	3.063
Derivative Financial Instruments	56.024	57.943
Deferred Tax Assets	117.671	130.649
Total non-current assets	2.792.848	2.979.102
Non-current assets held for sale	8.750	7.483
Inventories	497.716	701.348
Trade and other receivables	308.789	305.698
Other current financial assets	6.853	7.308
Derivative financial instruments	276	1.072
Cash and cash equivalents	85.343	63.682
Total current assets	907.727	1.086.591
TOTAL ASSETS	3.700.575	4.065.693
<u>Equity</u>		
Share Capital	192.129	195.629
Share Premium	1.148.591	1.148.591
Retained earnings and other reserves	207.103	441.344
Interim dividend	-	-
Treasury shares	(42.229)	(209.691)
Other comprehensive income	108.975	223.571
Equity attributed to equity holders of the parent	1.614.569	1.799.444
Non-controlling interests	9.792	10.811
Total equity	1.624.361	1.810.255
<u>Liabilities</u>		
Debt with Financial Institutions	1.117.608	1.186.895
Lease liabilities	158.438	160.451
Derivative financial instruments	-	-
Deferred tax liabilities	235.452	272.631
Provisions	10.924	12.474
Government grants	146	189
Other non-current liabilities	5.737	7.024
Total non-current liabilities	1.528.305	1.639.664
Liabilities linked to non-current assets held for sale	4.139	2.752
Debt with Financial Institutions	62.915	72.925
Lease liabilities	43.891	39.028
Trade and other payables	385.843	443.184
Provisions	51.025	57.453
Derivative financial instruments	96	432
Total current liabilities	547.909	615.774
TOTAL EQUITY AND LIABILITIES	3.700.575	4.065.693

Fluidra S.A. and Subsidiaries
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(Thousands of Euros)	30/09/2023	30/09/2022
Operating Income		
Sales of goods and finished products	1.623.382	1.966.831
Revenues from Services Rendered	25.529	33.241
Work performed by the Group and capitalised as non-current assets	15.283	15.007
Total operating income	1.664.194	2.015.079
Operating expenses		
Changes in Inventories of Finished Goods and Work in Progress and Consumables of Raw Materials	(772.947)	(961.853)
Employee Benefits Expense	(285.993)	(303.698)
Depreciation and amortization expenses and impairment losses	(116.843)	(115.252)
Other operating expenses	(277.879)	(312.471)
Total operating expenses	(1.453.662)	(1.693.274)
Other profit / (loss)		
Extraordinary income / (expenses)	-	-
Profit / (loss) from sale of fixed assets	484	138
Total other profit / (loss)	484	138
Operating profit	211.016	321.943
Finance income / (expenses)		
Financial income	5.265	3.155
Financial expenses	(53.575)	(48.738)
Financial Expenses of Lease Liabilities	(5.809)	(4.807)
Exchange gains / (losses)	(5.752)	(20.787)
Net financial income / (expense)	(59.871)	(71.177)
Share in profit / (loss) for the year from investments accounted for using the equity	(29)	64
Profit / (loss) before tax from continuing operations	151.116	250.830
Income tax expense	(40.929)	(67.209)
Profit / (loss) after tax from continuing operations	110.187	183.621
Profit / (loss) after tax from discontinued operations	-	-
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	110.187	183.621
Profit attributed to non-controlling interest	2.543	4.185
Profit attributed to equity holders of the parent	107.644	179.436
From continuing operations	107.644	179.436
From discontinued operations	-	-
EBITDA	327.830	437.259

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

30/09/2023

30/09/2022

Cash flows from operating activities

Profit of the year before tax	151.116	250.830
<i>Adjustments for:</i>		
Amortization and depreciation	116.575	115.233
Adjustments due to impairment of receivables	2.280	(3.997)
Provision for / (reversal of) impairment losses on assets	267	19
Provision for / (reversal of) impairment losses on financial assets	-	(200)
Provision for / (reversal of) impairment losses on risks and expenses	(2.267)	1.095
Provision for / (reversal of) impairment losses on inventories	2.039	5.999
Income from financial assets	(4.813)	(1.335)
Finance cost	59.103	52.291
Exchange (gains) / losses	5.752	20.787
Share in profit / (loss) for the year from associates accounted for using equity method	29	(64)
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(523)	(1.135)
(Profit)/losses on the sale of subsidiaries	39	997
Government grants recognized in profit and loss	(27)	(35)
Shared-based payment expenses	(31.325)	10.538
(Profit) / losses from derivative financial instruments at fair value	(170)	(367)
Operating profit before changes in working capital	298.075	450.656
Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(39.055)	(27.665)
Increase / (decrease) in inventories	102.755	(183.920)
Increase / (decrease) in trade and other payables	(4.422)	(63.262)
Utilization of provisions	(716)	(1.001)
Cash Flows from operating activities	356.637	174.808
Interest paid	(57.225)	(38.575)
Interest received	4.813	873
Corporate income tax paid	(28.193)	(74.264)
Net Cash Flows from operating activities	276.032	62.842

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<u>Cash Flows from investing activities</u>	<u>30/09/2023</u>	<u>30/09/2022</u>
From the sale of property, plant and equipment	2.145	3.750
From the sale of other intangible assets	85	183
From the sale of financial assets	3.820	8.321
Proceeds from the sale of subsidiaries in prior years	-	250
Acquisition of property, plant and equipment	(24.335)	(33.746)
Acquisition of intangible assets	(17.926)	(20.870)
Acquisition of other financial assets	(3.720)	(3.116)
Payments for acquisitions of subsidiaries , net of cash and cash equivalents	(26.841)	(20.965)
Payments for acquisitions of subsidiaries in prior years	(7.420)	(5.831)
Net Cash Flows used in investing activities	<u>(74.192)</u>	<u>(72.024)</u>
<u>Cash Flows from financing activities</u>		
Payments for repurchase of treasury shares	(126.088)	(175.865)
Proceeds from the sale of treasury shares	125.821	116.008
Proceeds from bank financing	-	1.113.506
Payments from bank borrowings	(93.706)	(968.982)
Lease liability payments	(30.254)	(23.483)
Dividends paid	(66.585)	(82.684)
Net Cash Flows from financing activities	<u>(190.812)</u>	<u>(21.500)</u>
Net increase / (decrease) in cash and cash equivalents	11.028	(30.682)
Cash and cash equivalents as of January 1, 2023	78.656	90.118
Effect of currency translation differences on cash	(2.056)	7.126
Cash and cash equivalents as of September 30, 2023	<u>87.628</u>	<u>66.562</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 23 LTM
Net Profit attributed to equity holders of the parent company	88,1
Income Tax Expense	34,4
Finance Income	(5,4)
Finance Costs	74,5
Exchange gains / (losses)	(1,1)
Depreciation & Amortisation Expense & Impairment	167,0
Minority Interest	2,8
Reported EBITDA	360,3
Restructuring, M&A and integration expenses	50,0
Share based payment expense	11,9
Run Rate synergies	0,0
Profit/Loss from sale of subsidiaries	(0,4)
EBITDA October 22 - September 23	421,8

Fluidra S.A. and Subsidiaries
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(in millions of Euros)	At 30 September 2023
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First-lien credit facility	1.137,7
Other debt	52,0
Total debt	1.189,7
Unamortized debt issuance costs	-9,2
Debt, current and non-current	1.180,5
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Current portion of first-lien credit facility	11,6
Current portion of other debt	51,3
Debt, current	62,9
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Debt, non-current	1.117,6
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Lease liabilities	202,3
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Cash and Cash Equivalents	85,3
Non Current Financial Assets	4,4
Current Financial Assets	6,9
Derivative Instruments	56,2
Total Cash & Financial Assets	152,8
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Net Financial Debt from Assets Held for sale	-2,3
Net Financial Debt as per Group Definition	1.025,4
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Net Debt from Assets Held for sale	-2,3
Net Debt as per Group Definition	1.227,7
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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.