

FLUIDRA

FLUIDRA S.A. and Subsidiaries

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

December 31, 2023

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

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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, 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.

As well as the financial information prepared under IFRSEU, Fluidra also prepares alternative performance measures (APMs), as defined in the guidelines issued by the European Markets and Securities Authority (ESMA). For further information about definitions, relevance of use and the reconciliation of APMs, visit:

<https://www.fluidra.com/projects/web/app/uploads/2024/02/alternative-performance-measures.pdf>.

Business Overview

For the Business Overview please refer to www.fluidra.com - Shareholders and Investors - Regulatory Filings – 2023 4th Quarter Results.

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BALANCE SHEET

(Thousands of Euros)

	<u>Assets</u>	31/12/2023	31/12/2022
Fixed Assets		185.336	184.039
Investment Property		2.944	1.894
Goodwill		1.297.026	1.307.022
Other Intangible Assets		876.567	946.229
Rights of Use		179.774	173.615
Equity-Accounted Investments		830	828
Non-Current Financial Assets		4.060	4.697
Other Receivables		1.872	54.621
Derivative Financial Instruments		32.464	3.597
Deferred Tax Assets		102.199	123.051
Total non-current assets		2.683.072	2.799.593
Non-current assets held for sale		6.289	7.656
Inventories		427.061	599.093
Trade and other receivables		273.356	284.808
Other current financial assets		6.320	6.179
Derivative financial instruments		38	465
Cash and cash equivalents		111.303	75.151
Total current assets		824.367	973.352
TOTAL ASSETS		3.507.439	3.772.945
	<u>Equity</u>		
Share Capital		192.129	192.129
Share Premium		1.148.591	1.148.591
Retained earnings and other reserves		220.436	336.630
Interim dividend		-	-
Own Shares		(42.155)	(112.692)
Other comprehensive income		48.556	105.192
Equity attributed to equity holders of the parent		1.567.557	1.669.850
Non-controlling interests		9.012	8.831
Total equity		1.576.569	1.678.681
	<u>Liabilities</u>		
Debt with Financial Institutions		1.087.110	1.120.108
Lease liabilities		153.535	152.725
Derivative financial instruments		-	-
Deferred tax liabilities		204.078	242.061
Provisions		11.365	10.893
Government grants		126	173
Other non-current liabilities		5.084	6.659
Total non-current liabilities		1.461.298	1.532.619
Liabilities linked to non-current assets held for sale		3.553	3.990
Debt with Financial Institutions		40.303	146.823
Lease liabilities		45.531	40.414
Trade and other payables		329.389	316.967
Provisions		50.791	53.263
Derivative financial instruments		5	188
Total current liabilities		469.572	561.645
TOTAL EQUITY AND LIABILITIES		3.507.439	3.772.945

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(Thousands of Euros)	31/12/2023	31/12/2022
Operating Income		
Sales of goods and finished products	2.050.708	2.389.205
Revenues from Services Rendered	32.788	39.232
Work performed by the Group and capitalised as non-current assets	22.133	20.888
Total operating income	2.105.629	2.449.325
Operating expenses		
Changes in Inventories of Finished Goods and Work in Progress and Consumables of Raw Materials	(961.060)	(1.169.618)
Employee Benefits Expense	(385.692)	(414.537)
Depreciation and amortization expenses and impairment losses	(157.820)	(165.385)
Other operating expenses	(365.910)	(395.609)
Total operating expenses	(1.870.482)	(2.145.149)
Other profit / (loss)		
Profit / (loss) from sale of fixed assets	909	136
Total other profit / (loss)	909	136
Operating profit	236.056	304.312
Finance income / (expenses)		
Financial income	2.231	3.328
Financial expenses	(64.575)	(62.145)
Financial Expenses of Lease Liabilities	(8.130)	(6.549)
Exchange gains / (losses)	(7.462)	(13.904)
Net financial income / (expense)	(77.936)	(79.270)
Share in profit / (loss) for the year from investments accounted for using the equity	24	71
Profit / (loss) before tax from continuing operations	158.144	225.113
Income tax expense	(41.293)	(60.710)
Profit / (loss) after tax from continuing operations	116.851	164.403
Profit / (loss) after tax from discontinued operations	-	-
CONSOLIDATED PROFIT / (LOSS) AFTER TAX	116.851	164.403
Profit attributed to non-controlling interest	3.024	4.472
From continuing operations	113.827	159.931
From discontinued operations	-	-

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(Thousands of Euros)

31/12/2023

31/12/2022

Cash flows from operating activities

Profit of the year before tax	158.144	225.113
<i>Adjustments for:</i>		
Depreciation / amortisation	157.276	157.103
Adjustments due to impairment of receivables	3.738	(3.289)
Provision for / (reversal of) impairment losses on assets	544	8.282
Provision for / (reversal of) impairment losses on financial assets	50	(150)
Provision for / (reversal of) impairment losses on risks and expenses	(851)	246
Provision for / (reversal of) impairment losses on inventories	2.567	13.177
Income from financial assets	(1.385)	(1.930)
Finance cost	72.152	68.454
Exchange (gains) / losses	7.462	13.904
Share in profit / (loss) for the year from associates accounted for using equity method	(24)	(71)
(Profit) / loss from the sale of property, plant and equipment and other intangible assets	(948)	(1.133)
(Profit)/losses on the sale of subsidiaries	39	997
Government grants recognized in profit and loss	(47)	(53)
Shared-based payment expenses	(23.519)	14.913
(Profit) / loss on financial instruments at fair value	(343)	(1.008)
Operating profit before changes in working capital	374.855	494.555
 Change in working capital, excluding effects of acquisitions and currency translation differences		
Increase / (decrease) in trade and other receivables	(13.861)	(9.468)
Increase / (decrease) in inventories	162.624	(116.576)
Increase / (decrease) in trade and other payables	7.060	(101.399)
Utilization of provisions	(979)	(1.322)
Cash Flows from operating activities	529.699	265.790
 Interest paid	(69.568)	(53.949)
Interest received	1.385	1.930
Corporate income tax paid	(32.586)	(93.495)
 Net Cash Flows from operating activities	428.930	120.276

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<u>Cash Flows from investing activities</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
From the sale of property, plant and equipment	2.746	4.649
From the sale of other intangible assets	504	400
From the sale of financial assets	8.297	8.904
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	(38.154)	(49.641)
Acquisition of intangible assets	(25.976)	(28.728)
Acquisition of other financial assets	(7.488)	(3.601)
Payments for acquisitions of subsidiaries , net of cash and cash equivalents	(26.841)	(20.750)
Payments for acquisitions of subsidiaries in prior years	(7.349)	(5.834)
Net Cash Flows used in investing activities	<u>(94.261)</u>	<u>(94.351)</u>
<u>Cash Flows from financing activities</u>		
Payments for repurchase of treasury shares	(152.044)	(237.420)
Proceeds from the sale of treasury shares	151.627	177.613
Proceeds from bank financing	-	1.109.986
Payments from bank borrowings	(119.106)	(892.569)
Lease liability payments	(39.992)	(32.715)
Dividends paid	(133.774)	(162.880)
Net Cash Flows from financing activities	<u>(293.289)</u>	<u>(37.985)</u>
Net increase / (decrease) in cash and cash equivalents	41.380	(12.060)
Cash and cash equivalents as of January 1, 2023	78.656	90.118
Effect of currency translation differences on cash	(7.156)	598
Cash and cash equivalents as of December 31, 2023	<u>112.880</u>	<u>78.656</u>

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Calculation and Reconciliation of EBITDA

(in millions of Euros)	December 23 LTM
Net Profit attributed to equity holders of the parent company	113,8
Income Tax Expense	41,3
Finance Income	(2,2)
Finance Costs	72,7
Exchange gains / (losses)	7,5
Depreciation & Amortisation Expense & Impairment	157,8
Minority Interest	3,0
Restructuring, M&A and integration expenses	41,7
Share based payment expense	9,5
Run Rate synergies	0,0
Profit/Loss from sale of subsidiaries	0,0
EBITDA January 23 - December 23	445,1

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(in millions of Euros)	At 31 December 2023
First-lien credit facility	1.107,3
Other debt	29,6
Total debt	1.136,9
Unamortized debt issuance costs	-9,4
Debt, current and non-current	1.127,4
Current portion of first-lien credit facility	11,3
Current portion of other debt	29,0
Debt, current	40,3
Debt, non-current	1.087,1
Lease liabilities	199,1
Cash and Cash Equivalents	111,3
Non Current Financial Assets	4,1
Current Financial Assets	6,3
Derivative Instruments	32,5
Total Cash & Financial Assets	154,2
Net Debt as per Group Definition	1.172,3

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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.