

REPORT FROM THE BOARD OF DIRECTORS OF FLUIDRA, S.A. ON THE PROPOSAL TO GRANT AUTHORIZATION TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL AS REFERRED TO IN ITEM NINETEEN ON THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING CALLED FOR MAY 5, 2022, ON FIRST AND ONLY CALL

1. Introduction

This report is drawn up by the Board of Directors of Fluidra, S.A. ("**Fluidra**" or the "**Company**") pursuant to articles 286 and 318 of the revised Capital Companies Law, approved by Legislative Royal Decree 1/2010, of July 2, 2010, in its current wording (the "**Capital Companies Law**"), with respect to the proposed resolution presented to the Annual General Shareholders' Meeting, specifically under agenda item nineteen, to authorize the Board of Directors, for a term of five years, to reduce the share capital to a maximum amount equal to 10% thereof on the date of the resolution, by retiring own shares that have been acquired through any mechanism for the purpose of their retirement, in line with the indications contained in this report.

2. Proposed resolution

The full text of the proposed resolution submitted to the Shareholders' Meeting for approval is as follows:

Proposed resolution

*"To authorize the derivative acquisition by Fluidra, S.A. ("**Fluidra**" or the "**Company**"), directly or through any of its subsidiaries and during a period of five (5) years from the date this resolution is approved, of treasury shares, at any time and on as many occasions as deemed advisable, through any of the means permitted by law, including with a charge to earnings for the year and/or unrestricted reserves, all in accordance with the provisions of the applicable legislation, as well as to subsequently sell the shares acquired through any means permitted by law.*

The derivative acquisition of Company shares shall be subject to the conditions established in the internal or external rules and legislation that, as the case may be, are applicable at any given time, as well as to any limits that may be established by any competent authority. In this regard and in particular, the par value of the treasury shares directly or indirectly acquired in application of this authorization, when added to the par value of the shares already held by the Company and its subsidiaries at any given time, may not exceed, at any time, ten percent (10%) of Fluidra's subscribed share capital (or any other lower limit established by the legislation applicable at any given time).

Furthermore, the derivative acquisition of Company shares shall be subject to the condition that the per-share acquisition price may not be higher than the stock market price or lower than the par value of the shares.

FLUIDRA

Authorization is expressly given for the shares acquired by the Company or by its subsidiaries in application of this authorization to be used, in part or in full, for delivery to directors or employees of the Company or of its subsidiaries, either directly or as a result of the exercise by such directors or employees of any share options they hold.

From the moment of its approval, this authorization supersedes and cancels the authorization granted by the Company's Annual Shareholders' Meeting held on May 3, 2017, under agenda item ten.

To empower the Board of Directors, in the broadest terms, to exercise the authorization made in this resolution, as well as to perform all acts, procedural formalities and requests as may be necessary or advisable for the exercise thereof, authorizing the Board to subdelegate said powers to the Chairman of the Board of Directors, to the Chief Executive Officer or to any other director, and to empower, with the scope deemed necessary, any attorney-in-fact of the Company for its execution.

Likewise, the Board of Directors is authorized to reduce the share capital of the Company up to a maximum amount corresponding to 10% of the share capital on the date of this resolution (that is, up to a maximum nominal amount of NINE MILLION FIVE HUNDRED AND SIXTY TWO THOUSAND NINE HUNDRED AND SEVEN EUROS (€19,562,907.00), corresponding to NINE MILLION FIVE HUNDRED AND SIXTY TWO THOUSAND NINE HUNDRED AND SEVEN (19. 562,907) shares with a par value of 1 euro) through the redemption of own shares that have been derivatively acquired by the Company by virtue of the foregoing authorization, through any mechanism with the purpose of being redeemed, all in accordance with the provisions of the applicable legislation and regulations. The term of execution of this agreement shall be for a period of five (5) years as from the date of approval of this agreement, being without effect in the part not executed as from said date.

The final amount of the capital reduction may be set by the Board of Directors, within the aforementioned maximum limit, depending on the final number of shares to be acquired and which the Board of Directors decides to amortize in accordance with the delegation of powers approved below.

To empower the Board of Directors, in the broadest terms, authorizing it to sub-delegate in the Executive Chairman of the Board of Directors; in the Chief Executive Officer; in any director; and in any other person that the Board expressly authorizes for this purpose, to execute all or part of the reduction of the share capital previously approved, on one or several occasions, within the established execution period and in the manner it deems most convenient, being able, in particular and without limitation:

- (i) Determine the number of shares to be amortized in each execution, and may agree not to execute the resolution in whole or in part if in the end no shares of treasury stock are acquired for the purpose of being amortized or if, having acquired them for that purpose, (a) they have not been acquired, on one or more occasions, in sufficient number to reach the limit of 10% of the capital stock on the date of this resolution; or (b) the conditions of the market, of the Company or some event of social or economic importance, make it advisable for reasons of corporate interest or prevent its execution; in any case, informing the next Ordinary General Shareholders' Meeting of such decision.*

FLUIDRA

- (ii) To declare each of the executions of the capital reduction finally agreed upon as closed, setting, if applicable, the definitive number of shares to be redeemed in each execution and, therefore, the amount by which the Company's capital stock must be reduced in each execution, in accordance with the limits established in this resolution.*
- (iii) To redraft the article of the Company's Bylaws that regulates the share capital to reflect the new capital figure and the number of outstanding shares after each execution of the approved capital reduction.*
- (iv) To request, as the case may be, the exclusion from trading of the shares to be redeemed by virtue of this delegation in the official or unofficial, regulated or not, organized or not, national or foreign, secondary markets, being able to carry out the procedures and actions that may be necessary or convenient for this purpose before the corresponding public and/or private bodies, including any action, declaration or management before any competent authorities in any jurisdiction.*
- (v) To subscribe all those public and/or private documents, and to carry out all those acts, legal business, contracts, declarations and operations that may be necessary or convenient to carry out each execution of the agreed capital reduction.*
- (vi) To publish as many announcements as may be necessary or convenient in relation to the capital reduction and each of its executions, and to carry out all the actions necessary for the effective redemption of the shares referred to in this resolution.*
- (vii) To establish the terms and conditions of the reduction in all matters not provided for in this resolution, as well as to carry out all acts and formalities necessary in order to obtain the consents and authorizations required for the effectiveness of this resolution."*

3. Justification of the proposal to delegate the power to reduce the share capital

The Board of Directors of Fluidra considers it necessary to propose to the Shareholders' Meeting that it adopt a new resolution, such as the one proposed, authorizing the Board of Directors to reduce the share capital where appropriate.

In this way, the Company will have all the mechanisms required to retire the shares acquired and to reduce the share capital accordingly, without needing to call and hold a Shareholders' Meeting on the occasion of each execution, at all times within the limits, terms and conditions established by the Capital Companies Law and the resolutions that are proposed to this Shareholders' Meeting.

Furthermore, depending on the number of shares that are finally acquired by the Company, it may not be necessary to implement the capital reduction in its entirety, in which case the reduction may be partial. In addition, the Board of Directors might not make use of the delegation, in which case, it must report such decision to the Annual Shareholders' Meeting that is held when the term of this delegation ends.

FLUIDRA

For all the above reasons, and given that the term of implementation of the resolution adopted for such purposes by the Shareholders' Meeting held on May 3, 2017, under item ten on the agenda, in terms similar to those of the proposed resolution that is submitted to this Annual Shareholders' Meeting under item nineteen on the agenda, will have expired when this Shareholders' Meeting is held, the Board of Directors of Fluidra considers that the approval of authorization to the Board to reduce, where appropriate, the Company's share capital by retiring own shares acquired to be retired and with a delegation to the Board itself of the powers necessary to implement the resolution, in whole or in part or on one or more occasions, or not to make use of the delegation, all the foregoing without first consulting the Shareholders' Meeting, is a suitable mechanism so that, in an agile and efficient manner, Fluidra may effectively implement programs to buy back the Company's shares, both as regards the launch of such programs and the actual retirement of the shares acquired and the related capital reduction, so as to be able to properly contribute to the creation of value for the shareholders.

4. Exclusion of the creditors' right to object

The capital reduction would be carried out with a charge to unrestricted reserves by recording a restricted reserve for retired capital in an amount equal to the par value of the retired shares. Such reserve may only be used subject to the same requirements as those imposed for the capital reduction, in application of the provisions of article 335 c) of the Capital Companies Law, whereby the Company's creditors will not have the right to object as referred to in article 334 of the Capital Companies Law.

And for the appropriate legal purposes, the Board of Directors of the Company has drawn up this Report, in Sant Cugat del Vallès, on March 30, 2022.