INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CONTENTS

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

31 December 2023 and 2022

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Assets	Notes	31/12/2023	31/12/2022
Property, plant and equipment	6	185,336	184,039
Investment property	7	2,944	1,894
Goodwill	8	1,297,026	1,307,022
Other intangible assets	8	876,567	946,229
Right-of-use assets	9	179,774	173,615
Investments accounted for using the equity method	10	830	828
Non-current financial assets	11	4,060	4,697
Derivative financial instruments	12	32,464	54,621
Other receivables	15	1,872	3,597
Deferred tax assets	28	102,199	123,051
Total non-current assets		**2,683,072**	**2,799,593**
Non-current assets held for sale	13	6,289	7,656
Inventories	14	427,061	599,093
Trade and other receivables	15	273,356	284,808
Other current financial assets	11	6,320	6,179
Derivative financial instruments	12	38	465
Cash and cash equivalents	16 & 19	111,303	75,151
Total current assets		**824,367**	**973,352**
TOTAL ASSETS		3,507,439	3,772,945
Equity			
Share capital		192,129	192,129
Share premium		1,148,591	1,148,591
Retained earnings and other reserves		220,436	336,630
Treasury shares		(42,155)	(112,692)
Other comprehensive income		48,556	105,192
Equity attributable to equity holders of the parent	**16**	**1,567,557**	**1,669,850**
Non-controlling interests		9,012	8,831
Total equity		1,576,569	1,678,681
Liabilities			
Bank borrowings and other marketable securities	19	1,087,110	1,120,108
Lease liabilities	19	153,535	152,725
Deferred tax liabilities	28	204,078	242,061
Provisions	18	11,365	10,893
Government grants		126	173
Other non-current liabilities	20	5,084	6,659
Total non-current liabilities		**1,461,298**	**1,532,619**
Liabilities linked to non-current assets held for sale	13	3,553	3,990
Bank borrowings and other marketable securities	19	40,303	146,823
Lease liabilities	19	45,531	40,414
Trade and other payables	20	329,389	316,967
Provisions	18	50,791	53,263
Derivative financial instruments	12	5	188
Total current liabilities		**469,572**	**561,645**
Total liabilities		1,930,870	2,094,264
TOTAL EQUITY AND LIABILITIES		3,507,439	3,772,945

The accompanying notes are an integral part of the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Income Statement for the years ended 31 December 2023 and 2022

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Notes	31/12/2023	31/12/2022
Operating income			
Sales of goods and finished products	23	2,050,708	2,389,205
Income from the rendering of services	24	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 raw material supplies	22	(961,060)	(1,169,618)
Personnel expenses	25	(385,692)	(414,537)
Depreciation and amortisation expenses and impairment losses	6, 7, 8, 9 & 13	(157,820)	(165,385)
Other operating expenses	26	(365,910)	(395,609)
Total operating expenses		**(1,870,482)**	**(2,145,149)**
Other gains and losses			
Profit/(loss) from sales of fixed assets		909	136
Total other gains/(losses)		**909**	**136**
Operating profit		**236,056**	**304,312**
Finance income / cost			
Finance income		2,231	3,328
Finance cost		(64,575)	(62,145)
Right-of-use finance cost		(8,130)	(6,549)
Exchange gains/(losses)		(7,462)	(13,904)
Financial result	**27**	**(77,936)**	**(79,270)**
Share in profit/(loss) for the year from investments accounted for using the equity method	10	24	71
Profit/(loss) before tax		**158,144**	**225,113**
Income tax expense	28	(41,293)	(60,710)
Profit/(loss) after tax		**116,851**	**164,403**
Profit/(loss) attributable to non-controlling interests		3,024	4,472
Profit/(loss) attributable to equity holders of the parent		113,827	159,931
Basic earnings/(losses) per share (in euros)	**17**	**0.60023**	**0.84807**
Diluted earnings/(losses) per share (in euros)	**17**	**0.60023**	**0.84807**

The accompanying notes are an integral part of the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim condensed consolidated statement of comprehensive Income for the years ended 31 December 2023 and 2022

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

		31/12/2023	31/12/2022
Profit / (loss) for the year		**116,851**	**164,403**
Items that will be reclassified to profit or loss			
Cash flow hedges	Note 12	(21,876)	61,951
Actuarial gains and losses		14	—
Exchange gains/(losses) on financial statements of foreign operations		(40,397)	55,650
Tax effect		5,167	(15,105)
Other comprehensive income for the year, net of tax		**(57,092)**	**102,496**
Total comprehensive income for the year		**59,759**	**266,899**
Total comprehensive income attributable to:			
Equity holders of the parent		57,191	262,739
Non-controlling interests		2,568	4,160
		59,759	**266,899**

The accompanying notes are an integral part of the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim condensed consolidated statement of changes in equity for the years ended 31 December 2023 and 2022

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Equity attributable to equity holders of the Parent										
							Other comprehensive income				
	Share capital	Share premium	Legal reserves	Accumulated gains	Interim dividends	Treasury shares	Translation differences	Other	Total	Non-controlling interests	Total equity
Balance at 1 January 2022	**195,629**	**1,148,591**	**40,140**	**395,831**	**—**	**(168,491)**	**8,112**	**(5,728)**	**1,614,084**	**8,349**	**1,622,433**
Profit/(loss) for the year	—	—	—	159,931	—	—	—	—	159,931	4,472	164,403
Other comprehensive income	—	—	—	—	—	—	55,962	46,846	102,808	(312)	102,496
Total comprehensive income for the year	**—**	**—**	**—**	**159,931**	**—**	**—**	**55,962**	**46,846**	**262,739**	**4,160**	**266,899**
Change in ownership interest	—	—	—	(2,519)	—	—	—	—	(2,519)	(1,311)	(3,830)
Treasury shares	(3,500)	—	—	(112,106)	—	55,799	—	—	(59,807)	—	(59,807)
Equity-based payments	—	—	—	14,567	—	—	—	—	14,567	—	14,567
Adjustment for IAS 39	—	—	—	660	—	—	—	—	660	639	1,299
Dividends	—	—	—	(159,874)	—	—	—	—	(159,874)	(3,006)	(162,880)
Balance at 31 December 2022	**192,129**	**1,148,591**	**40,140**	**296,490**	**—**	**(112,692)**	**64,074**	**41,118**	**1,669,850**	**8,831**	**1,678,681**
Profit/(loss) for the year	—	—	—	113,827	—	—	—	—	113,827	3,024	116,851
Other comprehensive income	—	—	—	—	—	—	(39,941)	(16,695)	(56,636)	(456)	(57,092)
Total comprehensive income for the year	**—**	**—**	**—**	**113,827**	**—**	**—**	**(39,941)**	**(16,695)**	**57,191**	**2,568**	**59,759**
Inclusion of entities	—	—	—	—	—	—	—	—	—	27	27
Change in ownership interest	—	—	—	(2,776)	—	—	—	—	(2,776)	(1,506)	(4,282)
Treasury shares	—	—	—	(70,952)	—	70,537	—	—	(415)	—	(415)
Equity-based payments	—	—	—	(23,519)	—	—	—	—	(23,519)	—	(23,519)
Adjustment for IAS 39	—	—	—	111	—	—	—	—	111	(19)	92
Dividends	—	—	—	(132,885)	—	—	—	—	(132,885)	(889)	(133,774)
Balance at 31 December 2023	**192,129**	**1,148,591**	**40,140**	**180,296**	**—**	**(42,155)**	**24,133**	**24,423**	**1,567,557**	**9,012**	**1,576,569**

The accompanying notes are an integral part of the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim condensed consolidated cash flow statement for the years ended 31 December 2023 and 2022

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	2023	2022
Cash flows from operating activities			
Profit /(loss)for the year before tax		**158,144**	**225,113**
Adjustments due to:			
Amortisation and depreciation	6, 7, 8 & 9	157,276	157,103
Adjustments due to impairment of receivables	26	3,738	(3,289)
Provision for/(reversal of) impairment losses on assets	6, 7, 8 & 9	544	8,282
Provision for/(reversal) of impairment losses on financial assets	27	50	(150)
Provision for/(reversal of) losses on risks and expenses		(851)	246
Provision for/(reversal) of losses on inventories	22	2,567	13,177
Income from financial assets	27	(1,385)	(1,930)
Finance cost	27	72,152	68,454
Exchange (gains)/losses		7,462	13,904
Share in (profit)/loss for the year from associates accounted for using the equity method		(24)	(71)
(Profit)/loss on the sale of property, plant and equipment and other intangible assets		(948)	(1,133)
(Profit)/loss on the sale of subsidiaries		39	997
Government grants recognised in profit and loss		(47)	(53)
Share-based payment expenses	29	(23,519)	14,913
(Profit)/loss on financial instruments at fair value through profit or loss		(343)	(1,008)
Operating profit before changes in working capital		**374,855**	**494,555**
Changes 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)
Utilisation of provisions		(979)	(1,322)
Cash 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)
Cash flows from operating activities (*)		**428,930**	**120,276**

	Note	2023	2022
Cash flows from investing activities			
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 drawn down cash	5	—	250
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	5	(26,841)	(20,750)
Payments for acquisitions of subsidiaries in prior years		(7,349)	(5,834)
Cash flows from investing activities (*)		**(94,261)**	**(94,351)**
Cash flows from financing activities			
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)
Payments for lease liabilities		(39,992)	(32,715)
Dividends paid		(133,774)	(162,880)
Cash flows from financing activities (*)		**(293,289)**	**(37,985)**
Net increase/(decrease) in cash and cash equivalents		41,380	(12,060)
Cash and cash equivalents at 1 January		78,656	90,118
Effect of currency translation differences on cash flows		(7,156)	598
Cash and cash equivalents at 31 December		**112,880**	**78,656**

(*) Includes the cash flows arising from continuing and discontinued operations (Note 13).

The accompanying notes are an integral part of the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the European Union.

1. Nature, principal activities and companies comprising the Group

Fluidra, S.A. (hereinafter the Company) was incorporated as a limited liability company for an indefinite period in Girona, Spain, on 3 October 2002 under the name Aquaria de Inv. Corp., S.L., and changed to its current name on 17 September 2007.

The Company's corporate purpose and activity consists of 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.

On 1 July 2021, the Company changed its registered address from the previous location in the municipality of Sabadell (Avenida Francesc Macià nº 60, planta 20, 08208 Sabadell, Barcelona) to a new location in the municipality of Sant Cugat del Vallès (Avda. Alcalde Barnils 69, 08174 Sant Cugat del Vallés, Barcelona).

The Group's activity consists of the manufacture and marketing of specific accessories and machinery for swimming-pools, irrigation and water treatment and purification. The Group operates globally with a particular presence in EMEA (Europe, the Middle East and Africa) and in North America.

Fluidra, S.A. is the parent company of the Group comprising the subsidiaries detailed in accompanying Appendix I (hereinafter Fluidra Group or the Group). Additionally, the Group holds ownership interests in other entities as detailed in Appendix I also. Group companies have been consolidated using their financial statements or their annual accounts prepared/approved for issue by the corresponding managing bodies and Board of Directors.

Share capital is represented by 192,129,070 ordinary shares with a par value of €1 each, fully subscribed and paid up.

On 31 October 2007, Fluidra, S.A. (the "Company") completed its initial public offering process through the public offering of 44,082,943 ordinary shares with a par value of €1 each. These shares representing share capital are quoted on the Barcelona and Madrid stock exchanges, and also on the continuous market.

On 2 July 2018, and within the framework of the merger agreement between the Fluidra Group and the Zodiac Group, Fluidra, S.A. increased its share capital for a nominal amount of €83,000,000 by issuing and circulating 83,000,000 ordinary shares of €1 par value each, which were fully subscribed by Piscine Luxembourg Holdings 2 S.à.r.l. (penultimate shareholder of the Luxembourg company Zodiac Pool Solutions S.à.r.l., which is the parent of the Zodiac Group) without entitlement, as per article 304.2 of the Spanish Companies 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 was allocated to the share premium.

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

2. Basis of presentation

These interim condensed consolidated financial statements have been prepared from the accounting records of Fluidra, S.A. and the entities included in the Group using the going concern principle. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other financial reporting framework provisions in order to present fairly the consolidated equity and consolidated financial position of Fluidra, S.A. and its subsidiaries at 31 December 2023 and its consolidated financial results, consolidated cash flows and changes in consolidated equity for the year then ended.

a) Basis of presentation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared on an historical cost basis, except for derivative financial instruments and financial instruments at fair value through profit or loss.

b) Comparative information

For comparative purposes, the interim condensed consolidated financial statements include the consolidated figures for the year ended 31 December 2023 in addition to those for the same period of the prior year for each item of the interim condensed consolidated statement of financial position, the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated cash flow statement and the notes thereto, which have been obtained by consistently applying IFRS-EU as required by the standards.

The Group's accounting policies described in Note 3 have been consistently applied to the year ended 31 December 2023 and the accompanying comparative information at 31 December 2022.

All significant mandatory accounting principles have been applied.

The 2022 consolidated annual accounts were approved for issue by shareholders in general meeting on 10 May 2023.

Some comparative headings in note 28 Deferred taxes and income tax have been reclassified in order to facilitate their understanding.

c) Significant accounting estimates and key assumptions and judgements when applying accounting policies

When preparing the interim condensed consolidated financial statements in accordance with IFRS-EU, Group Management is required to make judgements, estimates and assumptions affecting the adoption of the standards and the amounts of assets, liabilities, income and expenses. The estimates and assumptions adopted are based on historical experience and various other factors understood to be reasonable under the existing circumstances.

In the Group's interim condensed consolidated financial statements for the year ended 31 December 2023, estimates were occasionally made in order to quantify certain assets, liabilities, income, expenses and commitments reported therein. These relevant accounting estimates and assumptions mainly relate to:

- The useful life and fair value of the customer portfolio and other intangible assets (see Note 8).
- The assumptions used to calculate the fair value/value in use of the Cash-Generating Units (CGUs) for the purposes of evaluating potential impairment of goodwill and other assets (see Note 8).
- Assessment of technical and commercial feasibility of development projects in progress (see Notes 3 d) ii) and 8).
- Estimate of expected credit losses from receivables and obsolete inventory (see Notes 3 i) k), 14 and 15).
- The fair value of financial instruments and of certain unquoted assets (see Notes 11 and 12).
- Assumptions used to calculate the fair values of assets, liabilities and contingent liabilities related to business combinations and/or asset purchases (see Notes 3 a) i) and 20). Liabilities for contingent considerations correspond to level 3 of the fair value hierarchy in accordance with IFRS 13.
- The fair value of the commitment to the Company's management team to acquire an ownership interest in the Company's share capital (see Notes 3 q) and 29).
- Estimates and judgements related to the provisions for litigation (see Notes 3 p) and 18).
- Assessment of the recoverability of tax credits, including prior years' tax losses and rights to deduction. Deferred tax assets are recognised to the extent that future tax profit is available against which temporary differences can be charged, based on management’s assumptions about the amount of and

payment schedules for future tax profit. Additionally, in the case of deferred tax assets related to investments in Group companies, their capitalisation takes into account whether they will be reversed in the foreseeable future (see Notes 3 s) and 28).

Although these estimates are made on the basis of the best information available on the events analysed at 31 December 2023 and 2022, events may occur in the future which require adjusting these estimates (upwards or downwards) in future reporting periods. Any effect on the interim condensed consolidated financial statements of adjustments made in future reporting periods is recognised prospectively.

Additionally, the main judgements made by the Company's management in identifying and selecting the criteria applied in the measurement and classification of the main items presented in the interim condensed consolidated financial statements are as follows:

- Reasons supporting the transfer of risks and rewards in leases and in the recognition of disposals of financial assets and liabilities (see Note 3 h).
- Reasons supporting the classification of assets as investment property (see Notes 3 e) and 7).
- Assessment criteria for impairment of financial assets (see Notes 3 i) d) and 11).
- Judgements made to calculate the lease terms of agreements that can be renewed (see Notes 3 f) iv)) and,
- Reasons supporting the capitalisation of development projects (see Notes 3 d) ii) and 8).

d) Changes to IFRS-EU standards during the year ended 31 December 2023

The accounting standards used to prepare the accompanying interim condensed consolidated financial statements are the same as those used to prepare the interim condensed consolidated financial statements for the year ended 31 December 2022, except for the new standards and any amendments that are applicable as of 1 January 2023, the main ones being as follows:

- Standards and interpretations approved by the European Union applied for the first time in 2023.
  - IFRS 17 - Insurance contracts
  - IFRS 17 – Insurance contracts: first-time application of IFRS 17 and IFRS 9 – Comparative information
  - Definition of accounting estimates (Amendments to IAS 8)
  - Accounting policy disclosures (Amendments to IAS 1 and IFRS Practice Statement No. 2)
  - Deferred taxes relating to assets and liabilities arising from a single transaction (Amendments to IAS 12)
  - International Tax Reform Pillar Two Model Rules (Amendments to IAS 12)

None of the standards, interpretations or amendments to the standards that are applicable for the first time this year have had a significant impact on the Group's accounting policies.

The Group adopts the standards, interpretations and amendments to the standards issued by the IASB when they come into force, if applicable.

e) Financial reporting in hyperinflationary economies

In recent years, the Turkish economy has seen high rates of inflation. In particular, as at 31 December 2023 the TSI (Turkish Statistical Institute) reported three-year cumulative inflation of 268% (three-year cumulative inflation of 156% at 31 December 2022).

As a result, the Group has considered the Turkish economy as hyperinflationary in 2023 and 2022 and has applied IAS 29 (Financial Reporting in Hyperinflationary Economies) to companies whose functional currency is the Turkish lira.

The main impacts on the Group's consolidated financial statements for the years ended 31 December 2023 and 2022 of the aforementioned issues are as follows:

	Thousands of euros	
	2023	2022
Consolidated profit/(loss) after tax	(159)	(253)
Non-current assets	94	—
Current assets	1,012	1,052
Equity	1,265	1,305

3. Significant accounting principles applied

The most significant principles are summarised as follows:

a) Consolidation principles

i) Subsidiaries and business combinations

Subsidiaries are companies, including structured entities, over which the Company holds direct or indirect control through subsidiaries.

The Company holds control over a subsidiary when it is exposed to, or has the right to receive, variable yield as a result of its involvement in it, and has the capacity to influence such yield through the power it exercises over the subsidiary. The Company is authorised to direct the relevant activities when valid substantive rights are held. The Company is exposed to, or has the right to receive, variable yield as a result of its involvement in the subsidiary when the yield it obtains from such involvement may vary based on the economic evolution of the entity (IFRS 10.6, 10 and 15).

The subsidiaries' income, expenses and cash flows are included in the interim condensed consolidated financial statements from the acquisition date, i.e., the date on which the Group obtains effective control over them. Subsidiaries are no longer consolidated from the date on which such control is relinquished.

The Group applied the exception contemplated in IFRS 1 First-time adoption of International Financial Reporting Standards so that only business combinations undertaken after 1 January 2005, the IFRS-EU transition date, have been accounted for using the acquisition method. Acquisitions completed prior to the transition date were accounted for in accordance with the then-prevailing accounting principles, corrected and adjusted as required as of the transition date.

Business combinations

The consideration transferred in the business combination is determined at the acquisition date and calculated as the sum of the fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any contingent consideration depending on future events or compliance with certain conditions in exchange for the control of the business acquired.

The consideration transferred excludes any amounts that do not form part of the exchange for the acquiree. Acquisition-related costs are recognised as incurred.

At the acquisition date the Group recognises any assets acquired and liabilities assumed at their fair value. The liabilities assumed include contingent liabilities to the extent that they represent present obligations that arise as a result of past events and their fair value can be reliably measured.

The excess over the consideration transferred, plus any non-controlling interest in the acquiree and the net amount of assets acquired and liabilities assumed, is recognised as goodwill. Any shortfall after assessing the amount of consideration transferred, the value assigned to non-controlling interests and the identification and measurement of the net assets acquired, is recognised in profit or loss.

Contingent consideration is classified as a financial asset or liability, equity instrument or provision in accordance with the underlying contractual conditions. To the extent that subsequent changes in fair value of a financial asset or liability are not due to an adjustment to the measurement period, they are recorded in consolidated profit or loss. The contingent consideration classified as equity is not subsequently updated, and its settlement is likewise recognised in equity. The contingent consideration classified as a provision is subsequently recognised at fair value through profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies have been eliminated on consolidation. If any, unrealised losses on the transfer of assets between group companies have been deemed an indication of the potential impairment of the assets transferred.

The subsidiaries' accounting policies have been aligned with those used by the Group for like transactions and events in similar circumstances.

The financial statements of the subsidiaries used in the consolidation process refer to the same presentation date and reporting period as those of the Parent.

ii) Non-controlling interests

Non-controlling interests in a subsidiary are recorded at the percentage of the ownership held in the fair value of the net identifiable assets acquired, and are presented in equity separately from the equity attributed to the equity holders of the Parent. Non-controlling interests in consolidated profit/(loss) and consolidated total comprehensive income for the year are likewise presented separately in the consolidated income statement and the consolidated statement of comprehensive income, respectively.

The Group's and the non-controlling interests’ share in consolidated profit/(loss) for the year (consolidated total comprehensive income for the year) and in changes in equity of the subsidiaries, net of adjustments and eliminations on consolidation, is determined based on the ownership interest held at year end, excluding the possible exercise or conversion of potential voting rights and after discounting the effect of agreed or non-agreed dividends on cumulative preference shares that may have been classified in the equity accounts. However, the existence or absence of control is determined considering the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently grant access to the economic benefits associated with the ownership interest, that is, the right to receive future dividends and changes in the value of subsidiaries.

Surplus losses attributable to non-controlling interests generated prior to 1 January 2010 that cannot be allocated to such interests, as they exceed the amount of the equity interest in the related subsidiary, are recognised as a reduction in equity attributable to owners of the parent, unless the non-controlling interests have a binding obligation to assume some or all of such losses and have the capacity to make any additional investments necessary. Any profits obtained subsequently by the Group are then allocated to equity attributable to owners of the parent until the amount of losses absorbed in prior reporting periods in respect of non-controlling interests has been replenished.

From 1 January 2010, the results and each component of other comprehensive income are allocated to equity attributable to owners of the Parent and to the non-controlling interests in proportion to their respective ownership interests, even if this implies a negative non-controlling interests balance. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

Transactions with non-controlling interests

The increase or decrease in non-controlling interest of a subsidiary with no loss of control is recognised as a transaction with equity instruments. Therefore, no new acquisition cost arises as a result of an increase, nor any gain or loss is recognised from a decrease, but the difference between the consideration paid or received and the carrying amount of non-controlling interest is recognised in the investing company's reserve, without prejudice to reclassifying the consolidation reserves and reallocating the other comprehensive income between the Group and the non-controlling interest. In a decrease in the Group's ownership interest in a subsidiary, non-controlling interest is recorded for its share in consolidated net assets.

Put options granted

The Group recognises put options on ownership interest in subsidiaries granted to non-controlling interest at the date of acquisition of a business combination as an advance acquisition of such interest, recording a financial liability for the present value of the best estimate of the amount payable, which is part of consideration paid.

Subsequently, the change in the financial liability is recognised as a finance cost or income in profit or loss. Discretionary dividends, if any, paid to non-controlling interests up to the date the options are exercised, are recognised as a distribution of earnings, reflecting this amount as an increase in profits attributable to non-controlling interests. In the event that dividends are predetermined or incorporated into the measurement of the financial liability, settlement is discounted from the financial liability's carrying amount.

If finally the options are not exercised, the transaction is recognised as a sale of shares to non-controlling interests.

iii) Associates

Associates are defined as the entities over which the Company has significant influence, either directly or through other subsidiaries. Significant influence is the power to participate in the financial and operating policy decisions of an entity but no control or joint control thereover is held.

Investments in associates are recorded using the equity accounting method from the date significant influence is exercised until the date on which the Company can no longer prove this influence exists.

The acquisition of associates is recorded by applying the acquisition method used for subsidiaries. Goodwill, net of accumulated impairment losses, is included in the carrying amount of the investment accounted for using the equity method.

iv) Impairment

The Group applies the impairment criteria contained in IAS 9: Financial instruments, so as to determine whether it is necessary to recognise any additional impairment loss with respect to the net investment in the associate or in any other financial asset held with it as a result of applying the equity method.

b) Foreign currency

i) Functional and presentation currency

The interim condensed consolidated financial statements are presented in thousands of euros rounded off to the nearest thousand. The euro is the Parent company's functional and presentation currency.

ii) Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing between the functional currency and the foreign currency at the transaction dates. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing exchange rate, while non-monetary items measured at historical cost are translated at the exchange rate prevailing at the transaction date. Exchange gains and losses arising on the settlement of foreign currency transactions and on the translation into euros at the closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

In the presentation of the consolidated statement of cash flows, cash flows from transactions in foreign currencies are translated into euros applying the exchange rates approximate to those existing at the date the cash flows occurred. The impact of fluctuations in exchange rates on cash and cash equivalents denominated in foreign currency is presented under a separate caption in the statement of cash flows as "Exchange gains/(losses) on cash and cash equivalents".

The Group presents the effect of the conversion of deferred tax assets and liabilities denominated in foreign currency together with the deferred income tax in profit or loss.

iii) Translation of foreign operations

The translation into euros of foreign operations whose functional currency is not the currency of a hyperinflationary country is made using the following criteria:

- Assets and liabilities, including any goodwill and any adjustments to the net assets arising on the acquisition of foreign operations, including comparative balances, are translated at the closing exchange rate at the balance sheet date;
- Income and expenses, including comparative balances, are translated at the exchange rate prevailing at the date of each transaction; and
- All exchange gains or losses derived from applying the above-mentioned criteria are recognised as translation differences in other comprehensive income.

In the presentation of the consolidated statement of cash flows, cash flows, including comparative balances, from the foreign subsidiaries are translated into euros applying the exchange rates prevailing at the date the cash flows occurred.

Translation differences related to foreign operations recognised in other comprehensive income are recorded jointly under one line in profit or loss and when recognition in profit or loss related to the disposal of such operations occurs.

c) Property, plant and equipment

i) Assets for own use

Property, plant and equipment are measured at acquisition cost less any accumulated depreciation and any impairment losses. The cost of property, plant and equipment built by the Group is determined following the same criteria as those used for acquired property, plant and equipment, considering also the principles established for the production cost of inventories. The capitalisation of the production cost is recognised under Work performed by the Group and capitalised as non-current assets in the consolidated income statement.

The cost of property, plant and equipment includes the acquisition price less any trade discounts or rebates plus any cost directly related to its location on the place and under the conditions necessary for it to operate as expected by the Directors and, where appropriate, the initial estimate of dismantling or disposal costs, as well as the restoration of the land it is located on, provided that these obligations are assumed as a result of its use and for purposes other than the production of inventories

The Group records separately the items of a complex asset whose useful lives are different from the main asset's.

ii) Investments in rented premises

The Group recognises permanent investments in properties leased from third parties following the same criteria as the ones used for property, plant and equipment items. These investments are depreciated over the shorter of the useful life of the asset or over the lease term. To this effect, the determination of the lease term is consistent with that established for its classification. In the event that the full-term execution of the lease agreement is uncertain, a provision is recorded for the estimated amount of the net carrying amount of irrecoverable investments. Likewise, the cost of these investments includes the estimated costs of dismantling and disposing of the assets and restoring the land they are located on that the Group shall pay at the end of the agreement; thus, a provision is recorded for the present value of the estimated cost that is expected to be incurred.

iii) Costs subsequently incurred

The Group recognises as an increase in the cost of the assets, the replacement cost of an asset's items when incurred, provided that it is probable that additional future economic benefits will be obtained from the asset and that the cost can be measured reliably. Other costs, including repair and maintenance expenses on property, plant and equipment items are charged to the income statement in the period incurred.

iv) Depreciation

Property, plant and equipment items are depreciated by allocating their depreciable amount, which is the acquisition cost less residual value, on a straight-line basis over their useful lives. Depreciation is determined separately for each portion of a property, plant and equipment item that has a significant cost in relation to the total cost of the item.

Land is not depreciated. The depreciation of property, plant and equipment items is determined as follows:

	Estimated years of useful life
Buildings	33-45
Plant and machinery	3-10
Other installations, equipment and furniture	3-10
Data processing equipment	2-5
Transport equipment	3-8
Other property, plant and equipment	4-10

At each year end, the Group reviews the residual value, useful life and depreciation method of property, plant and equipment items. Any changes to initially established criteria are accounted for as a change in accounting estimates.

v) Impairment

The Group measures and determines impairment losses on property, plant and equipment and any reversals thereof in accordance with the criteria described in Note 3 g).

d) Intangible assets

i) Goodwill

Goodwill is determined following the criteria indicated in Note 3 (a) i) Subsidiaries and business combinations.

Goodwill is not amortised but it is tested for impairment at least once a year, or more frequently if an event is identified that could give rise to a potential impairment loss on the asset. Goodwill arisen in business combinations is allocated to each cash-generating unit (CGU) that are expected to benefit from the synergies of the combination, applying the criteria outlined in section Note 3 g). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Internally generated goodwill is not recognised as an asset.

ii) Internally generated intangible assets

Costs related to research activities are recognised as an expense when incurred. The costs related to development activities of certain products are capitalised to the extent that:

- The Group has technical studies available that support the feasibility of the production process;
- There is a commitment by the Group to complete the production of the asset so that it is available for sale;
- The asset will generate enough economic profit through future sales in the markets in which the Group operates;
- The Group has the technical and financial (or other) resources necessary to complete the asset and has developed budget control systems and analytical accounting systems to monitor budgeted costs, modifications made and costs actually incurred in the projects.

The cost of the assets generated internally by the Group is determined following the same criteria as for determining the production cost of inventories. The production cost is capitalised through the payment of the costs attributable to the asset in the Work performed by the Group and capitalised as non-current assets caption in the consolidated income statement.

Additionally, the costs incurred in the performance of activities that contribute to developing the value of the businesses in which the Group operates as a whole are recorded as expenses when incurred.

Also, replacements or subsequent costs incurred on intangible assets are generally recorded as expenses, unless they increase the future economic benefits expected from the assets.

iii) Intangible assets acquired in business combinations

Since 1 January 2005 identifiable intangible assets acquired in business combinations have been measured at fair value at acquisition date, provided that fair value can be determined reliably. Subsequent costs related to research and development projects are recorded following the criteria used for internally generated intangible assets.

Customer portfolios acquired mainly include the value of the relationship existing between the corresponding company and their customers, which has arisen as a result of a contract and, therefore, are identified as intangible assets in accordance with a contractual and legal criterion. Additionally, the patents acquired include the value of the technologies for manufacturing certain products that arose as a result of a contract. They have been measured at market value using generally accepted measurement methods based on discounted cash flows. Additionally, finite useful lives have been calculated based on historical evidence of the renewal of the continuing relationship with these customers and based on the residual period for the right to use the patents, considering expected technical obsolescence.

iv) Other intangible assets

Other intangible assets are presented in the consolidated statement of financial position at cost, less any accumulated amortisation and any impairment losses.

v) Useful life and amortisation

The Group assesses the intangible asset's useful life to be either finite or indefinite. An intangible asset is deemed to have an indefinite useful life when the period over which it will generate net cash inflows has no foreseeable limit.

Intangible assets with indefinite useful lives are not amortised, but tested for impairment.

Intangible assets with finite useful lives are amortised by allocating the amortisable amount over their useful lives using the following criteria:

	Amortisation method	Estimated years of useful life
Development costs	Straight-line basis	3-15
Industrial property and patents	Straight-line basis	5-8
Computer software	Straight-line basis	3-5
Relations with customers	Declining-balance method	3-30
Other intangible assets	Declining-balance method / Straight-line basis	5-8

To this end, depreciable amount is understood as acquisition cost less residual value.

The Group reviews the residual value, useful life and amortisation method of intangible assets at the end of each reporting period. Changes to initially established criteria are accounted for as a change in accounting estimates.

vi) Impairment of assets

The Group measures and determines impairment losses on intangible assets and any reversals thereof in accordance with the criteria described in Note 3 g).

e) Investment property

Investment property is property fully or partially held for obtaining income, gains or both rather than for producing or providing goods or services. Investment property is initially measured at cost, including transaction costs.

Investment property is subsequently measured following the cost criteria established for property, plant and equipment. Depreciation methods and useful lives are presented in that section.

f) Right-of-use assets and Lease liabilities

i) Right-of-use

The Group recognises the right-of-use at the start of a lease. That is, the date on which the underlying asset is available for use. Right-of-use is measured at cost, less accumulated amortisation and impairment losses, and is adjusted for any changes in the measurement of the associated lease liabilities. The initial cost of the right-of-use includes the recognised lease liabilities, initial direct costs and lease payments made before the start of the lease. Incentives received are deducted from the initial cost. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the right-of-use is amortised on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use is subject to impairment analysis.

ii) Lease liabilities

At the start of the lease, the Group recognises the lease liabilities at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including in-substance fixed payments) less lease incentives, variable payments depending on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain of exercising this option and lease termination penalty payments if the term of the lease reflects the Group's exercising of the option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment arises.

When calculating the present value of lease payments, the Group uses the incremental interest rate at the lease start date if the interest rate implicit in the lease cannot be easily determined. After the start date, the lease liability amount is increased to reflect the accrual of interest and reduced by the lease payments made. In addition, the lease liability is re-measured if an amendment is made, the lease term is changed, the in-substance fixed lease payments are changed or the assessment for purchasing the underlying asset is changed. The liability also increases if there is a change in future lease payments arising from a change in the index or rate used to calculate these payments

The incremental financing rate used by the Group is differentiated by the homogeneous portfolio of leases, country and lease term. The weighted average of the incremental interest rate in the year ended 31 December 2023 is 4.35% (2.90% in the same period of 2022).

iii) Short-term and low value leases

The Group applies the practical exemption for recognising the short-term leases of its machinery and equipment where the lease term is twelve months or less from the start date and where there is no purchase option. It also applies the low-value asset recognition exemption to office equipment leases that are considered low-value. Lease payments under short-term and low-value leases are recognised on a straight-line basis over the term of the lease.

iv) Judgements made to calculate the lease terms of contracts with renewal options

The Group calculates the lease term as the non-cancellable period, plus the optional extension periods, if there is reasonable certainty that this option will be exercised. It has been estimated that all optional extensions will be exercised for most leases. Periods covered by the option to terminate the lease early are also included, if there is reasonable certainty that this option will not be exercised.

g) Impairment of non-financial assets

The Group assesses whether there are indications that depreciable or amortisable non-financial assets may be impaired, including entities accounted for using the equity method, in order to determine if the carrying amount of said assets exceeds their recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. The calculation of an asset's value in use reflects an estimate of the future cash flows expected to derive from the asset, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows expected to derive from the asset.

Negative differences arisen as a result of comparing the carrying amounts of the assets with their recoverable amounts are recorded in profit or loss.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

Impairment losses on cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit up to the highest of its fair value less costs to sell, its value in use and zero.

The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased.

Impairment losses on goodwill may not be reversed. Impairment losses on assets other than goodwill are reversed if, and only if, there has been a change in the estimates used to calculate the asset's recoverable amount.

Any reversals of impairment losses are charged to income. The increased carrying amount of an asset attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset.

The reversal of an impairment loss on a CGU is allocated between the assets of the unit, except for goodwill, pro rata on the basis of the carrying amount of the assets down to the lowest of their recoverable amount and carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset.

h) Finance leases

At the commencement of the lease term, the Group recognises an asset and liability at the lower of the fair value of the leased property and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Finance costs are recognised in the consolidated income statement using the effective interest rate method. Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Group under lease agreements that qualify as finance leases are the same as those outlined in Note 3 f).

i) Financial assets

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value (through other comprehensive income or recognised in income), and
- Those measured at amortised cost.

The classification depends on the business model of the entity to manage the financial assets and contractual terms of the cash flows.

For assets measured at fair value, profit and loss is recognised in income or other comprehensive income. For investments in equity instruments held for trading, it will depend on whether the Group has made an irrevocable choice upon initial recognition to recognise investments in equity at fair value through other comprehensive income.

The Group only reclassifies investments in debt when its business model for managing these assets changes.

Upon initial recognition, the Group measures a financial asset at fair value plus, in the case of a financial asset not recognised at fair value through income, the transaction costs directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are taken to profit or loss.

Financial assets with embedded derivatives are recognised in full since their cash flows are deemed to comprise solely the payment of the principal and interest.

a) Debt instruments

The subsequent measurement of the debt instruments depends on the Group's asset management business model and the nature of the cash flow on the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets held for collection of contractual cash flows when these cash flows only represent payments of principal and interest are measured at amortised cost. Income on these financial assets is included in financial income according to the effective interest rate method. Losses arising as a result of disposals are expensed directly. Impairment losses and the value are recorded in separate income statement captions.
- Fair value through other comprehensive income (FVOCI): Assets held for collection of contractual cash flows and for the sale of financial assets, when these cash flows only represent payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount are taken to other comprehensive income, except for recognition of impairment gains and losses, ordinary interest income and exchange gains or losses, which are recognised in the income statement. When financial assets are written off, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to income and recognised in other gains/(losses). Income on these financial assets is included in financial income according to the effective interest rate method. Exchange gains and losses are taken to other gains/(losses) and impairment expenses are recorded in a separate income statement caption.
- Fair value through other income (FVOI): Assets that do not meet the criteria for recognition at amortised cost or fair value through other comprehensive income are recognised at fair value through income. A gain or loss in a debt investment subsequently recognised at fair value through income is recognised as net within other gains/(losses) in the years in which it arises.

b) Equity instruments

The Group subsequently measures all equity investments at fair value. When Group management has opted to record gains and losses in the fair value of equity investments in other comprehensive income, there is no subsequent reclassification of the gains and losses in fair value through profit or loss following the disposal in investment accounts. Dividends on these investments continue to be recognised in income for the year with other income when the Group's distribution entitlement is established.

Changes in the fair value of financial assets at fair value through income are recognised in other gains/(losses) in the income statement where applicable. Impairment losses (and reversals of impairment losses) in equity investments measured at fair value through other comprehensive income are not recognised separately to other changes in fair value.

c) Derivatives and hedging activities

Cash flow hedges that qualify for hedge accounting.

The effective part of the gain or loss on the hedging instrument classed as a cash flow hedge is recognised in the cash flow hedge reserve in equity. Gains or losses relating to the ineffective part are taken straight to income, under other income/(expenses).

The amounts accumulated in net equity are reclassified in the years in which the hedged item affects income for the year, as follows:

- When the hedged item subsequently leads to the recognition of a non-financial asset (such as inventories), the deferred hedging gains and losses are included in the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss for the year when the hedged item affects net income (e.g. through the cost of sales).
- Gains or losses corresponding to the effective part of interest rate swaps hedging variable rate loans is recognised in the income statement under "financial expenses" at the same time as the interest expense on the hedged loans.

When a hedging instrument expires, is sold or ends, or when a hedge no longer meets the hedge accounting criteria, any accumulated deferred gain or loss and the deferred costs of the hedge in equity at that time remain in equity until the planned transaction occurs. When the planned transaction is no longer expected to happen, the accumulated gain or loss and the deferred hedging costs that were recognised in equity are reclassified straight away to profit and loss.

d) Impairment

The Group evaluates the expected credit losses associated with the debt instruments recognised at amortised cost on a prospective basis and at fair cost through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in the credit risk.

For trade receivables, the Group applies the simplified approach under IFRS 9, which requires that losses expected over the life of the item are recognised from the initial recognition of the account receivable.

The Group assesses expected credit losses based in two parameters. The historical impairment rate uses a matrix broken down according to the age of the debt, with a historical default ratio for each of the tranches analysed (not due - 30-60 days, 60-120 days, 120-365 days and over 365 days). The Group uses the invoice date and the payment term stated on the invoice to draw up the matrix, analysing its collection or default. This matrix is also weighted with the increase or decrease in future collection days, based on the budgets and/or forecasts in use at any given time, so as to assess not only historical information but also forward-looking information that could impact on historical impairment. Budgeted future days are estimated based on the macroeconomic environment, expected sales combinations in geographical regions, expectations within the pool industry and expected customer performance, etc.

j) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified at the date of their initial recognition, where applicable, as financial liabilities at fair value through profit and loss, bank borrowings, accounts payable or derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are initially recognised at fair value and directly attributable transaction costs on bank borrowings and accounts payable are netted.

Group financial liabilities include trade and other payables, bank borrowings, including current account overdrafts, financial guarantee contracts and derivative financial instruments.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as follows:

iii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated in their initial recognition at fair value through profit and loss.

Financial liabilities are classified as held for trading if their purpose is to be repurchased in the short term. This category includes derivative financial instruments contracted by the Group which have not been designated as hedging instruments in the hedging relationships. Embedded derivatives that have been separated are also classified as held for trading, unless designated as effective hedging instruments.

Gains and losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated in the initial recognition at fair value through profit and loss are only designated at the initial recognition date if they meet the criteria established in IFRS 9.

iv) Bank borrowings

This is the most significant financial liability category for the Group. After initial recognition, bank borrowings are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as the interest accrued using the effective interest rate method.

Amortised cost is calculated taking into account any acquisition premium or discount and the instalments and costs that are an integral part of the effective interest method. Interest accrued in accordance with this effective interest rate method is included in Financial costs in the income statement.

This category generally applies to bank borrowings with interest.

v) Derecognition

A liability is derecognised when the obligation is discharged, cancelled or expires.

When an existing financial liability is replaced with another from the same lender with substantially different conditions, or when the conditions of an existing liability are modified significantly, this exchange or modification is treated like a derecognition of the original liability and the new obligation is recognised. The difference in the respective carrying amounts is recognised in the income statement.

k) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value.

The purchase price comprises the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, such as interest incorporated into the nominal amount, and any additional costs incurred to bring the goods to a saleable condition, other costs directly attributable to the acquisition, as well as borrowing costs and indirect taxes not recoverable from the Spanish taxation authorities.

Trade discounts granted by suppliers are recognised as a cost reduction of the acquired inventories as soon as it is probable that the necessary conditions for the discounts to qualify as such will be met. The excess amount, if any, is recognised as a reduction in consumption in the consolidated income statement.

The production cost of inventories includes the acquisition cost of raw materials and other consumables and the costs directly related to the units produced and a systematically calculated portion of either the variable or fixed indirect costs incurred during the transformation process. Indirect fixed costs are distributed based on whichever is higher: normal working conditions for the means of production, or production output.

The cost of raw materials, other supplies, goods, and conversion are assigned to the different cash-generating units in stock, based on the average weighted price method.

The Group uses the same cost formula for all inventories having the same nature and similar use within the Group.

When the cost of inventories exceeds net realisable value, an adjustment is made to profit and loss. Net realisable value is understood to be:

- Raw materials and other consumables: replacement cost. However, the Group does not make any adjustments if the finished products in which the raw materials are incorporated are expected to be sold at a price equivalent to their production cost or higher;
- Goods and finished products: estimated selling price less costs to sell;
- Work in progress: the estimated selling price of the related finished goods, less the estimated costs to complete production and the costs necessary to make the sale.

The previously recognised reduction in value is reversed against profit or loss when the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances. The reversal of the reduction in value is limited to the lower of the cost and the revised net realisable value of the inventories.

l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits at banks without significant availability restrictions. This caption also includes other short-term highly-liquid investments readily convertible into specific amounts of cash that do not mature beyond three months.

For the purpose of the cash flow statement, demand bank overdrafts that are part of the Group's cash management and that are recorded in the consolidated statement of financial position as bank borrowings under financial liabilities are included as cash and cash equivalents.

The Group classifies the cash flows from interest received and paid as operating activities, including interest from lease liabilities (see Note 3 f) ii)), except for the interest received on loans granted for reasons other than the Group's ordinary activity. Dividends received from associates are classified as investing activities and dividends paid by the Company, as financing activities.

m) Own equity instruments

The acquisition by the Group of equity instruments of the Company is presented separately at acquisition cost as a decrease in consolidated shareholders' equity in the consolidated statement of financial position. In the transactions entered into with own equity instruments, no profit or loss is recognised in the consolidated income statement.

Transaction costs related to own equity instruments, including issue costs related to a business combination, are recorded as a decrease in reserves, net of any tax effect.

Subsequent repayment of the parent's equity instruments gives rise to a capital reduction for the amount of those shares, and the positive or negative difference between acquisition cost and the nominal amount of the shares is charged or credited to reserve accounts for retained earnings.

Dividends related to equity instruments are recorded as a reduction in consolidated equity when they are approved by the shareholders in general meeting.

n) Government grants

Grants awarded by public entities are recorded when there is reasonable assurance that the conditions associated with their awarding will be met and they will be received.

i) Capital grants

Capital grants awarded as monetary assets are recorded with a credit to the "Government grants" caption of the consolidated statement of financial position, and are recorded in the "Other income" caption as the corresponding financed assets are depreciated or amortised.

ii) Operating grants

Operating grants are recorded as a reduction in the expenses they finance.

Grants received as compensation for expenses or losses incurred, or in order to provide immediate financial support not related to future expenses, are recorded with a credit to other income accounts.

iii) Interest rate grants

Financial liabilities comprising implicit assistance in the form of below-market interest rates are initially recognised at fair value. The difference between this value, adjusted where necessary for the issue costs of the financial liability and the amount received, is recognised as a government grant based on the nature of the grant awarded.

o) Employee benefits

i) Termination benefits

Termination benefits are recognised at the earlier of the date from which the Group can no longer withdraw its offer and that on which it recognises the costs of a restructuring effort that will entail the payment of termination benefits.

In respect of termination benefits as a result of the employees' decision to accept a voluntary redundancy offer, the Group is deemed unable to withdraw its offer at the earlier of the date on which the employees accept the offer and the date of effectiveness of some form of restriction on the Group's ability to withdraw the offer.

In respect of involuntary termination, the Group is deemed unable to withdraw its offer when it has communicated the plan to the affected employees or their union representatives and the actions needed to complete the plan suggest that it is unlikely that there will be significant changes in the plan; the plan identifies the number of employees whose services are to be terminated, their job classification or function, their location and their expected termination date; and the termination benefits to be received by the laid-off employees have been established in sufficient detail to enable them to determine the type and amount of remuneration they will receive upon termination.

If the Group expects to fully settle the termination benefits within twelve months after year-end, the liability is discounted using the market returns for issues of high-rated bonds.

ii) Termination benefits linked to restructuring processes

Termination benefits related to restructuring processes are recognised when the Group has a constructive obligation, i.e. when there is a detailed formal plan for such process identifying at a minimum the business (or parts of the business) concerned, the main locations affected, the function and approximate number of employees who will be compensated for termination of their services, the termination benefits to be paid, the plan's implementation timing, and a valid expectation has been raised among those affected that the restructuring will be carried out either because the plan has started to be implemented or because the main features of the plan have been announced to those affected by it.

iii) Other long-term employee benefits

The Group has assumed payment to its employees of the obligations derived from the collective agreements to which certain Spanish Group companies are adhered, whereby the employees adhered to them with at least 25 or 40 years of service in the company shall receive 45 or 75 days, respectively, of the last fixed salary. The Group has recorded the estimated liability for this commitment in the "Provisions" caption of the consolidated statement of financial position.

Additionally, in accordance with prevailing regulations in the corresponding country, certain foreign group companies have commitments to their employees for retirement bonuses, recording the estimated liability in the above-mentioned caption. Upon retirement, employees will receive an amount accrued over their working lives at the company based on an annual amount accrued derived from applying a ratio over the overall annual remuneration of the employee, with the liability recorded at the beginning of the year subject to the increase in the cost of living. Some of these commitments are financed through the payment of insurance premiums.

The liability for long-term employee benefits recorded in the consolidated statement of financial position corresponds to the present value of the obligations assumed at year end.

In the case of subcontracted commitments, the liability for long-term employee benefits recorded in the consolidated statement of financial position corresponds to the present value of the defined benefit obligations existing at year-end less the fair value of the plan assets at that date.

The Group recognises as an expense or income accrued for long-term employee benefits the net amount of the service cost for the year, the net cost of interest and the recalculation of the measurement of the net liability for long-term benefits, as well as the one related to any reimbursement and the effect of any reduction or settlement of the commitments acquired.

The present value of the obligations existing at year-end and the service cost is calculated periodically by independent actuaries using the projected unit credit method. The discount interest rate is determined based on the market interest rates for issues of high-rated bonds, denominated in the currency in which the benefits will be paid and with maturity periods similar to those for the corresponding benefits.

The reimbursement rights to some or all payment obligations for defined benefits are only recognised when collection is virtually certain.

The asset or liability for defined employee benefits is recorded as current or non-current based on the realisation or maturity period of the corresponding benefits.

iv) Short-term employee benefits

The Group recognises the expected cost of short-term employee benefits as paid leave, the right to which accumulates from period to period, as employees render the services that vest the right to this remuneration. If paid leave is not cumulative, the cost is recognised as the leave is taken.

The Group recognises the expected cost of share in profit or employee bonus plans when it has a legal or constructive present obligation as a result of past events and a reliable estimate of the obligation can be made.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or implicit) as a result of a past event; it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

The amount recognised as a provision in the consolidated statement of financial position is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

The financial effect of the provisions is recorded as a finance cost in profit or loss. The provisions do not include the tax effect, nor the disposals or abandonment of assets.
The provision is reversed if it is less probable than not that an outflow of resources will be required to settle the obligation. The provision is reversed against the profit or loss caption in which the corresponding expense was recorded, and the surplus, if any, is recognised in the "Other income" caption.

Our warranty policy complies with the legislation in each country where we market our products and usually has a minimum term of one year.

In certain cases, and to adapt to the nature of the markets we serve, these warranties can be increased to up to three/five years if needed.

The warranties given by Fluidra are assurance warranties, whereby Fluidra undertakes to deliver the product under the terms of the contract. Warranty provisions are calculated in accordance with historical fault rates and are quantified as the cost of raw materials and labour required to bring the product to compliance with the contract terms. They are recorded when the product is sold as a current liability. The historical rates are calculated annually and are applied to the different product ranges sold.

q) Share-based payment transactions

The Group recognises the goods and services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. If the goods or services are received as part of an equity-settled share-based payment, it recognises an increase in equity; if they are received as part of a cash-settled share-based payment, it recognises a liability along with a balancing charge in profit or loss or an asset in the consolidated statement of financial position.

The delivery of equity instruments as consideration for the services performed by the employees of the Group or third parties providing similar services are measured by reference to the fair value of the equity instruments granted.

Employee benefits paid in the form of equity instruments are recognised by applying the following criteria:

- If the equity instruments granted vest immediately on the grant date, the services received are recognised with a charge to profit or loss, with a corresponding increase in equity;
- If the equity instruments granted vest when the employees complete a specified service period, those services are accounted for during the vesting period, with a credit to equity accounts.

The Group measures the fair value of the instruments granted to employees at the grant date.

Market-related vesting conditions and other non-determining vesting conditions are taken into account when measuring the fair value of the equity instruments granted. Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received is based on the number of equity instruments that eventually vest. Consequently, the Group recognises an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest, revising this estimate if the number of equity instruments expected to vest differs from previous estimates.

Once the services received and the corresponding increase in equity have been recognised, no additional adjustments to equity are made after the vesting date, notwithstanding the corresponding reclassifications made in equity.

r) Recognition of revenue from contracts with customers

The Group has adopted IFRS 15 *Revenue from contracts with customers* since 1 January 2018, which has entailed adapting certain accounting policies.

i) Sale of goods

Revenue from the sale of goods is recognised when control of the goods is transferred to the customer. Delivery is complete when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products as per the sales contract, the acceptance conditions have expired or the Group has objective evidence that all the acceptance criteria have been met.

A receivable is recognised when the goods are delivered since this is the point in time when the consideration is unconditional, only requiring the passage of time in order for the right of payment to fall due. Unless otherwise stated and specified in the sales contract, control of the products is considered to be transferred to the customer when the risk is transferred, according to the Incoterm applied. No differences are made for the type of product or customer.

The most frequently used Incoterms are CIP, DAP, FCA and, to a lesser extent, FOB, CIF and EXW.

When the customer is entitled to return the product within a specific period, the company is obliged to refund the acquisition cost. Ordinary income is adjusted by the expected value of the refunds and the cost of sales is adjusted by the value of the corresponding expected goods returns. Under IFRS 15, a refund liability is recognised for expected customer returns as an adjustment in ordinary income in trade and other payables. At the same time, the Group is entitled to recover the product from the customer when the customer exercises their right to return and recognise an asset and a corresponding adjustment in the cost of sales. The asset is measured by reference to the former carrying amount of the product.

Sales prices are based on a number of recommended rates for end customers, to which discounts are applied for our customers according to the volume of business they do with us and the type of product they buy from us.

A scale of additional incentives is also applied to large accounts, depending on the purchase volumes they reach. These incentives are negotiated yearly.

Under IFRS 15, an entity estimates the variable consideration (volume discounts, prompt payment discounts, rebates, etc.) using whichever of the following methods it believes predicts the amount of consideration to which it will be entitled:

- Expected value: expected value is the total probability-weighted amount based on a range of possible consideration amounts.
- Most likely amount: the most likely amount is the single most likely amount.

In our business, we use the expected value method in the majority of cases, in accordance with IFRS 15.

Volume discounts is the most relevant category in the key customer segment, and we specifically apply different scenarios based on sales from the last budget or projection, corrected according to actual sales. Prompt payment discounts are recognised based on the most likely amount in play if a customer does or does not take advantage of the discount. Historical rates for each of the companies and/or markets comprising the Group are used for other types of discount (trade discounts, sales, etc.).

In addition, pool professionals in the American market who purchase via our distributors are offered a points programme based on the volume of purchases, which can be redeemed for rebates, products, company merchandising or travel.

This points programme (loyalty programme) is treated as a performance obligation, as our customer has the right to receive the consideration included in this programme. Income is recognised as the loyalty points are redeemed or expire. The points given are corrected for the historical percentage of points that are not redeemable and are measured according to the sales price of the products delivered and/or the discounts granted.

ii) Services rendered

Income from services is recognised in the year in which they are rendered. In the case of fixed-price contracts, revenue is recognised on the basis of the actual service rendered until the end of the reporting period, as a percentage of the total services to be rendered. This is determined on the basis of the total actual costs incurred in relation to the total expected costs.

Some contracts include multiple deliverables, such as installation services. However, installation is simple, does not entail an integration service and could be carried out by a third party. Therefore, it is recognised as a separate execution obligation. In this case, the transaction price will be allocated to each execution obligation based on the separate sale prices. When these are not directly discernible, they are estimated based on the expected cost plus margin.

If the circumstances change, the estimated revenue, costs and degree of completion is reviewed. Any resulting increase or decrease in revenue or estimated costs is reflected in profit and loss for the year in which management becomes aware of the circumstances calling for the review.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If payments exceed the services rendered, a contract liability is recorded.

iii) Financial components

The Group does not expect to have any contracts in which the period between the transfer of goods and services promised to the customer and the payment received exceeds one year. Therefore, the Group does not adjust any of the transaction prices on account of the time value of money.

iv) Dividend income

Income from dividends on investments in financial instruments is recognised in profit or loss when the Group's right to receive payment is established.

s) Income tax

Tax expense (income) comprises current tax and deferred tax.

Current tax is the amount of income taxes payable/(recoverable) in respect of consolidated taxable profit/(tax loss) for the year. Current tax liabilities and assets are measured at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are income tax payable in future periods in respect of taxable temporary differences, while deferred tax assets are income tax recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits. Temporary differences are defined as differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Current and deferred tax is recognised in profit or loss, unless the tax arises from a transaction or economic event which is recognised, in the same or a different period, directly in consolidated equity or a business combination.

Tax credits on the income tax granted by public administrations as a decrease on the amount payable for this tax are recognised as a decrease in the income tax expense when there is reasonable assurance that the conditions related to the right to deduction will be met.

In certain territories, the Group has availed itself of the consolidated tax regime, as mentioned in Note 28.

i) Recognition of taxable temporary differences

A deferred tax liability is recognised for all taxable temporary differences, except:

- to the extent that the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss);
- to the extent that the deferred tax liability relates to taxable temporary differences associated with investments in subsidiaries or joint ventures where the Group has the capacity to control the date of reversal and it is not probable that reversal will happen in the foreseeable future.

ii) Recognition of deductible temporary differences

Deferred tax assets are recognised provided that:

- it is probable that sufficient future taxable profit will be available against which they can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss);
- they relate to deductible temporary differences associated with investments in subsidiaries or joint ventures to the extent that temporary differences will be reversed in the foreseeable future and future taxable profit will be available to offset the differences.

Tax planning opportunities are only considered for the purpose of assessing the recoverability of deferred tax assets if the Group intends to use them or it is probable that it will use them.

iii) Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and factoring in the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

The Group reviews the carrying amounts of its deferred tax assets at the end of each reporting period with a view to reducing these carrying amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow part or all of the assets to be utilised.

Deferred tax assets that do not satisfy the above conditions are not recognised in the consolidated statement of financial position. At the end of each reporting period, the Group reassesses unrecognised deferred tax assets to determine whether the recognition criteria have been met.

iv) Offsetting and classification

The Group only offsets current tax assets and current tax liabilities if it has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right, when they relate to income taxes levied by the same tax authority and on the same taxable entity and when the tax authority permits the Group to make or receive a single net payment, or to recover the assets and settle the liabilities simultaneously in each future year in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

t) Offsetting of assets and liabilities, income and expenses

Assets and liabilities and income and expenses are not offset, unless offsetting is required or allowed by a standard or interpretation.

u) Classification of current and non-current assets and liabilities

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. For these purposes, assets and liabilities are classified as current in accordance with the following criteria:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for trading, they are expected to be realised within twelve months from the reporting date, or are cash or cash equivalents, unless they are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting period, or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Financial liabilities are classified as current liabilities when they are due to be settled within twelve months after the reporting date, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the interim condensed consolidated financial statements are authorised for issue.
- Deferred tax assets and deferred tax liabilities are recognised in the consolidated statement of financial position as non-current assets and non-current liabilities, irrespective of the expected date of recovery or settlement.

v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment, assess its performance, and for which discrete financial information is available.

w) Environment

The Group carries out activities where the primary purpose is to prevent, reduce or repair damages caused to the environment from its operations.

Expenses incurred for environmental activities are recognised under "Other operating expenses" during the year in which they are incurred.

Property, plant and equipment acquired by the Group for long-term use to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities, are recognised as assets applying the measurement, presentation and disclosure criteria described in section (c) above.

Where appropriate, the Group records provisions for environmental activities when such expenses are known in the same year or previous year, and when the related concepts are clearly specified. These provisions are recorded based on the criteria indicated in section (p) Provisions of this note. Compensation to be received by the Group in connection with environmental obligations is recognised as an amount receivable in assets on the consolidated statement of financial position, provided that there is no doubt as to whether this compensation will actually be received, and that it does not exceed the amount of the recorded obligation.

4. Segment reporting

Fluidra Group's organisational structure is organised into four divisions, three of them covering a geographical approach, which manage the Group's sales and distribution activity, and the fourth one, which comprises the manufacture and logistics chain for the whole Group. A manager is assigned to each division and they report directly to the Management Advisory Committee, maintaining regular contact to deal with operations, operating results and financial profit/(loss), forecasts and plans for each segment. The Management Advisory Committee monitors financial information based on the following division structure.

The Business Divisions are EMEA, North America and APAC.

The EMEA segment (Europe, Middle East & Africa) relates to Europe, Africa (excluding South Africa) and South America, including mature markets showing more modest growth and a larger market share where the strategy is to improve profitability through operating leverage and also other emerging markets, with higher growth expectations.

The North America segment relates to markets in the USA and Canada and the focus is on increasing market share in the largest global pool market, taking advantage of growth in the smart pool market, customer loyalty and a wider range of products.

The APAC (Asia-Pacific) segment includes Australia, Asia and South Africa as its main markets, including mature markets with more moderate growth but lower market share than in the European markets, and emerging markets with higher growth expectations due to new swimming pool construction and a greater focus on public swimming pools in the Asian markets.

Lastly, the Operations Division, which is mainly located in Spain, France and China, focuses on increasing cost efficiency through the rationalisation of production plant structure, improving quality, demand planning and the optimisation of industrial assets.

This organisational structure also affects identification of the Group's cash-generating units (CGUs) (Note 8)
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In addition to the four segments mentioned above, the holding, real estate and/or services companies (where there are no operational or sales activities and which do not generate significant revenue for third parties) are included in the Shared Services caption. This breakdown is provided for the purposes of reconciling the segment information in the total consolidated figures in the financial statements, as it does not constitute an operating segment under IFRS 8.

The inter-segment selling prices are established based on standard terms and conditions available to unrelated third parties.

The difference between the sum of the items of the different business segments and the total thereof in the consolidated income statement corresponds to the "Shared services" caption and to the intra-segment consolidation adjustments, basically the sales between the Operations division and the Sales divisions, and their corresponding margin adjustment in inventories, as well as other adjustments derived from the business combinations and consolidation.

The Management Advisory Committee uses EBITDA to measure segment results. As well as the financial information prepared under IFRS-EU, 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. Amortisation and depreciation and impairment losses are linked to the assets directly allocated to the segment activity, excluding the impact of allocating the acquisition price of business combinations and investment portfolio provisions. Net financial profit/(loss) and income tax expense are not allocated by segment, as these activities are dealt with by the Group's central departments.

Intangible assets, deferred taxes, goodwill, provisions and financial assets and liabilities are not allocated by segment, as they are dealt with at Group level. Each segment manages non-current property, plant and equipment, inventories, trade and other receivables and trade and other payables (the segment's net assets).

Intangible assets that reflect the fair value of the acquired customer portfolios are monitored centrally by the Central Finance Department and not by the segment, where only the business management of these portfolios is carried out. The CGU manager is in charge of the business management of the customer portfolio (at CGU level), whether from business combinations or as a result of organic growth, via the business network in each of the territories where it operates. Under no circumstances is a distinction made between whether the portfolio comes from a business combination or not, so the intangible asset is not allocated for internal monitoring of the segment.

A breakdown of the Group's segment information for the years ended 31 December 2023 and 2022 is shown in Appendices II and III to these interim condensed consolidated financial statements.

5. Business combinations and sales of Group companies

A breakdown of the transactions resulting in business combinations during the years ended 31 December 2023 and 2022 is as follows:

2023

On 25 January 2023, completion of the acquisition was signed off whereby 95% of the Hungarian companies Kerex Uszoda Kft and Kerex Szerelő Kft (together "Kerex") have been acquired. This transaction will allow Fluidra to offer a comprehensive, complete and high-quality product portfolio to its expanded customer base in Hungary, together with an even more efficient service. The acquisition price involved an initial outlay of HUF 1.4 billion (€3,581 thousand), with a deferred payment of HUF 350 million (€896 thousand). In addition, cross options to be exercised between 2023 and 2024 have been agreed upon with the non-controlling interests arising from “Kerex” , which have been recorded as a liability and have been initially valued at HUF 526 million (€1,346 thousand).

Due to commercial and management synergies, this acquisition has been integrated into the Europe CGU.

Fluidra Commercial, S.A.U., a subsidiary indirectly wholly-owned by Fluidra, S.A. signed a share purchase agreement on 23 December 2022 whereby it undertook to acquire one hundred percent (100%) of the share capital of the German companies Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH ("Meranus Haan"), Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH ("Meranus Lauchhammer"), and Aquacontrol, Gesellschaft für Meß-, Regelund Steuerungstechnik zur Wasseraufbereitung mbH ("Aquacontrol") (the three acquired companies are jointly referred to as the "Meranus Group"). The Meranus Group is a leading German swimming pool equipment distributor and manufacturer of swimming pool control and dosage technology.

On 6 July 2023, having met all the conditions precedent, Fluidra acquired the Meranus Group for €30 million on a cash and debt free basis. This acquisition will enable Fluidra to improve its leading position in the German market and to offer a more complete product portfolio to a wider customer base.

Due to commercial and management synergies, this acquisition has been integrated into the Europe CGU.

During the period comprised between the date of acquisition and 31 December 2023 (and in the case of Kerex up until the merger date with Fluidra Magyar Kft) the acquired business has generated total consolidated sales of goods and finished products amounting to €11,733 thousand and consolidated loss after tax of €755 thousand.

If the acquisition had occurred on 1 January 2023, the Group's sales of goods and finished products would have increased by €11,230 thousand and consolidated profit after tax would have decreased by €1,891 thousand.

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the year ended 31 December 2023 is as follows:

Consideration paid	
Cash paid	32,377
Contingent consideration / Deferred price	3,626
Total consideration paid	**36,003**
Fair value of net assets acquired	**20,555**
Goodwill	**15,448**

The intangible assets that have not been recorded separately from goodwill and have therefore been included in it since they do not meet the separability criterion required by IFRS-EU mainly relate to the work force and synergies of the acquired business.

The accounting of the Kerex and the Meranus Group business combinations is final.

The most significant differences that have arisen between the carrying amounts of the businesses acquired during the year and their fair values relate to the customer portfolios.

The customer portfolios have been measured using the MPEE method (multi-period excess earnings). The key assumptions used are based on the strategic plans approved by Management.

The amounts that have been recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the six-month period ended 31 December 2023, by significant categories, are as follows:

	Thousands of euros
Property, plant and equipment	419
Other intangible assets	19,170
Right-of-use assets	2,671
Non-current financial assets	32
Inventories	8,184
Trade and other receivables	2,864
Cash and cash equivalents	5,536
Total assets	**38,876**
Bank borrowings and other marketable securities - non-current	135
Non-current lease liabilities	2,214
Non-current provisions	604
Deferred tax liabilities	5,302
Bank borrowings and other marketable securities - current	1,066
Current lease liabilities	457
Trade and other payables	7,863
Current provisions	680
Total liabilities and contingent liabilities	**18,321**
Total net assets	**20,555**
Total net assets acquired	**20,555**
Paid in cash	32,377
Cash and cash equivalents acquired	5,536
Cash paid for the acquisitions	**26,841**

In the year ended 31 December 2023, cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests for €7,349 thousand.

2022

On 28 July 2022, Fluidra Commercial, S.A.U., which is wholly and indirectly owned by Fluidra, acquired 100% of the share capital of the Danish company Swim & Fun Scandinavia Aps ("Swim & Fun").

Swim & Fun is a leading market distributor operating in the Nordic countries with its headquarters in Copenhagen. The company supplies a wide range of water maintenance, improvement and treatment products, as well as above-ground pools and spas, mainly for the mass market.

The total consideration for the transaction comprised an initial payment of DKK 157.9 million, which is fully paid. Furthermore, future profit payments based on Swim & Fun's operating results were agreed for the years 2023, 2024 and 2025, to be paid during 2026. The initial estimate included an assessment stating that there would be no outlay for these items.

Due to commercial and management synergies, this acquisition was integrated into the Europe CGU.

During the period comprised between the date of acquisition and 31 December 2022, the acquired businesses generated total consolidated sales of goods and finished products amounting to €2,194 thousand and consolidated loss after tax amounting to €1,244 thousand.

If the acquisition had occurred on 1 January 2022, the Group's sales of goods and finished products would have increased by €25,966 thousand and consolidated profit after tax would have increased by €2,664
thousand.

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the year ended 31 December 2022 is as follows:

Consideration paid	
Cash paid	21,006
Contingent consideration	-
Total consideration paid	**21,006**
Fair value of net assets acquired	**13,894**
Goodwill	**7,112**

The intangible assets that were not recorded separately from goodwill and were therefore included in it since they do not meet the separability criterion required by IFRS-EU mainly relate to the work force and synergies of the acquired business.

The accounting of the Swim & Fun business combination is definitive.

The most significant differences that arose between the carrying amounts of the businesses acquired during the year and their fair values related to brands and client portfolio.

The fair value of the brands was based on measurements made by an independent expert using the royalty relief method. The customer portfolio was measured using the MPEE method (multi-period excess earnings). The key assumptions used were based on the strategic plans approved by Management.

The amounts that were recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the year ended 31 December 2022, by significant categories, are as follows:

	Thousands of euros
Property, plant and equipment	60
Other intangible assets	13,145
Right-of-use assets	42
Non-current financial assets	33
Deferred tax assets	210
Inventories	7,352
Trade and other receivables	4,138
Cash and cash equivalents	256
Total assets	**25,236**
Non-current lease liabilities	34
Deferred tax liabilities	3,004
Bank borrowings and other marketable securities - current	1,337
Current lease liabilities	8
Trade and other payables	6,424
Current provisions	535
Total liabilities and contingent liabilities	**11,342**
Total net assets	**13,894**
Total net assets acquired	**13,894**
Paid in cash	21,006
Cash and cash equivalents acquired	256
Cash paid for the acquisitions	**20,750**

In the year ended 31 December 2022 cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests of €5,834 thousand.

In line with Fluidra's strategy of divesting non-core activities, on 11 May 2022 the Spanish company Togama, S.A.U. was sold for €1,208 thousand.

Details of the sale of the abovementioned company are as follows:

	Thousands of
Amount received in cash	1,208
Deferred collections	—
Total	**1,208**
Total net assets sold	2,205
Loss on the Sale	**(997)**

The amounts that were derecognised in the consolidated statement of financial position at the date of disposal of the assets, liabilities and contingent liabilities of the businesses sold, by significant class, are as follows:

	Thousands of euros
Right-of-use assets	1,118
Non-current financial assets	66
Inventories	1,007
Trade and other receivables	1,858
Cash and cash equivalents	958
Total assets	**5,007**
Non-current lease liabilities	879
Deferred tax liabilities	65
Current lease liabilities	278
Trade and other payables	1,580
Total liabilities and contingent liabilities	**2,802**
Total net assets	**2,205**
Total net assets sold	**2,205**
Amount received in cash	1,208
Cash and cash equivalents disposed of	958
Net cash from the sale	**250**

6. Property, plant and equipment

Movement in property, plant and equipment during the years ended 31 December 2023 and 2022 is as follows:

	Thousands of euros							
	Balances at 31.12.22	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.23
Cost								
Land and buildings	67,237	—	835	(921)	—	(2,179)	(435)	64,537
Plant and machinery	155,186	115	6,315	(1,333)	25	2,397	(1,892)	160,813
Other installations, equipment and furniture	181,066	192	9,238	(3,850)	4	9,610	(2,982)	193,278
Other PPE	30,669	112	3,214	(2,041)	27	(1,995)	(656)	29,330
Under construction	24,483	—	16,302	—	—	(16,710)	(270)	23,805
	458,641	**419**	**35,904**	**(8,145)**	**56**	**(8,877)**	**(6,235)**	**471,763**
Accumulated depreciation								
Buildings	(29,985)	—	(1,419)	663	—	1,394	239	(29,108)
Plant and machinery	(93,549)	—	(10,844)	1,007	—	(294)	1,139	(102,541)
Other installations, equipment and furniture	(129,277)	—	(12,644)	3,850	—	2,370	1,794	(133,907)
Other PPE	(21,791)	—	(3,220)	954	—	2,707	479	(20,871)
	(274,602)	**—**	**(28,127)**	**6,474**	**—**	**6,177**	**3,651**	**(286,427)**
Carrying amount	**184,039**	**419**	**7,777**	**(1,671)**	**56**	**(2,700)**	**(2,584)**	**185,336**

	Thousands of euros							
	Balances at 31.12.21	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.22
Cost								
Land and buildings	68,690	—	396	(2,049)	—	12	188	67,237
Plant and machinery	138,233	—	12,653	(4,266)	(64)	7,676	954	155,186
Other installations, equipment and furniture	163,830	—	10,769	(3,930)	(20)	8,511	1,906	181,066
Other PPE	27,743	60	4,508	(1,970)	(70)	185	213	30,669
Under construction	20,235	—	20,910	(118)	(98)	(17,149)	703	24,483
	418,731	**60**	**49,236**	**(12,333)**	**(252)**	**(765)**	**3,964**	**458,641**
Buildings	(31,028)	—	(964)	2,034	—	(4)	(23)	(29,985)
Plant and machinery	(87,815)	—	(9,946)	4,235	—	689	(712)	(93,549)
Other installations, equipment and furniture	(120,743)	—	(10,987)	3,275	—	83	(905)	(129,277)
Other PPE	(18,472)	—	(5,106)	1,834	—	27	(74)	(21,791)
	(258,058)	**—**	**(27,003)**	**11,378**	**—**	**795**	**(1,714)**	**(274,602)**
Carrying amount	**160,673**	**60**	**22,233**	**(955)**	**(252)**	**30**	**2,250**	**184,039**

During the year ended 31 December 2023, investments in molds for new products have been made for an approximate amount of €4,783 thousand (€5,107 thousand in 2022). Investments in several production plants (€19,354 thousand) and machinery to improve the production process (€3,688 thousand) should be noted (€22,908 thousand and €8,432 thousand, respectively, in 2022).

a) Property, plant and equipment pledged as guarantees

At 31 December 2023 and 2022 no property, plant and equipment items are mortgaged or pledged as guarantees.

b) Insurance

The consolidated Group has taken out insurance policies to cover the risks to which its property, plant and equipment items are exposed. The coverage of these policies is considered sufficient.

c) Fully-depreciated assets

The cost of fully depreciated property, plant and equipment items still in use at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Buildings	21,139	22,070
Plant and machinery	85,819	84,299
Other installations, equipment and furniture	115,459	110,713
Other property, plant and equipment	20,933	21,795
	243,350	238,877

d) Property, plant and equipment located abroad

At 31 December 2023, items of property, plant and equipment located outside Spain have a carrying amount of €92,684 thousand (€95,087 thousand at 31 December 2022).

e) Gains/(losses) on disposals of fixed assets

Proceeds from disposals of fixed assets during the year ended 31 December 2023 relate to profits on the sale of a property located in Spain for €511 thousand and the sale of assets in the United States for €305 thousand.

Proceeds from disposals of fixed assets during the year ended 31 December 2022 mainly relate to the losses on the sale of Togama, S.A.U. for an amount of €997 thousand (see Note 5), as well as profits on the sale of property located in Spain and France for an amount of €1,133 thousand.

7. Investment property

Movement in investment property during the years ended 31 December 2023 and 2022 is as follows:

	Thousands of euros					
	Balances at 31.12.2022	Additions	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.2023
Cost						
Land	769	—	(8)	1,019	10	1,790
Buildings	2,513	—	—	3,710	—	6,223
	3,282	**—**	**(8)**	**4,729**	**10**	**8,013**
Accumulated depreciation						
Buildings	(1,388)	(54)	—	(3,627)	—	(5,069)
	(1,388)	**(54)**	**—**	**(3,627)**	**—**	**(5,069)**
Carrying amount	**1,894**	**(54)**	**(8)**	**1,102**	**10**	**2,944**

	Thousands of euros					
	Balances at 31.12.2021	Additions	Disposals	Transfers	Exchange gains/(losses)	Balances at 31.12.2022
Cost						
Land	1,880	212	(142)	(1,172)	(9)	769
Buildings	7,819	—	(6,478)	1,172	—	2,513
	9,699	**212**	**(6,620)**	**—**	**(9)**	**3,282**
Accumulated depreciation						
Buildings	(7,560)	(66)	6,238	—	—	(1,388)
	(7,560)	**(66)**	**6,238**	**—**	**—**	**(1,388)**
Carrying amount	**2,139**	**146**	**(382)**	**—**	**(9)**	**1,894**

The fair value of investment property does not substantially differ from the carrying amount.

8. Goodwill and Other intangible assets

Movement in goodwill and other intangible assets during the years ended 31 December 2023 and 2022 is as follows:

a) Goodwill

	Thousands of euros						
	Balances at 31.12.2022	Business combinations	Additions	Disposals	Impairment	Exchange gains/(losses)	Balances at 31.12.2023
Carrying amount							
Goodwill	1,307,022	15,448	—	—	—	(25,444)	1,297,026

	Thousands of euros						
	Balances at 31.12.2021	Business combinations	Additions	Disposals	Impairment	Exchange gains/(losses)	Balances at 31.12.2022
Carrying amount							
Goodwill	1,259,656	7,112	—	—	—	40,254	1,307,022

b) Other intangible assets

	Thousands of euros							
	Balances at 31.12.2022	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.2023
Cost								
Development expenses for work in progress	138,667	—	17,497	(90)	(283)	1,961	(3,248)	154,504
Relations with customers/Contractual relations	821,162	19,156	—	(6,450)	—	—	(25,909)	807,959
Computer software	54,189	14	5,572	(722)	—	3,662	(377)	62,338
Patents, trademarks and other intangible assets	326,205	—	2,908	(4,920)	—	(1,599)	(9,601)	312,993
	1,340,223	**19,170**	**25,977**	**(12,182)**	**(283)**	**4,024**	**(39,135)**	**1,337,794**
Accumulated amortisation								
Product development expenses	(59,859)	—	(13,711)	67	—	—	1,621	(71,882)
Customer relations/Contractual relations	(282,525)	—	(51,756)	6,450	—	—	9,147	(318,684)
Computer software	(40,642)	—	(6,330)	570	—	(2,557)	286	(48,673)
Patents, trademarks and other intangible assets	(10,968)	—	(16,108)	4,592	—	(11)	507	(21,988)
	(393,994)	**—**	**(87,905)**	**11,679**	**—**	**(2,568)**	**11,561**	**(461,227)**
Carrying amount	**946,229**	**19,170**	**(61,928)**	**(503)**	**(283)**	**1,456**	**(27,574)**	**876,567**

	Thousands of euros							
	Balances at 31.12.2021	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.2022
Cost								
Development expenses for work in progress	119,152	—	15,520	(333)	(10)	(120)	4,458	138,667
Customer relations/Contractual relations	769,396	9,437	—	(1,000)	—	—	43,329	821,162
Computer software	59,316	89	10,502	(8,894)	(7,886)	698	364	54,189
Patents, trademarks and other intangible assets	309,535	3,619	2,706	(5,261)	(66)	24	15,648	326,205
	1,257,399	**13,145**	**28,728**	**(15,488)**	**(7,962)**	**602**	**63,799**	**1,340,223**
Accumulated amortisation								
Product development expenses	(46,354)	—	(11,686)	242	—	—	(2,061)	(59,859)
Customer relations/Contractual relations	(206,811)	—	(67,292)	1,000	—	—	(9,422)	(282,525)
Computer software	(41,570)	—	(7,021)	8,589	—	(447)	(193)	(40,642)
Patents, trademarks and other intangible assets	(7,541)	—	(8,795)	5,256	—	(38)	150	(10,968)
	(302,276)	**—**	**(94,794)**	**15,087**	**—**	**(485)**	**(11,526)**	**(393,994)**
Carrying amount	955,123	13,145	(66,066)	(401)	(7,962)	117	52,273	946,229

No intangible assets have been pledged as guarantees.

Additions to product development expenses in the year ended 31 December 2023 amounting to €17,497 thousand (€15,520 thousand in 2022) relate to work performed by the Group and capitalised as non-current assets, and are included in said caption of the consolidated income statement.

In the year ended 31 December 2022, €7,886 thousand of computer software was impaired and subsequently written off, as it was no longer in use as a result of changes made to the Group's IT platforms.

At 31 December 2023, additions to accumulated amortisation include €67,484 thousand relating to the amortisation of intangible assets generated by business combinations, resulting from the allocation of the purchase price to the assets and liabilities acquired (€74,997 thousand at 31 December 2022).

The cost of fully amortised intangible assets still in use at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Development expenses for work in progress	56,126	53,867
Computer software	37,859	35,621
Patents, trademarks and other intangible assets	31,444	32,043
	125,429	121,531

At 31 December 2023, intangible assets located outside Spain have a carrying amount of €854,445 thousand (€925,273 thousand at 31 December 2022).

c) Impairment and allocation of goodwill to CGUs

The CGU structure is as follows:

- North America

North America represents both a segment and a separate CGU, based on the territory's high level of independence in terms of trademarks used and the range of products managed from the region. This impacts on how its performance is measured (segment) and also how cash flows are managed with regard other business units (CGUs).

This segment includes the American business (United States and Canada) from the merger with Zodiac. Subsequent business combinations in the American market have been assigned to this CGU due to the highly interrelated nature of the business in the United States and the centralised management of the different entities acquired.

- Europe

Europe has characteristics that make a grouping of the sub-regions (countries or group of countries) included therein appropriate and therefore considered as a single CGU:

- Shared business objectives and policies that are set at this level;

- Agility in the designation of roles and responsibilities, as these responsibilities are commonly redefined and/or reassigned;

- Markets with similar characteristics;

The main countries included in this CGU are Spain, Italy, France, Belgium, Germany, Austria, Switzerland, Denmark, Portugal, Hungary, Poland and the Czech Republic.

- Operations

Relevant decisions for production operations are taken at a centralised level, with the Global Distribution entity (Fluidra Global Distribution, S.L.U.) as the decision-making unit considered to be the most independent. The decision-making margin held by each individual production unit is therefore reduced. Although this unit brings together different production units that differ somewhat in terms of the technologies used in each of them, it is the Global Distribution entity that draws up the contracting terms between them and the business entities included in EMEA expansion, Asia-Pacific and North America. The Global Distribution entity also allocates production to the different geographical regions. It is possible in the future that these technologies will be subject to some integration, meaning that differentiation in such a scenario would be diluted.

This CGU includes production entities and logistics centres in Spain, France and China.

- Asia-Pacific

Asia-Pacific is considered highly independent from other CGUs, where no international customers are shared, no international regulations apply, and no processes are relocatable to other geographical areas. These territories are highly interdependent in the sense that key policies and decisions are made jointly and there is a single unit in charge that brings together South Africa, Australia and Asia.

This CGU includes the following territories: Australia, New Zealand, South Africa, Thailand, Malaysia, Singapore, Indonesia and Vietnam.

- EMEA expansion

This CGU includes Brazil, Mexico, the Arab Emirates, Morocco, Turkey, Greece, India, Egypt, Romania, Colombia, Cyprus and Chile, among others.

It includes relatively small legal entities with little structure (apart from the business structure) where sales and purchasing policies, and financial and risk management are jointly overseen by an area manager who allocates resources and decides on the policies to be applied in each of these countries and/or legal entities. Area managers and the sales and purchasing policies and financial and risk management are separate from those in Europe.

- SIBO Fluidra Netherlands B.V.

This CGU is a legal entity where there is no group of smaller assets that generate separate cash flows. Although this entity forms part of the European level, it is a separate CGU as it is managed independently.

This entity is increasingly integrated into the European network, but a significant portion of its sales centre on natural pools, unlike the rest of Fluidra's European distribution network, which is why it has remained a separate CGU up until now.

- Certikin International, LTD

This CGU is a legal entity where there is no group of smaller assets that generate separate cash flows. Although this entity forms part of the European level, it is a separate CGU as it is managed independently.

In this entity, products are marketed by third parties and sold under the Certikin brand, unlike the other entities in the European CGU, where the product is manufactured by the Group and is generally marketed under the AstralPool and/or Zodiac brand. Brexit has heightened the idiosyncrasies of the UK market, which must be managed differently from the rest of Europe.

The Group has allocated goodwill to its cash-generating units (CGUs) in accordance with IAS 36, where a CGU is defined as a smaller identifiable group of assets which generates cash inflows that are largely independent of those from other assets or groups of assets.

A breakdown of goodwill allocated by CGU at 31 December 2023 and 31 December 2022 is as follows:

		Thousands of euros	
	Segment	31/12/2023	31/12/2022
North America	North America	672,096	696,292
Europe	EMEA	323,593	308,033
Operations	Operations	186,562	186,562
Asia-Pacific	APAC	65,820	67,414
EMEA expansion	EMEA	40,513	40,339
SIBO Fluidra Netherlands B.V.	EMEA	5,048	5,048
Certikin International, LTD	EMEA	3,394	3,334
Total		1,297,026	1,307,022

Movement in goodwill is essentially due to the acquisition of Kerex and Meranus (see Note 5) and the currency translation differences arising from the goodwill denominated in foreign currency, chiefly as a result of fluctuations in the exchange rates of the US dollar.

The recoverable amount of each CGU is determined based on the greater of fair value less disposal costs, calculated using a Level 3 methodology in line with the hierarchy established in IFRS 3, and continuing value in use. These calculations use cash flow projections based on finance budgets and/or strategic plans, approved by Management, for the cash generating units to which goodwill has been allocated and covered a period of five years. The process for preparing the strategic plans of the CGUs considers the current market situation in the main geographical areas, analysing the macroeconomic and competitive environments, as well as the CGU's position in those environments and the opportunities for growth. The key factors of business evolution are mainly the evolution of the pool stock existing in each market for the maintenance business and the evolution of the manufacture of new pools. Additionally, the potential operating efficiencies due to growth and cost improvement plans are considered. These projections and estimates are consistent with those that would be made by a market participant.

At 31 December 2023, the key assumptions used in the strategic plans respond to moderate growth in 2024 due to a slowdown in demand in the industry's most developed markets, sustained business growth in aftermarket business, moderate growth in the construction of new pools in mature markets and growth in emerging markets, combined with an increase in our penetration in some geographical regions where our presence is still small with an increase in market share.

At 31 December 2022, the key assumptions used in the strategic plans responded to a fall in business in 2023 due to high inventory levels with customers, sustained business growth in pools (aftermarket), moderate growth in the construction of new pools in mature markets and sustained growth in emerging markets, combined with an increase in our penetration in commercial pools in some geographical areas where our presence is still small and increased market share in the American market.

In terms of the Operations CGU, revenues are linked to the increase in sales CGUs, mainly Europe, resulting from the partial integration of manufacturing within Fluidra.

The quantitative assumptions used for the year ended 31 December 2023 are shown in the accompanying table:

CGU	Sales CAGR (*)	EBITDA CAGR (*)	g (**)	WACC (***)	WACC (****)
	2024-2028	2024-2028		2023	2023
North America	6.28 %	9.48 %	2.01 %	8.55 %	11.32 %
Europe	5.04 %	9.45 %	1.92 %	9.08 %	11.44 %
Operations	5.04 %	11.04 %	1.91 %	9.29 %	11.94 %
Asia-Pacific	6.97 %	10.53 %	2.43 %	9.53 %	12.67 %
EMEA expansion	5.15 %	8.23 %	3.03 %	12.90 %	15.79 %
SIBO Fluidra Netherlands B.V.	5.05 %	8.71 %	2.04 %	8.18 %	10.79 %
Certikin International, LTD	5.04 %	10.82 %	1.93 %	9.19 %	11.65 %

(*) CAGR is the term used to represent the compound annual growth rate of the five-year periods used.
(**) Perpetual growth rate.
(***) After-tax discount rate.
(****) Before-tax discount rate.

The quantitative assumptions used for the year ended 31 December 2022 are shown in the accompanying table:

CGU	Sales CAGR (*)	EBITDA CAGR (*)	g (**)	WACC (***)	WACC (****)
	2023-2027	2023-2027		2022	2022
North America	3.55 %	7.60 %	1.89 %	7.44 %	9.88 %
Europe	6.07 %	6.30 %	1.83 %	8.45 %	10.70 %
Operations	6.07 %	10.86 %	1.74 %	8.95 %	11.49 %
Asia-Pacific	5.88 %	7.87 %	2.50 %	8.64 %	11.30 %
EMEA expansion	6.16 %	6.67 %	2.65 %	11.82 %	14.32 %
SIBO Fluidra Netherlands B.V.	6.09 %	6.07 %	1.98 %	6.65 %	8.64 %
Certikin International, LTD	6.10 %	6.61 %	2.08 %	8.40 %	9.91 %

(*) CAGR is the term used to represent the compound annual growth rate of the five-year periods used.
(**) Perpetual growth rate.
(***) After-tax discount rate.
(****) Before-tax discount rate.

From the last year, cash flow projections are calculated using a growth rate in perpetuity in accordance with each market. The growth rates applied are detailed in the tables above.

The EBITDA margin in perpetuity is based on the long-term profitability that is estimated likely to be sustained for each CGU, generally in line with those of the last projected year.

The discount rates applied to cash flow projections used for the CGUs have been calculated based on risk-free rates (interest rates for sovereign debt of each country, always the one applicable to each market at 31 December), tax rate, market risk premiums, and debt spreads for the markets in which the CGUs operate. The discount rates applied before and after tax are detailed in the tables above.

For the impairment test, the right-of-use assets arising as a result of IFRS 16 have been taken into account in the carrying amount of each CGU's net assets, adjusting the cash flows and discount rates accordingly.

Although reasonably possible variations do not imply impairment and do not need to be disclosed in accordance with IFRS 36.134 f), the Group performs a sensitivity analysis using illustrative changes to the main assumptions considered in this calculation. These illustrative changes are considered to be prudent and stay the same over time, except for the discount rate, which in the year ended 31 December 2023 has increased from 0.5% to 1.5% to show a greater margin, in line with the changes in the discount rate in recent years.

Below are the illustrative changes:

- Decrease of 100 basis points in the EBITDA margin in perpetuity (EBITDA)
- Growth rate in perpetuity - Decrease of 0.5% (g)
- Discount rate – Increase of 1.5% (WACC)

The quantitative result of these variations on the model, shown as a percentage of surplus/shortfall over the carrying amount of the net assets, including goodwill, at 31 December 2023 and 2022, is as follows:

CGU	EBITDA	g	WACC
North America	>100%	>100%	>100%
Europe	>100%	>100%	>100%
Operations	>100%	>100%	>100%
Asia-Pacific	>100%	>100%	>100%
EMEA expansion	>100%	>100%	>100%
SIBO Fluidra Netherlands B.V.	>100%	>100%	>100%
Certikin International, LTD	>100%	>100%	>100%

It is deemed that none of the aforementioned variations to the key assumptions in the measurement model would imply the need to recognise a goodwill impairment at 31 December 2023.

The Group's market capitalisation at 31 December 2023 amounts to €3,621.6 million (€2,840.5 million at 31 December 2022).

9. Right-of-use assets

Details of and movement in right-of-use assets during the years ended 31 December 2023 and 2022 are as follows:

	Thousands of euros							
	Balances at 31.12.22	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.23
Cost								
Land and buildings	230,013	2,671	41,631	(14,540)	(309)	300	(4,886)	254,880
Plant and machinery	6,951	—	1,384	(636)	—	102	(37)	7,764
Other installations, equipment and furniture	2,972	—	650	(557)	—	(10)	(15)	3,040
Other PPE	12,108	—	4,793	(3,059)	—	50	(118)	13,774
	252,044	**2,671**	**48,458**	**(18,792)**	**(309)**	**442**	**(5,056)**	**279,458**
Accumulated depreciation								
Buildings	(69,585)	—	(35,263)	13,665	—	(304)	2,284	(89,203)
Plant and machinery	(2,037)	—	(1,536)	622	—	57	16	(2,878)
Other installations, equipment and furniture	(1,083)	—	(631)	557	—	—	4	(1,153)
Other PPE	(5,724)	—	(3,760)	3,059	—	(60)	35	(6,450)
	(78,429)	**—**	**(41,190)**	**17,903**	**—**	**(307)**	**2,339**	**(99,684)**
Carrying amount	**173,615**	**2,671**	**7,268**	**(889)**	**(309)**	**135**	**(2,717)**	**179,774**

	Thousands of euros							
	Balances at 31.12.21	Business combinations	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 31.12.22
Cost								
Land and buildings	188,075	—	50,707	(11,235)	(68)	(249)	2,783	230,013
Plant and machinery	6,347	42	2,646	(1,784)	—	(263)	(37)	6,951
Other installations, equipment and furniture	2,605	—	572	(200)	—	—	(5)	2,972
Other PPE	10,424	—	4,312	(2,575)	—	(21)	(32)	12,108
	207,451	**42**	**58,237**	**(15,794)**	**(68)**	**(533)**	**2,709**	**252,044**
Accumulated depreciation								
Buildings	(47,512)	—	(30,145)	8,028	—	228	(184)	(69,585)
Plant and machinery	(2,534)	—	(1,356)	1,784	—	30	39	(2,037)
Other installations, equipment and furniture	(693)	—	(562)	171	—	—	1	(1,083)
Other PPE	(5,113)	—	(3,177)	2,512	—	4	50	(5,724)
	(55,852)	**—**	**(35,240)**	**12,495**	**—**	**262**	**(94)**	**(78,429)**
Carrying amount	**151,599**	**42**	**22,997**	**(3,299)**	**(68)**	**(271)**	**2,615**	**173,615**

At 31 December 2023 and 2022, items of note in the right-of-use heading are the leases on the headquarters in Carlsbad, USA, the headquarters in Keysborough, Australia and a logistics warehouse in France. These lease agreements mature from 2025 to 2031, with no renewal options except on one, which includes a 3-year renewal option that is considered to be reasonably likely.

Additions to right-of-use assets in the year ended 31 December 2023 relate to a lease on a new factory in China, new offices in the USA and warehouses in the USA and Brazil.

Additions to right-of-use assets for the year ended 31 December 2022 mainly relate to new storage and warehouse facilities in the US, France and Spain.

10. Investments accounted for using the equity method

Movements in investments accounted for using the equity method are as follows:

	Thousands of euros	
	2023	2022
Balances at 1 January	828	735
Share in profit/(loss)	24	71
Additions/ Inclusions	—	17
Exchange gains/(losses)	(22)	5
Balance at 31 December	830	828

The breakdown of the key financial figures of investments accounted for using the equity method for the years ended 31 December 2023 and 2022 is as follows:

			2023				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Astral Nigeria, LTD	Nigeria	25	1,337	254	1,083	2,723	291
Aspire Polymers, Pty Ltd.	Australia	50	491	354	137	373	(28)
Blue Factory, S.R.L.	Italy	17	276	383	(107)	60	(207)
			2,104	991	1,113	3,156	56

			2022				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Astral Nigeria, LTD	Nigeria	25	1,013	221	792	2,070	189
Aspire Polymers, Pty Ltd.	Australia	50	544	379	165	532	48
Blue Factory, S.R.L.	Italy	17	146	46	100	— –	—
			1,703	646	1,057	2,602	237

11. Current and non-current financial assets

The breakdown of other current and non-current financial assets is as follows:

		Thousands of euros	
	Note	2023	2022
Financial assets at fair value through profit or loss		281	331
Security and other deposits		3,779	4,366
Derivative financial instruments	12	32,464	54,621
Total non-current		36,524	59,318
Security and other deposits		6,320	6,179
Derivative financial instruments	12	38	465
Total current		6,358	6,644

The security and other deposits caption mainly includes term deposits that earn market interest rates and are classified in the loans and receivables caption, as well as security and other deposits paid as a result of rental contracts. These are measured following the criteria established for financial assets in Note 3. The difference between the amount paid and fair value is recognised in the income statement as a prepayment over the lease term.

The fair value of quoted securities is determined based on their price at the reporting date of the interim condensed consolidated financial statements.

12. Derivative financial instruments

Details of derivative financial instruments are as follows:

	2023				
	Notional amount	Thousands of euros – Fair values			
		Assets		Liabilities	
		Non-current	Current	Non-current	Current
1) Derivatives held for trading					
a) Exchange rate derivatives					
Foreign currency contracts	5,701	—	38	—	5
Total derivatives traded on over-the-counter markets		**—**	**38**	**—**	**5**
Total derivatives held for trading		**—**	**38**	**—**	**5**
2) Hedging derivatives					
a) Cash flow hedges					
Interest rate swaps	892,987	32,464	—	—	—
Total hedging derivatives		**32,464**	**—**	**—**	**—**
Total recognised derivatives		32,464	38	—	5
		(Note 11)	(Note 11)		

	2022				
	Notional amount	Thousands of euros – Fair values			
		Assets		Liabilities	
		Non-current	Current	Non-current	Current
1) Derivatives held for trading					
a) Exchange rate derivatives					
Foreign currency contracts	22,361	—	465	—	188
Total derivatives traded on over-the-counter markets		**—**	**465**	**—**	**188**
Total derivatives held for trading		**—**	**465**	**—**	**188**
2) Hedging derivatives					
a) Cash flow hedges					
Interest rate swaps	912,535	54,621	—	—	—
Total hedging derivatives		**54,621**	**—**	**—**	**—**
Total recognised derivatives		54,621	465	—	188
		(Note 11)	(Note 11)		

The overall amount of the change in fair value of derivatives held for trading, which has been estimated using measurement techniques, has been recognised in profit/(loss) and amounts to a loss of €252 thousand (a loss of €6 thousand in 2022).

The overall amount of the change in fair value of hedging derivatives, which has been estimated using measurement techniques and has been recognised in consolidated equity as it has been considered an effective hedge, has resulted in an increase of €5,758 thousand (an increase of €50,676 thousand in 2022).

The overall amount of cash flow hedges that has been transferred in the year ended 31 December 2023 from other comprehensive income in equity to the consolidated income statement (under financial result) is a profit of €22,467 thousand (a loss of €3.830 thousand in 2022).

a) Interest rate swaps

The Group uses interest rate swaps at a floating interest rate without knock-out barriers, with fixed rate values ranging from 1.385% to 2.205% in the years ended 31 December 2023 and 2022. These derivatives are used to manage exposure to fluctuations in the interest rates mainly of bank loans.

Hedging derivatives 31.12.2023

Notional amount in thousands of euros	Start date	End date	Type of derivative
126,697	23/02/2022	30/06/2026	Fixed swap with 0.5% floor.
416,290	23/02/2022	30/06/2026	Fixed swap with 0.5% floor.
90,000	30/03/2022	30/06/2026	Fixed swap with 0 floor.
70,000	30/03/2022	30/06/2026	Fixed swap with 0 floor.
100,000	31/03/2022	30/06/2026	Fixed swap with 0 floor.
90,000	31/03/2022	30/06/2026	Fixed swap with 0 floor.
892,987			

Hedging derivatives 31.12.2022

Notional amount in thousands of euros	Start date	End date	Type of derivative
131,258	23/02/2022	30/06/2026	Fixed swap with 0.5% floor.
431,277	23/02/2022	30/06/2026	Fixed swap with 0.5% floor.
90,000	30/03/2022	30/06/2026	Fixed swap with 0 floor.
70,000	30/03/2022	30/06/2026	Fixed swap with 0 floor.
100,000	31/03/2022	30/06/2026	Fixed swap with 0 floor.
90,000	31/03/2022	30/06/2026	Fixed swap with 0 floor.
912,535			

The breakdown, by notional amount and residual maturity term, of the swaps prevailing at year end is as follows:

	Thousands of euros	
	2023	2022
From one to five years	892,987	912,535
	892,987	912,535

Since derivatives are not traded on organised markets, the fair value of swaps is calculated using the discounted value of expected cash flows due to the spread in rates, based on observable market conditions at the date of measurement (corresponding to the level 2 measurement method in accordance with IFRS 13).

b) Exchange rate derivatives

To manage exchange rate risk in future firm sales and purchases, the Group has arranged option contracts and currency forwards in the main markets in which it operates.

The breakdown, by type of foreign currency, of the notional amounts of exchange rate derivatives at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
EUR / USD	5,430	16,876
USD / CNY	—	4,313
GBP / USD	—	1,172
USD / ZAR	271	—
	5,701	22,361

At 31 December 2023 and 2022, all foreign exchange derivatives are held for trading, with no hedging derivatives at that date.

The breakdown, by notional amount and residual maturity term, of the exchange rate derivatives is as follows:

	Thousands of euros	
	2023	2022
Under one year	5,701	22,361
	5,701	22,361

The fair value of these derivatives has been estimated using the discounted cash flow method based on forward exchange rates available in public databases at the reporting date (corresponding to the level 2 measurement method in accordance with IFRS 13).

The gains and losses from measuring and settling these contracts are taken to finance costs for the period.

13. Non-current assets held for sale and liabilities relating to non-current assets held for sale and discontinued operations

2023

Since the first half of 2022, AO Astral SNG and Astral Aqua Design Limited Liability Company, companies engaged in marketing swimming pool material and the distribution, design, installation and management of fountain and pond projects, respectively, have been for sale on the Russian market.

Since it is the Group's firm intention to sell these clearly identified assets and liabilities and the sale is deemed highly likely to go ahead, the accounting balances of these assets and liabilities have been reclassified under the caption "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale", in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". However, they have not been considered as discontinued operations as they do not represent a significant line of business, and therefore all income and expenses for the period relating to these businesses are presented under the relevant heading according to their nature.

Details of the assets classified as held for sale and the related liabilities, by type, at 31 December 2023, are as follows:

	31/12/2023
Assets	
Property, plant and equipment	7
Deferred tax assets	271
Total non-current assets	**278**
Inventories	1,666
Trade and other receivables	2,768
Cash and cash equivalents	1,577
Total current assets	**6,011**
TOTAL ASSETS	6,289
Liabilities	
Lease liabilities	242
Deferred tax liabilities	262
Total non-current liabilities	**504**
Lease liabilities	176
Trade and other payables	2,873
Total current liabilities	**3,049**
TOTAL LIABILITIES	3,553

2022

In the year ended 31 December 2022, AO Astral SNG and Astral Aqua Design Limited Liability Company, companies engaged in marketing swimming pool material and the distribution, design, installation and management of fountain and pond projects, respectively, were put up for sale on the Russian market.

Certain productive assets in Europe were also included.

Since it was the Group's firm intention to sell these clearly identified assets and liabilities and the sale was deemed highly likely to go ahead, the accounting balances of these assets and liabilities were reclassified under the caption "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale", in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". However, they were not considered as discontinued operations as they did not represent a significant line of business, and therefore all income and expenses for the period relating to this business were presented under the relevant heading according to their nature.

Details of the assets classified as held for sale and the related liabilities, by type, at 31 December 2022, are as follows:

	31/12/2022
Assets	
Property, plant and equipment	125
Deferred tax assets	827
Total non-current assets	**952**
Inventories	1,910
Trade and other receivables	1,289
Cash and cash equivalents	3,505
Total current assets	**6,704**
TOTAL ASSETS	7,656
Liabilities	
Deferred tax liabilities	49
Total non-current liabilities	**49**
Lease liabilities	80
Trade and other payables	3,861
Total current liabilities	**3,941**
TOTAL LIABILITIES	3,990

14. Inventories

Details of inventories are as follows:

	Thousands of euros	
	2023	2022
Goods, finished products and work in progress	264,360	359,620
Raw materials and other consumables	162,701	239,473
	427,061	599,093

At 31 December 2023 and 2022 there are no inventories with a recovery period greater than 12 months from the date of the consolidated statement of financial position.

As a result of the business combinations carried out during the year ended 31 December 2023, there are inventories amounting to €8,184 thousand (€7,352 thousand in the year ended 31 December 2022).

Consolidated Group companies have taken out several insurance policies to cover the risks to which its inventories are exposed. The coverage of these policies is considered sufficient.

There are no significant commitments to purchase or sell goods.

During the year ended 31 December 2023, the Group has recorded charges to inventories amounting to €2,567 thousand to adjust them to their carrying amounts (charges of €2,567 thousand in the same period of 2022) (see Note 22).

15. Trade and other receivables

A breakdown of this caption in the consolidated statement of financial position is as follows:

	Thousands of euros	
	2023	2022
Non-current		
Other non-current receivables	1,872	3,597
Total non-current	1,872	3,597
Current		
Trade receivables for sales and services	235,331	223,680
Other receivables and advance payments	33,929	29,627
Public entities	18,597	20,732
Current income tax assets	6,728	29,609
Provisions for impairment and bad debts	(21,229)	(18,840)
Total current	273,356	284,808

The fair value of trade and other receivables does not significantly differ from carrying amount.

There is no significant concentration of credit risk over trade receivables in any of the Group segments.

The most significant balances in currencies other than the euro at 31December 2023 and 2022 are as follows:

	Thousands of euros	
	2023	2022
US dollar	100,998	92,005
Australian dollar	29,672	32,459
Pounds sterling	7,958	8,832
Arab Emirate dirham	6,124	6,184
South African rand	6,104	7,917
Canadian dollar	5,435	4,727
Chinese renminbi	4,038	6,263
	160,329	158,387

Receivables from public administrations mostly relate to VAT receivable balances.

Movement in the valuation adjustments for impairment and bad debts for the years ended 31 December 2023 and 2022 is as follows:

	Thousands of euros
Balance at 31 December 2021	23,950
Business combinations	369
Charges for the year	7,497
Recoveries	(10,786)
Exchange gains/(losses)	168
Transfers to assets held for sale	(128)
Write-offs	(2,230)
Balance at 31.12.22	18,840
Business combinations	380
Charges for the year	7,317
Recoveries	(3,579)
Exchange gains/(losses)	(379)
Transfers to assets held for sale	19
Write-offs	(1,369)
Balance at 31.12.23	21,229

16. Equity

A breakdown of consolidated equity and movement is shown in the consolidated statement of changes in equity.

• Share capital

At 31 December 2023, Fluidra, S.A.'s share capital consists of 192,129,070 ordinary shares with a par value of €1 each, fully subscribed. The shares are represented by book entries and are established as such by being recorded in the corresponding accounting record. All shares bear the same political and financial rights.

On 31 October 2007, Fluidra, S.A. (the "Company") completed its initial public offering process through the public offering of 44,082,943 ordinary shares with a par value of €1 each.

These shares representing share capital are quoted on the Barcelona and Madrid stock exchanges, and also on the continuous market.

On 2 July 2018, and within the framework of the merger agreement between the Fluidra Group and the Zodiac Group, Fluidra, S.A. increased its share capital for a nominal amount of €83,000,000 by issuing and circulating 83,000,000 ordinary shares of €1 par value each, which were fully subscribed by Piscine Luxembourg Holdings 2 S.à.r.l. The difference between the fair value of the equity received by Fluidra, S.A. by virtue of the merger and the par value was allocated to the share premium.

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

The Company only knows the identity of its shareholders through the information that they provide voluntarily or in compliance with applicable regulations. In accordance with the Company's information, the structure of significant ownership interest at 31 December 2023 and 2022 is as follows:

Ownership percentage

	31.12.2023	31.12.2022
Rhône Capital L.L.C.	11.67 %	11.67 %
Boyser, S.R.L.	7.80 %	7.80 %
Dispur, S.L.	7.33 %	7.33 %
Schwarzsee 2018, S.L.	7.00 %	5.09 %
Edrem, S.L.	6.93 %	6.93 %
Aniol, S.L.	6.23 %	6.23 %
G3T, S.L.	5.73 %	5.09 %
Capital Research and Management Company	5.31 %	2.96 %
T. Rowe Price Associates, Inc.	3.10 %	6.73 %
Yukon Capital, S.L.U.	—	5.14 %
Other shareholders	38.90 %	35.03 %
	100.00 %	100.00 %

• Share premium

This reserve can be freely distributed, except for what is mentioned in the section on Dividends and limitations on the distribution of dividends in this note.

• Legal reserve

Pursuant to article 274 of the rewritten text of the Spanish Companies Act, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

This reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2023 and 2022 the legal reserve is fully funded.

• Parent company shares

Movement in treasury shares during the years ended 31 December 2023 and 2022 is as follows:

	Euros		
	Number	Face value	Average acquisition/disposal price
Balances at 1.1.22	5,796,311	5,796,311	29.0687
Acquisitions	12,736,445	12,736,445	18.6410
Disposals	(12,740,098)	(12,740,098)	(18.6162)
Balances at 31.12.22	5,792,658	5,792,658	19.4544
Acquisitions	8,826,554	8,826,554	17.2257
Disposals	(12,310,447)	(12,310,447)	(17.7380)
Balances at 31.12.23	2,308,765	2,308,765	18.2587

Disposals for the year ended 31 December 2022 include the capital reduction made on 15 December 2022 explained above.

The time and maximum percentage limits of treasury shares meet the statutory limits.

No Group company owns shares in the Parent.

• Recognised income and expense

This caption mainly includes the currency translation differences and gains and losses on the measurement at fair value of the hedging instrument that corresponds to the portion identified as an efficient hedge, net of tax effect, if any.

During the years ended 31 December 2023 and 2022, translation differences have changed significantly due to the effect of US dollar denominated businesses.

• Dividends and limitations on the distribution of dividends

The Parent company's share premium and profit/(loss) for the year are freely available, but are subject to the legal limitations on their distribution contained in article 273 of the consolidated text of the Spanish Companies Act of Royal Decree 1/2010 of 2 July.

• Capital management

The objectives of the Group's capital management are to ensure that it maintains the ability to continue as a going concern so that it can provide returns to shareholders and benefit other stakeholders, and to maintain an optimal capital structure in order to reduce its cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue shares and sell assets in order to reduce debt.

Fluidra, S.A. controls its capital structure based on total leverage and net debt over EBITDA ratios (see note 4).

- The total leverage ratio is calculated as total assets divided by total equity.
- The net debt ratio (ND) over EBITDA is calculated as net debt divided by EBITDA. Net debt is determined by the sum of current and non-current bank borrowings, and other current and non-current marketable securities, lease liabilities and derivative financial liabilities less non-current financial assets, less cash and cash equivalents, less other current financial assets, less derivative financial assets.

In the year ended 31 December 2023, the strategy, which has remained unchanged over prior years, was to keep the total leverage ratio and the net debt over EBITDA ratio between 2 and 2.5. The ratios for 2023 and 2022 have been determined as follows:

Total leverage ratio:

	Thousands of euros	
	2023	2022
Total consolidated assets	**3,507,439**	**3,772,945**
Total consolidated equity	**1,576,569**	**1,678,681**
Total leverage ratio	**2.23**	**2.25**

Net debt / EBITDA ratio:

	Thousands of euros	
	2023	2022
Bank borrowings	1,127,413	1,266,931
Plus: Lease liabilities	199,066	193,139
Plus: Derivative financial instruments	5	188
Less: Cash and cash equivalents	(111,303)	(75,151)
Less: Non-current financial assets	(4,060)	(4,697)
Less: Other current financial assets	(6,320)	(6,179)
Less: Derivative financial instruments	(32,502)	(55,086)
Net debt	**1,172,299**	**1,319,145**
Ebitda (1)	**445,043**	**511,726**
% net debt / Ebitda	**2.63**	**2.58**

(1) As well as the financial information prepared under IFRS-EU, 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.

At year-end, the Group has available cash of €9,272 thousand in its subsidiaries in Egypt which cannot be used by the Group or any other Group subsidiary.

- Non-controlling interests

In the year ended 31 December 2023, movement in non-controlling interests is as follows:

	Percentage of non-controlling interest	
Company	**31.12.2023**	**31.12.2022**
Fluidra Egypt, Egyptian Limited Company (1)	0.04 %	10.00 %
Fluidra Maroc, S.A.R.L. (1)	—	10.00 %
W.I.T Egypt, Egyptian Limited Liability Company (1)	0.05 %	10.01 %

1. Purchase/sale of interests in the year ended 31 December 2023.

An amount of €4,418 thousand has been paid as a result of transactions derived from these variations.

There are no significant restrictions on the group's capacity to act on the assets of non-controlling interest.

Details of the most significant non-controlling interests at 31 December 2023 and 31 December 2022 are as follows:

			2023				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Fluidra Balkans JSC	Bulgaria	38.84	3,019	1,490	1,529	6,041	911
Fluidra Kazakhstan Limited Liability Company	Republic of Kazakhstan	30	833	446	387	1,225	22
Fluidra Tr Su Ve Havuz Ekipmanlari AS	Turkey	49	2,036	364	1,672	4,400	773
Ningbo Dongchuan Swimming Pool Equipments Co, LTD	China	30	8,597	4,758	3,839	7,041	653

			2022				
			Thousands of euros				
	Country	% of shareholding	Assets	Liabilities	Equity	Income	Profit/(loss)
Fluidra Balkans JSC	Bulgaria	38.84	2,548	1,931	617	5,398	938
Fluidra Kazakhstan Limited Liability Company	Republic of Kazakhstan	30	786	410	376	1,313	292
Fluidra Tr Su Ve Havuz Ekipmanlari AS	Turkey	49	1,846	121	1,725	3,922	548
Ningbo Dongchuan Swimming Pool Equipments Co, LTD	China	30	5,819	2,406	3,413	10,664	1,113

The figures indicated above correspond to the ownership percentage of each company.

17. Earnings/(losses) per share

a) Basic earnings

Basic earnings/(losses) per share amounts are calculated by dividing consolidated profit / (loss) for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the years ended 31 December 2023 and 2022, excluding treasury shares.

A breakdown of the basic earnings per share calculation is as follows:

	31.12.2023	31.12.2022
Profit for the period attributable to equity holders of the Parent (thousands of euros)	113,827	159,931
Weighted average number of ordinary shares outstanding	189,638,263	188,581,855
Basic earnings per share from continuing operations (euros)	0.60023	0.84807

Profit/(loss) for the year corresponds to the profit/(loss) for the year attributable to equity holders of the Parent.

The weighted average number of ordinary shares outstanding during the year was calculated as follows:

	Number of shares	
	31.12.2023	31.12.2022
Ordinary shares outstanding at 1 January	192,129,070	195,629,070
Effect of changes in treasury shares	(2,490,807)	(6,893,790)
Effect of capital reduction	—	(153,425)
Weighted average number of ordinary shares outstanding at 31 December	**189,638,263**	**188,581,855**

b) Diluted earnings

Diluted earnings/(losses) per share are calculated by adjusting profit/(loss) for the year attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding for all dilutive effects inherent to potential ordinary shares. Given that there are no potential ordinary shares, this calculation is not necessary.

No dilutive effect has been considered, as the shares arising from the long-term variable remuneration plans paid to executive directors and the management team of Fluidra, S.A. and of the investee companies that make up its consolidated group (see Note 29) will be paid with treasury shares.

18. Provisions

Details of other provisions are as follows:

	Thousands of euros			
	2023		2022	
	Non-current	Current	Non-current	Current
Guarantees	—	50,791	—	53,263
Provisions for taxes	—	—	—	—
Provisions for obligations with employees	9,332	—	8,842	—
Litigation and other liabilities	2,033	—	2,051	—
Total	11,365	50,791	10,893	53,263

The Provisions caption includes, on the one hand, current provisions for warranties provided to cover potential incidents related to the products sold by the Group and, on the other hand, non-current provisions that are described in the following three captions: Provisions for taxes to cover potential risks related to tax obligations in the countries in which the Group operates; Provisions for commitments to employees recorded in accordance with employment legislation in some countries in which the Group operates in order to cover potential future employee compensation and benefits; and Provisions for litigation and other liabilities, which include provisions recorded by Group companies in connection with contingencies arisen as a result of their activities.

Movement in the year ended 31 December 2023 and 2022 is as follows:

	Guarantees	Provisions for obligations with employees	Litigation and other liabilities	Provision for taxes	Total
At 1 January 2022	50,830	9,132	3,795	107	63,864
Business combinations	535	—	—	—	535
Charge for the year	12,955	1,268	883	—	15,106
Payments / disposals	—	(697)	(533)	(93)	(1,323)
Applications	(12,727)	(392)	(1,728)	(323)	(15,170)
Transfers	—	(625)	(421)	330	(716)
Exchange gains/(losses)	1,670	156	55	(21)	1,860
At 31 December 2022	**53,263**	**8,842**	**2,051**	**—**	**64,156**
Business combinations	680	604	—	—	1,284
Charge for the year	22,992	647	610	—	24,249
Payments / disposals	(611)	(269)	(99)	—	(979)
Applications	(24,211)	(364)	(525)	—	(25,100)
Transfers	—	48	—	—	48
Exchange gains/(losses)	(1,322)	(176)	(4)	—	(1,502)
At 31 December 2023	**50,791**	**9,332**	**2,033**	**—**	**62,156**

19. Bank borrowings and other marketable securities

The breakdown of this caption in the consolidated statement of financial position is as follows:

	Thousands of euros	
	2023	2022
Non-current loan	1,087,110	1,120,108
Total non-current	**1,087,110**	**1,120,108**
Bank loans	4,826	88,841
Other marketable securities	24,741	47,154
Non-current loan (a portion of it with current maturity)	10,736	10,828
Total current	**40,303**	**146,823**
Total bank borrowings and other marketable securities	1,127,413	1,266,931

All the balances shown in the table above relate to the financial liabilities at amortised cost category.

On 27 January 2022, Fluidra cancelled the non-current loans in their three tranches (EUR, USD and AUD), the revolving credit facility and the ABL credit facility that were signed on 2 July 2018.

To meet the financial needs arising from this cancellation, the Group signed a non-current loan with two tranches (EUR and USD) and a revolving credit facility. The terms of the non-current loans and the credit facilities are linked to environmental objectives.

The new non-current loans consist of a USD 750 million tranche at Term SOFR (Secured Overnight Funding Rate), plus a spread of 200 basis points and a €450 million tranche at Euribor plus a spread of 225 basis points, maturing in January 2029. The new, multi-currency revolving credit facility is for €450 million and is valid until January 2027. The revolving credit facility spread is linked to the existing debt ratio and can be between 1.25% and 2%.

This transaction does not increase net debt and Moody's and Standard & Poor's have kept Fluidra's credit ratings at Ba2 and BB+, respectively.

The Group is obliged to report to the lenders quarterly and there are certain standard limitations on increasing borrowings in loans and credit facilities of this kind. Furthermore the revolving credit facility is subject to compliance with certain financial ratios based on the requirement to keep the Financial Debt/EBITDA ratio below 4.5 when the credit facility is drawn down more than 40%.

The agreement that includes the long-term loans in both US dollars and euros and the revolving credit line is signed by the borrowers, Zodiac Pool Solutions LLC, Fluidra Finco S.L.U. and Fluidra Holdings Australia Pty Ltd (Borrowers), as well as by Fluidra S.A. in its capacity as parent company of the Group (Holdings), who are jointly liable for the obligations of said agreement. The following Group companies also act as guarantors (Guarantors), jointly and severally liable if the borrowers breach the agreement: Zodiac Pool Systems LLC, SR Smith LLC, Custom Molded Products LLC, Cover Pools Incorporated, Unistral Recambios S.A.U., Trace Logistics S.A.U., Sacopa S.A.U., Poltank S.A.U., Manufacturas Gre S.A.U., I.D. Electroquímica S.L.U, Inquide S.A.U., Fluidra Global Distribution S.L.U., Fluidra Export S.A.U, Fluidra Commercial S.A.U., Fluidra Comercial España S.A.U., Cepex S.A.U., Fluidra Group Australia Pty Ltd, Fluidra Commercial France S.A.S., Zodiac Pool Care Europe S.A.S., Fluidra Industry France S.A.S, Poolweb SAS and ZPES Holdings S.A.S. As is customary in this type of syndicated financing and in order to meet the personal obligations assumed, the Guarantors have created a collateral package on some of their assets in the four jurisdictions in which they operate, namely Spain, the US, France and Australia, consisting mainly of pledges on shares, intellectual property and certain receivables.

In order to reduce financial costs and diversify sources of financing, Fluidra, S.A. set into action a promissory notes scheme on the Alternative Fixed Income Market (MARF). On 28 June 2023, the scheme was renewed for a further year and for €150 million, with an outstanding amount of €24.7 million at 31 December 2023, with an interest rate linked to existing issues of between 2.80% and 4.80% (€47.1 million at 31 December 2022 with an interest rate linked to existing issues of between 2.05% and 2.75%).

This amount is recorded in Other marketable securities under the caption Bank borrowings and other marketable securities within current liabilities.

No bilateral loans have been signed during the year ended 31 December 2023.

The most significant balances in currencies other than the euro at 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	2023	2022
US dollar	790,677	802,305
Australian dollar	600	—
South African rand	13	951
Other currencies	7,791	6,737
	799,081	**809,993**

The Group has the following credit and discounting facilities at 31 December 2023 and 2022:

	Thousands of euros			
	2023		2022	
	Drawn down	Limit	Drawn down	Limit
Credit facilities	4,826	541,047	88,841	542,757
Discounting facilities	—	12,000	—	6,000
	4,826	**553,047**	**88,841**	**548,757**

At 31 December 2023 and 2022 there are no borrowings backed by mortgage guarantees (see Note 6).

The maturity of the non-current loans taken out with financial institutions is as follows:

	Thousands of euros	
Maturity	2023	2022
Under one year	10,736	10,828
2 years	9,275	9,467
3 years	9,600	9,467
4 years	9,629	9,467
5 years	10,479	9,905
Over five years	1,048,127	1,081,802
	1,097,846	**1,130,936**

In the years ended 31 December 2023 and 2022, the interest rate on all the loans taken out by the Group is renewed on a monthly, quarterly, six-monthly, or yearly basis.

The only difference between the fair value and the carrying amount of the financial assets and liabilities relates to non-current loans, the fair value of which is €1,106,158 thousand (versus a carrying amount of €1,097,846 thousand). The rest of the financial assets and liabilities show no significant differences between fair values and carrying amounts.

Details of changes in liabilities for financing activities and in cash flows are as follows:

			Non-monetary changes					
	Balances at 1.1.23	Cash flows	Business combinations/ Sale of companies	Accumulated interest	Exchange rate movement	New leases	Transfers	Balances at 31.12.23
Non-current borrowings	1,130,936	(11,427)	—	2,226	(23,889)	—	—	1,097,846
Current bank borrowings	—	(1,051)	1,201	—	28	—	(178)	—
Current bank loans	88,841	(84,215)	—	—	—	—	200	4,826
Other marketable securities	47,154	(22,413)	—	—	—	—	—	24,741
	1,266,931	**(119,106)**	**1,201**	**2,226**	**(23,861)**	**—**	**22**	**1,127,413**
Lease liabilities	**193,139**	**(39,992)**	**2,671**	**—**	**(5,049)**	**48,458**	**(161)**	**199,066**
Cash and cash equivalents	**75,151**	**45,236**	**—**	**—**	**(7,156)**	**—**	**(1,928)**	**111,303**

			Non-monetary changes					
	Balances at 1.1.22	Cash flows	Business combinations/ Sale of companies	Accumulated interest	Exchange rate movement	New leases	Transfers	Balances at 31.12.22
Non-current borrowings	701,134	380,454	—	14,009	35,339	—	—	1,130,936
Current bank borrowings	112	(112)	—	—	—	—	—	—
ABL credit facility	41,704	(42,285)	—	—	581	—	—	—
Current bank loans	135,044	(47,790)	1,337	—	—	—	250	88,841
Other marketable securities	120,004	(72,850)	—	—	—	—	—	47,154
	997,998	**217,417**	**1,337**	**14,009**	**35,920**	**—**	**250**	**1,266,931**
Lease liabilities	**167,667**	**(32,715)**	**(1,115)**	**—**	**3,122**	**58,237**	**(2,057)**	**193,139**
Cash and cash equivalents	**87,808**	**(9,750)**	**—**	**—**	**598**	**—**	**(3,505)**	**75,151**

20. Trade and other payables

A breakdown of this caption in the consolidated statement of financial position is as follows:

	Thousands of euros	
	2023	2022
Liabilities arisen in business acquisitions	2,779	3,241
Other	2,305	3,418
Total non-current	5,084	6,659
Trade payables for purchases and services	209,978	207,291
Other debt / Suppliers of fixed assets	4,668	4,640
Liabilities arisen in business acquisitions	2,503	2,190
Public entities	30,625	23,306
Current income tax liabilities	31,813	34,040
Remuneration payable	49,802	45,500
Total current	329,389	316,967

At 31 December 2023, the Other debt/ suppliers of fixed assets heading includes €275 thousand arising from the purchase of Realco assets (€296 thousand at 31 December 2022).

The most significant balances in currencies other than the euro at 31 December 2023 and 2022 are as follows:

Debt from sales and services rendered

	Thousands of euros	
	2023	2022
US dollar	104,755	97,688
Australian dollar	27,798	28,244
Chinese renminbi	10,880	12,092
South African rand	8,498	7,736
Pounds sterling	4,718	6,034
Brazilian real	4,581	2,838
	161,230	154,632

Payables to Public entities are as follows:

	Thousands of euros	
	2023	2022
Tax payables to tax authorities		
VAT	20,319	11,116
Withholdings made	2,573	2,894
Social Security payable	7,073	8,641
Other	660	655
	30,625	23,306

21. Risk management policy

Exposure to and controls over credit, liquidity, foreign exchange and interest rate risk are detailed below.

a) Credit risk

Credit risk is managed separately by each operating unit of the Group in accordance with the parameters set by Group policies, except for the subsidiaries in Spain, Portugal, France, Italy, Germany, Netherlands and Morroco, where credit risk is managed centrally by the Group's Risk Department.

Credit risk exists when a potential loss may arise from Fluidra, S.A.'s counterparties not meeting their contractual obligations, that is, due to not collecting the financial assets according to the established amounts and time frame.

In the case of the Group, the risk is mainly attributable to trade receivables. This risk, however, is mitigated since the Group has a highly diversified domestic and international customer portfolio, where none of the customer accounts for a significant percentage of total sales for the period, except for one customer in the USA (see Note 23) with high solvency and extremely limited credit risk. This customer accounts for 25.76% of the total balance of customers in sales and services rendered at the 31 December 2023 reporting date (15.81% 2022 reporting date).

Credit risk arising from the failure of a counterparty to meet its contractual obligations is duly controlled by policies and risk limits which establish requirements regarding:

- Agreements suited to the transaction made.
- Sufficient internal or external credit quality of the counterparty.
- Additional guarantees when necessary.

The Group's exposure to past due not impaired financial assets is solely focused on the Trade and other receivables caption, and there are no other past due financial assets balances.

The accompanying table shows the aging analysis of past due not impaired Trade and other receivables at 31 December 2023 and 2022:

		2023	2022
Not due		**176,580**	**157,977**
Past due		**37,522**	**46,863**
	0 - 90 days	30,035	36,933
	90 - 120 days	2,915	5,120
	More than 120 days	4,572	4,810

b) Liquidity risk

Liquidity risk is the possibility that Fluidra, S.A. will not have sufficient funds or access to sufficient funds at an acceptable cost to meet its payment obligations at all times.

The Group manages liquidity risk based on prudent criteria in order to maintain sufficient cash and marketable securities, secure the availability of committed credit facilities to provide financing, and ensure its capacity to exit market positions. Due to the dynamic nature of the underlying businesses, the Group's finance department aims to maintain financing by having credit facilities of different types available, including both long-term structural and bilateral financing.

During the next few months, based on its cash flow forecasts and financing available, the Group does not expect any difficulties in terms of liquidity.

c) Foreign currency risk

The Group operates in an international environment and therefore is exposed to foreign exchange risks on transactions denominated in foreign currencies, particularly the US dollar and Australian dollar. Foreign exchange risk arises on future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The net loss under exchange gains/(losses) and currency translation differences in equity are caused by fluctuations in the US dollar exchange rate.

Group companies manage the foreign currency risk of future commercial transactions, recognised assets and liabilities by forward currency contracts mainly entered into by the Group's finance department. Foreign exchange risk arises when future commercial transactions or firm commitments, recognised assets and liabilities and net investments in foreign operations are denominated in a currency that is not the Company's functional currency. This risk also arises as a result of balances between group companies that have been eliminated on consolidation. The Group's finance department is responsible for managing the net position of each foreign currency by entering into external forward currency contracts.

The purpose of the Group's risk management policy is to cover the risk arising in transactions carried out in dollars and the euros through natural hedges (offsetting collections against payments), using forward instruments to hedge the excess or shortfall for USD risks outside the American market. All transactions in Australian dollars, Chinese renminbi and pounds sterling are covered using forward rate hedges. No hedging instruments are used to hedge transactions carried out in the other foreign currencies. The Group also has several investments in foreign operations whose net assets are exposed to foreign currency translation risk. The Group manages the foreign currency risk relating to the net assets of its foreign operations, mainly in the United States, by holding borrowings denominated in the related foreign currency.

Although the Group arranges forward contracts for the economic hedging of foreign currency risks, not all of them are recognised applying hedge accounting.

The main balances in currencies other than the euro are described in Notes 15, 19 and 20 to these interim condensed consolidated financial statements.

d) Cash flow interest rate risk

Since the Group does not have any significant remunerated assets, income and cash flows from operating activities are not significantly exposed to the risk of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. As indicated in Note 19, most loans taken out by the Group are linked to floating market interest rates that are updated every month.

The Group manages its cash flow interest rate risk with floating-to-fixed interest rate swaps without barriers. The effect of these interest rate swaps is to convert floating borrowings to fixed borrowings. Generally, the Group borrows at a floating rate and swaps for a fixed rate, which is generally lower than the fixed rate at which the Group could have borrowed. Under interest rate swaps, the Group agrees with other parties to exchange, on a regular basis (usually monthly), the difference between fixed interest and floating interest calculated on the notional principal agreed upon.

Apart from the swaps arranged by the Group mentioned in the section above, there are no significant price risks related to equity instruments classified as held for sale or at fair value through profit or loss.

22. Supplies and change in inventories of finished goods and work in progress

The breakdown of this income statement caption is as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Consumption of raw and secondary materials	793,652	1,242,485
Changes in inventories of finished products, work in progress and goods	164,841	(86,044)
Net charge to the provision for obsolescence	2,567	13,177
Total	961,060	1,169,618

23. Sales of goods and finished products

Details of sales of goods and finished products by business unit in the years ended 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Residential	1,440,472	1,761,523
Commercial	180,955	153,549
Water treatment	300,147	305,934
Fluid handling	90,451	115,831
Pool & Wellness	**2,012,025**	**2,336,837**
Irrigation, Industrial and Other	**38,683**	**52,368**
Total	2,050,708	2,389,205

In the year ended 31 December 2023, the Commercial Pool revenue caption included €16,100 thousand (€13,308 thousand in the same period of the prior year) relating to the execution of projects where the rendering of services is recognised based on the degree of completion at the reporting date, as long as the result of the transaction can be reliably estimated.

Details of sales of goods and finished products by geographical region (country of destination) in the years ended 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Southern Europe	564,199	638,204
Rest of Europe	263,376	326,115
North America	869,759	1,042,880
Rest of the world	353,374	382,006
Total	2,050,708	2,389,205

At 31 December 2023 there is a client in the US with sales to third parties of 19.98% of total sales (19.00% at 31 December 2022).

24. Income from the rendering of services

This caption mainly includes the revenue from sales transportation services and other logistics services rendered by the Group.

25. Personnel expenses

Details of personnel expenses in the years ended 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Wages and salaries	299,575	325,736
Termination benefits	8,362	11,833
Social security expense	54,410	53,345
Other employee benefits expense	23,345	23,623
	385,692	414,537

The Group's average headcount during the years ended 31 December 2023 and 2022, by professional category, is as follows:

	31.12.2023	31.12.2022
Executives	59	65
Managers	338	359
Professional workers	1,069	1,103
Technicians	1,981	2,102
Administrative and support staff	1,034	1,103
Production staff	2,314	2,595
	6,795	7,327

The average number of employees with a disability equal to or greater than 33% in the year ended 31 December 2023 is 50 (56 employees in 2022) and they are distributed by professional category as follows: 1 "Executives", 2 "Managers", 6 "Professional workers", 14 "Technicians", 6 "Administrative and support staff" and 21 "Production staff" (1, 2, 5, 16, 8 and 24, respectively, in the previous year).

The Group's headcount by gender at year end is as follows:

	31.12.2023		31.12.2022	
	Male	Female	Male	Female
Board members (*)	10	3	10	2
Executives	46	7	45	10
Managers	249	81	260	79
Professional workers	725	286	771	297
Technicians	1,299	618	1,362	667
Administrative and support staff	413	596	391	592
Production staff	1,455	632	1,575	720
	4,197	2,223	4,414	2,367

(*) The Directors category includes two senior managers.

26. Other operating expenses

A breakdown of other operating expenses is as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Leases and fees	9,595	11,911
Repairs and maintenance	43,497	37,214
Independent professional services	62,516	51,738
Temporary employment agency expenses	18,445	29,790
Commissions	3,419	4,526
Sales transportation and logistics services	96,263	128,257
Insurance premiums	9,770	9,060
Bank services	2,780	3,165
Advertising and publicity	31,153	36,296
Utilities	18,754	23,918
Communications	5,849	6,021
Travel expenses	19,378	19,117
Taxes	3,600	3,334
Adjustments due to impairment of receivables	3,738	(3,289)
Guarantees	19,268	15,457
Other (*)	17,885	19,094
	365,910	395,609

(*) It includes remuneration earned by the members of the Board of Directors, research and development expenses and other expenses.

27. Finance income and cost

A breakdown of finance income and cost is as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Finance income		
Other financial income	1,385	1,930
Reversals of impairment of financial assets at amortised cost other than trade and other receivables	—	200
Gains on the fair value of financial instruments	846	1,198
Total finance income	**2,231**	**3,328**
Finance cost		
Non-current interest on loans	(50,422)	(45,202)
Interest on debt (loans, credit facilities and bills discounted)	(9,001)	(2,300)
Other finance costs	(4,599)	(14,403)
Losses on the fair value of financial instruments	(503)	(190)
Impairment losses on financial assets at amortised cost other than trade and other receivables	(50)	(50)
Total finance cost	**(64,575)**	**(62,145)**
Right-of-use finance cost	**(8,130)**	**(6,549)**
Exchange gains/(losses)		
Exchange gains	29,097	67,634
Exchange losses	(36,559)	(81,538)
Total exchange gains / (losses)	**(7,462)**	**(13,904)**
Net profit / (loss)	(77,936)	(79,270)

At 31 December 2022, Other finance costs includes the effect of the early repayment of the arrangement, issue and underwriting costs of the July 2018 financing.

28. Deferred taxes and Income tax

In 2023, the Group operated in 47 countries and has been taxed as a tax group when local legislation allows for it and we are advised to do so. The most significant have been Spain, the US, France and Australia. Details of these tax groups and the applicable tax rate are as follows:

Spain (25%)	United States of America (23.64%)	Australia (30%)
Fluidra, S.A.	Zodiac Pool Solutions, LLC	Fluidra Holdings Australia PTY LTD
Cepex, S.A.U.	Zodiac Pool Systems, LLC	Fluidra Group Australia PTY LTD
Fluidra Commercial, S.A.U.	Cover Pools Incorporated	Fluidra Australia PTY LTD
Fluidra Comercial España, S.A.U.	Fluidra Latam Export, LLC	Fabtronics Australia PTY LTD
Fluidra Global Distribution, S.L.U.	Fluidra USA, LLC	SRS Australia, PTY LTD
Fluidra Export, S.A.	Taylor Water Technologies, LLC	Sunbather PTY LTD
Fluidra Finco, S.L.U.	Custom Molded Products, LLC	
I.D. Electroquímica, S.L.U.	SR Smith, LLC	**Other countries (approx. 23.5%)**
Innodrip, S.L.U.		
Inquide, S.A.U.	**France (25.83%)**	
Poltank, S.A.U.	ZPES Holdings, S.A.S.	
Sacopa, S.A.U.	Fluidra Commercial France, S.A.S.	
Talleres del Agua, S.L.U.	Fluidra Industry France, S.A.S.	
Trace Logistics, S.A.U.	Piscines Techniques 2000, S.A.S.	
Unistral Recambios, S.A.U.	Poolweb, S.A.S.	
	Zodiac International, S.A.S.	
	Zodiac Pool Care Europe, S.A.S.	

Income tax expense

The relationship between profit from continuing activities and income tax expense is as follows:

	Thousands of euros	
	2023	2022
Profit for the year before tax from continuing operations	158,144	225,113
Profit at 25%	39,536	56,278
Effect of applying effective tax rates in other countries	(3,944)	2,421
Permanent differences	975	247
Offsetting of unrecognised loss carryforwards from prior years	(2,075)	(521)
Tax effect of unused loss carryforwards in current year	1,037	731
Differences in the income tax expense from prior years	1,354	(7,194)
Withholding at source on income earned abroad	455	168
Provision for taxes	705	3,603
Tax deductions generated in the year	(3,227)	(3,477)
Deferred taxation of dividends	5,476	3,082
Effect of the change in the tax rate	372	1,593
Other	629	3,779
Income tax expense	41,293	60,710

Details of the corporate income tax expense are as follows:

	Thousands of euros	
	2023	2022
Current tax	49,246	78,886
for the year	52,473	82,363
Tax deductions	(3,227)	(3,477)
Prior years' adjustments	1,354	(7,194)
Provision for taxes	705	3,603
Other/ Withholding at source on income earned abroad	455	168
Deferred taxes	(10,467)	(14,753)
Origination and reversal of temporary differences	(752)	(21,879)
Tax credit for unused tax loss carryforwards and deductions	(10,087)	5,533
Effect of the change in the tax rate	372	1,593
Total income tax expense	41,293	60,710

Deferred tax assets

Details of changes in deferred tax assets are as follows:

	Thousands of euros							
	31/12/2022	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	Transfers	31/12/2023
Provisions for employee obligations	10,217	(13,564)	(1,420)	—	—	6,248	7,391	8,872
Provision for warranties and other provisions	29,286	(552)	(227)	—	—	(98)	(835)	27,574
Obligations for discounts, rebates and customer rewards	7,636	(193)	(131)	—	—	(259)	—	7,053
Inventories	17,412	(698)	—	—	—	(143)	(7,199)	9,372
Other items	34,268	(4,286)	(1,248)	—	—	(1,743)	(11,906)	15,085
Tax loss carryforwards and deductions	24,232	10,087	—	—	—	(347)	271	34,243
TOTAL	123,051	(9,206)	(3,026)	—	—	3,658	(12,278)	102,199

	Thousands of euros							
	31/12/2021	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	Transfers	31/12/2022
Provisions for employee obligations	8,910	436	2	—	12	857	—	10,217
Provision for warranties and other provisions	37,735	(3,180)	554	—	198	746	(6,767)	29,286
Obligations for discounts, rebates and customer rewards	7,402	(441)	213	—	—	462	—	7,636
Inventories	13,074	4,406	382	—	—	(923)	473	17,412
Other items	16,732	7,340	(410)	(1,692)	—	2,287	10,011	34,268
Tax loss carryforwards and deductions	27,227	(5,533)	—	—	—	2,538	—	24,232
TOTAL	111,080	3,028	741	(1,692)	210	5,967	3,717	123,051

• Provisions for obligations with employees

This heading includes the tax impact of the difference between accounting and tax criteria relating to the Group's obligations with its employees for future remuneration payable on retirement, proportional extraordinary payments, provision for accrued and unpaid holidays, as well as the amounts accrued for the long-term variable remuneration that are paid in Fluidra, S.A. shares to the Group's executive directors and management team.

These expenses are recorded on an accruals basis and are deductible for tax purposes in a subsequent period in most jurisdictions when the obligations are paid.

In January 2023, shares relating to the 2018-2022 plan were paid, tax deductions were made and the corresponding deferred asset was reversed.

In the US, the deductible amount differs from the amount recognised and therefore an amount of €6,083 thousand has been recorded under Exchange gains/(losses)/Other for the excess between the cumulative amount recognised and the actual deductible amount, the balancing entry for which has been recognised directly in equity.

• Provision for warranties and other provisions

Accounting provisions that do not have a tax effect until they are applied for their intended purpose in a year following their recognition. There is therefore a difference between accounting and taxation with a knock-on effect on deferred taxes.

• Obligations for discounts, rebates and customer rewards

This item records the tax impact of the difference between accounting and tax criteria relating to the variable consideration for product sales with regard volume rebates and discounts under customer contracts.

• Inventories

Most of the opening and closing deferred tax balance for this item relates to the internal elimination when consolidating the margin obtained on purchases and sales of inventories between Group companies.

There are also some differences arising from the difference in the tax and accounting accrual of impairment losses on inventories in some jurisdictions.

• Other items

Most of these items are expenses that are not deductible in the year in which they are recorded but in a later year, due to differences between the accounting and tax amortisation and depreciation of property, plant and equipment and intangible assets.

This caption also includes deferred tax relating to differences between the accounting and tax criteria for transaction costs.

• Tax loss carryforwards and deductions

Tax loss carryforwards and deductions amounting to €2,158 thousand and capitalised in prior years were utilised in 2023 (€6,377 thousand in 2022). In addition, €12,245 thousand of tax loss carryforwards have been capitalised in 2023, of which €12,227 thousand relate to the temporary measure included in Law 38/2022, which limits the individual tax loss carryforwards of each of the entities comprising the Spanish tax group to 50%. This amount will be spread over the ten following tax periods in equal parts. In the year ended 31 December 2022, €843 thousand were capitalised.

In the business combination with the Zodiac Group, €44,995 thousand in tax loss carryforwards were recorded from the group's French companies. Projections for the French companies as a merged group and the synergies obtained by integrating these businesses reasonably support the recovery of these tax loss carryforwards in a period of less than ten years. At 31 December 2023, €18,115 thousand are pending application.

Details of the most relevant amounts of deferred tax assets corresponding to taxable income pending offset, totalling €33,911 thousand, are as follows: €12,227 thousand relate to the Spanish tax group, €18,115 thousand to ZPES Holdings, S.A.S., parent of the French tax group, €3,015 thousand relate to Zodiac Pool Solutions, LLC for the California state tax (United States) and €347 thousand relate to Fluidra Brasil. In the year ended 31 December 2022, deferred tax assets relating to tax losses pending offset stood at €24,204 thousand.

Capitalised deductions total €332 thousand (€28 thousand in 2022).

Deferred tax assets, unused tax loss carryforwards and deductions not recorded in the interim condensed consolidated financial statements of the Group are as follows:

	Thousands of euros	
	2023	2022
Deductions	101	—
Tax loss carryforwards	4,852	4,927
	4,953	4,927

Deferred tax liabilities

Details of changes in deferred tax liabilities are as follows:

	Thousands of euros							
	31/12/2022	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	Transfers	31/12/2023
Property, plant and equipment and investment property	(7,433)	294	221	—	—	201	(5)	(6,722)
R&D expenses	(17,822)	1,521	(22)	—	—	(2,096)	12,933	(5,486)
Business combinations	(181,630)	14,940	2,326	—	(5,107)	3,296	(1,033)	(167,208)
Deferred taxation of dividends	(14,938)	4,038	—	—	—	—	—	(10,900)
Other items	(20,238)	(747)	129	5,167	(195)	1,739	383	(13,762)
Total	(242,061)	20,046	2,654	5,167	(5,302)	3,140	12,278	(204,078)

	Thousands of euros							
	31/12/2021	Losses and gains	Effect of interest rate change on P&L	Equity	Business combinations	Exchange gains/(losses) / Other	Transfers	31/12/2022
Property, plant and equipment and investment property	(7,578)	(628)	(164)	—	(30)	967	—	(7,433)
R&D expenses	(14,900)	(1,454)	(372)	—	—	(1,096)	—	(17,822)
Business combinations	(180,957)	16,732	(1,794)	—	(2,872)	(9,495)	(3,244)	(181,630)
Deferred taxation of dividends	(11,855)	(3,083)	—	—	—	—	—	(14,938)
Other items	(7,266)	1,751	(3)	(13,413)	(102)	(732)	(473)	(20,238)
Total	(222,556)	13,318	(2,333)	(13,413)	(3,004)	(10,356)	(3,717)	(242,061)

- Property, plant and equipment and investment property

Certain items have a higher rate of tax depreciation than accounting depreciation and this generates deferred tax in years when the tax expense is higher than the accounting expense and a reduction in deferred tax when the opposite happens.

- R&D expenses

This line includes the tax impact of the differences between the accounting and tax criteria for R&D project expenses, as accelerated depreciation of R&D projects is allowed in some jurisdictions.

- Business combinations

Business combinations have taken place in previous years, as described in Note 5 to the consolidated financial statements.

Deferred tax assets of a significant amount have arisen as a result of allocating the acquisition price to the resulting assets recognised in the balance sheet.

In some jurisdictions, goodwill arising on certain acquisitions can be amortised for tax purposes, even though it cannot be amortised for accounting purposes. The tax effect of this difference between accounting and tax criteria therefore generates a deferral that is included in this section.

- Deferred taxation of dividends

The General State Budget Act of 31 December 2020 stipulated a reduction in the dividend exemption in Spain from 100% to the current 95%.

A corresponding deferred tax liability is therefore recognised for the potential taxation in Spain of profits distributed by subsidiaries, calculated on the total profit contributed by the companies on a consolidated basis. This deferred liability is reversed as the subsidiaries' profits/(loss) are distributed, and the profits are then effectively taxed in Spain as dividends.

- Other items

These are tax expenses and/or reductions in the tax base that have no related accounting expense. When they result in a reduced tax burden, a corresponding deferred tax liability is recognised. For example: the accelerated depreciation of certain finance leases, the deferral of capital gains arising from the transfer of property, plant and equipment, or temporary differences arising from income recognised directly in equity, such as measurement adjustments to financial instruments.

The reconciliation of current tax with current net income tax liabilities is as follows:

	Thousands of euros	
	2023	2022
Current tax	49,246	78,886
Withholdings and payments made on account during the year	(32,156)	(69,680)
Other	(341)	(2,275)
Provisions for taxes	346	3,729
Exchange gains/(losses)	(150)	(146)
Additions from business combinations	415	1,862
Liabilities derecognised due to the sale of Group companies	—	(37)
Tax payable in 2022	7,725	—
Tax payable in 2021	—	(7,908)
	25,085	4,431

Inspections, litigation and other tax information

Fluidra Commerciale Italia, S.P.A., W.I.T. Egypt, Egyptian Limited Liability Company, Fluidra Egypt, Egyptian Limited Liability Company, Zodiac Pool Care Europe, S.A.S., Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH, (Meranus Haan), Astral India Private LImited and Fluidra Indonesia are currently undergoing inspections which are not expected to result in significant liabilities for the Group.

In general terms, and in relation to the most relevant countries, the following years are open to inspection:

Country	Years
Spain	From 2019 to 2023
United States	From 2020 to 2023
Australia	From 2019 to 2023
France	From 2020 to 2023

The Group companies' directors believe that if additional tax inspections were to take place, it is unlikely that contingent liabilities would arise, and the additional tax payable, if any, would not have a significant impact on the consolidated financial statements.

Pillar 2 - Global minimum tax

Pillar 2 legislation has been enacted, or substantially enacted, in certain jurisdictions the Group operates in. The legislation shall come into force for the Group in years starting on 1 January 2024. The Group has performed an analysis to calculate whether it is potentially exposed to Pillar 2 taxes.

This analysis of Pillar 2 taxes is based on the most recent tax returns, country by country reports and the financial statements of the Group's companies. In line with this analysis, effective Pillar 2 tax rates in most of the jurisdictions the Group operates in are above 15%. There are however a limited number of jurisdictions where the transitional safe harbour exemption does not apply and the effective Pillar 2 tax rate is below 15%. The Group does not expect significant exposure to Pillar 2 taxes in these jurisdictions.

29. Related party balances and transactions

The breakdown of balances receivable from and payable to related parties and associates and their main characteristics is as follows:

	Thousands of euros			
	31.12.2023		31.12.2022	
	Receivable balances	Payable balances	Receivable balances	Payable balances
Customers	353	—	334	—
Receivables	—	—	41	—
Suppliers	—	958	—	710
Payables	—	—	—	—
Total current	353	958	375	710

a) Consolidated Group transactions with related parties

Current related-party transactions correspond to the Group's normal trading activity, have been carried out on a reasonable arm's length basis and mainly include the following transactions:

- Purchases of finished products, specifically spas and accessories from Iberspa, S.L. (with ownership interest by Boyser, S.R.L., Edrem, S.L., Dispur, S.L. And Aniol, S.L.).
- Sales of necessary components and materials produced by the Group to manufacture spas for Iberspa, S.L.
- Rendering of services by the Group to Iberspa, S.L.

The nature of the relationship with the above-mentioned related parties is the existence of significant shareholders in common.

The amounts of the consolidated Group transactions with related parties are as follows:

	Thousands of euros			
	31.12.2023		31.12.2022	
	Associates	Related parties	Associates	Related parties
Sales	622	1,412	655	1,594
Income from services	97	230	116	249
Purchases	(226)	(6,763)	(336)	(8,069)
Expenses for services and other	—	(39)	—	(138)

b) Information on the Parent company's Directors and the Group's key management personnel

No advances or loans have been given to key management personnel or Directors.

The remuneration earned by key management personnel and Directors of the Company is as follows:

	Thousands of euros	
	2023	2022
Total key management personnel	6,570	6,656
Total Directors of the Parent company	5,346	5,464

The members of the Parent company's Board of Directors have earned €1,489 thousand in 2023 (€1,337 thousand in 2022) from the consolidated companies in which they act as board members. Additionally, for the performance of executive duties, they have earned €3,724 thousand in 2023 (€4,007 thousand in 2022). Executive duties includes payment in kind relating to vehicles, life insurance, medical insurance and income from share plans. Similarly, the members of the Board of Directors have received €133 thousand in compensation for travel expenses in 2023 (€120 thousand in 2022).

The Company has life insurance policies involving an expense of €69 thousand in the year ended 31 December 2023 (€68 thousand in the same period in 2022). These life insurance policies comprise an income supplement in the event of total permanent invalidity.

Furthermore, the Company has made contributions to benefit plans and pension plans of €145 thousand (€149 thousand in 2022).

During the year ended 31 December 2023, Fluidra, S.A. (the parent company of the Group to which the company belongs) paid the annual civil liability insurance premiums for Group Directors and executives to cover possible damages and/or claims from third parties during the exercise of their duties amounting to €152 thousand (€160 thousand in 2022), with all Group Directors and executives covered by these policies.

The Group's key management includes the executives that answer directly to the Board of Directors or the company's CEO, as well as the internal auditor.

On 9 June 2022, the General Meeting of Shareholders approved a new long-term variable remuneration plan for executive directors and the management team of Fluidra, S.A. and the subsidiaries comprising the consolidated group, including the delivery of Fluidra, S.A., shares.

The 2022-2026 covers a five year period from 1 January 2022, with effect from the date of approval of the plan by the General Shareholders' Meeting, until 31 December 2026, without prejudice to the effective settlement of the plan’s last cycle which will take place during June 2027.

The 2022-2026 plan entails the concession of a certain number of PSUs (point of sale units) which will be taken as a reference to determine the final number of shares to be delivered to the beneficiaries after a certain period of time, provided that certain strategic objectives of the Fluidra Group are met and the requirements set forth in the Regulations are fulfilled.

The plan is divided into three independent cycles and will have three grant dates for the target incentive to be received in the event of 100% compliance with the targets to which it is linked, each of which will take place in 2022, 2023 and 2024, respectively.

Each cycle has a target measurement period of three years, starting on 1 January of the year in which the cycle starts and ending three years after the start date of the cycle measurement period, i.e. 31 December of the year in which the cycle measurement period ends.

After the end of the measurement period of each cycle, the incentive linked to each cycle will be decided and each beneficiary will be entitled to receive the incentive depending on the degree of fulfilment with the objectives set for the relevant cycle.

The incentive linked to each plan cycle will be settled in June of the financial year following the end of the measurement period, following approval of the annual accounts for the year in which the measurement period of the relevant cycle ends.

In order for the beneficiary to consolidate the right to receive the incentive corresponding to each cycle of the 2022-2026 plan, he/she must remain in the Fluidra Group until the end date of the cycle's measurement period, notwithstanding the special cases of disengagement set out in the Regulations, and the objectives to which each cycle of the 2022-2026 plan is linked must be met in accordance with the following terms and conditions:

- Shareholder value creation targets;
- Financial targets, and
- ESG-linked targets (environment, social and governance).

In particular, the plan’s first and second cycles are linked to the meeting of the following strategic targets;

a) Evolution of the “Total Shareholder Return” of Fluidra (TSR) , in absolute terms;

b) Evolution of the Fluidra Group’s EBITDA;

c) S&P rating

For the purposes of measuring the evolution of TSR, the initial value is taken as the weighted average of Fluidra's share price at the close of the stock market sessions on the thirty days prior to the start date of the first cycle's measurement period, and the final value shall be taken as the weighted average of Fluidra's share price at the close of the stock market sessions on the thirty days prior to the end date of the first cycle's measurement period.

For the plan's third cycle, Fluidra's Board of Directors, at the proposal of the Appointments and Remuneration Committee, may decide to maintain or amend the metrics set out for the first and second cycle.

The maximum amount earmarked for the plan's three cycles as a whole in the event of 100% compliance with the targets to which it is linked is fixed at €55 million. The maximum number of shares included in the plan is the result of dividing the maximum amount allocated to each cycle by the weighted average share price at the close of the stock market sessions on the thirty days prior to the starting date of the relevant cycle's measurement period.

If the maximum number of shares allocated to the plan authorised by the General Shareholders' Meeting is not sufficient to settle the incentive in shares corresponding to the beneficiaries under each cycle of the plan, Fluidra shall pay in cash the excess incentive that cannot be settled in shares.

At 31 December 2023, the best estimate of the fair value of the plan's total amount comes to approximately €30,536 thousand, which will be settled in full in equity instruments. At 31 December 2023, an equity increase was recorded in this respect for the amount of €8,142 thousand.

On 27 June 2018 the General Meeting of Shareholders approved a long-term variable remuneration plan for executive directors and the executive team of Fluidra, S.A. and the subsidiaries comprising the consolidated group. This plan included the delivery of Fluidra, S.A., shares, taking place following the merger.

The 2018-2022 plan entailed the concession of a certain number of PSUs (point of sale units) which were taken as a reference to determine the final number of shares to be delivered to the beneficiaries after a certain period of time, provided that certain strategic objectives of the Fluidra Group were met and the requirements set forth in the Regulations were fulfilled.

The specific number of shares in Fluidra, S.A. in terms of the PSUs on concession and attached to the compliance of the financial targets, were established based on the following metrics:

a) The evolution of Fluidra, S.A.'s Total Shareholder Return (TSR) in absolute terms.

b) The evolution of the Fluidra Group's EBITDA.

c) For the purposes of measuring the evolution of the TSR, the initial value taken was the price per share in Fluidra, S.A. that was used to calculate the exchange equation resulting from the merger between the Fluidra and Zodiac Groups, i.e. €8. The target EBITDA was the amount resulting from the approved Fluidra, S.A. strategic plan.

The 2018-2022 plan covered the years from 1 January 2018 to 31 December 2021 and there is, therefore, an additional period of one year up to 31 December 2022 during which the beneficiaries will remain on the plan.

The maximum number of shares to be distributed under the 2018-2022 plan was 5,737,979 shares.

At 31 December 2022, an equity increase was recorded in this respect in the amount of €10,876 thousand.

In January 2023, this plan was settled and the relevant tax withholdings were recorded under the Equity-based payments heading for €31,661 thousand.

Furthermore, certain members of Zodiac Group management held payment agreements based on shares in the company Piscine Luxembourg Holdings 1 S.à r.l. (LuxCo) signed between both parties during the first half of 2017 (the Original Plan), The merger agreements between Fluidra and LuxCo stipulated the replacement of this Original Plan with an alternative plan (the Replacement Plan) in the terms signed between Rhône Capital L.L.C. and beneficiary management staff, in order for the plan to be aligned with, and not to preclude, the objectives and schedule of the 2018-2022 Incentive Plan to be implemented by Fluidra.

The plan was fully vested in 2022.

At 31 December 2022, an equity increase was recorded in this respect for the amount of €1,114 thousand, net of the tax effect.

a) Transactions performed by the Directors of the Parent company outside of its ordinary course of business or other than on an arm's length basis

During the years ended 31 December 2023 and 2022 the Directors of the Parent company have not carried out any transactions with the Company or with Group companies other than those conducted on an arm's length basis in the normal course of business.

b) Conflicts of interest concerning the Directors of the Parent company

Neither the Company's directors nor any persons related to them were party to any conflicts of interest requiring disclosure in these notes pursuant to the provisions of article 229 of the consolidated text of the Corporate Enterprises Act.

30. Environmental information

Fluidra has kept its commitment to optimise the natural resources that it uses in production processes and to promote alternative energies. Additionally, one of the main focuses of R&D projects is the responsible use of water.

The Directors estimate that there are no significant contingencies related to environmental improvement and protection and, therefore, no provision for risks and expenses has been recognised in any group company at 31 December 2023 or 2022.

No environmental grants have been received at 31 December 2023 or 2022.

31. Other commitments and contingencies

At 31 December 2023 and 2022 the Group has not presented any mortgage guarantees.

At 31 December 2023, the Group has presented guarantees to banks and other companies amounting to €9,495 thousand (€8,257 thousand in 2022), of which €799 thousand relate to technical guarantees (€782 thousand in 2022).

32. Auditors' and related Group companies' fees

Net fees accrued by Ernst & Young, S.L., auditor of the Group's consolidated annual accounts, for the years ended 31 December 2023 and 2022 for professional services are as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Audit services	698	731
Other assurance services	116	62
Total	814	793

Other assurance services includes, among others: the report on the system of internal control over financial reporting (SCIIF), the review report on non-financial information and the review of the consolidated report.

The amounts detailed in the above tables include the total fees for services rendered in the years ended 31 December 2023 and 2022, irrespective of the date of invoice.

Additionally, the professional services invoiced to the Group by other companies affiliated with Ernst & Young Global Limited during the years ended 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Audit services	836	854
Assurance services	—	2
Total	836	856

Other assurance services for the years ended 31 December 2022 includes work relating to certificates issued to meet legal requirements in corporate transactions in South Africa.

Additionally, net fees invoiced by auditors other than Ernst & Young, S.L. during the years ended 31 December 2023 and 2022 for professional services are as follows:

	Thousands of euros	
	31.12.2023	31.12.2022
Audit services	351	322
Other assurance services	38	51
Tax advisory services	291	318
Total	680	691

33. Information on late payment to suppliers

According to Law 31/2014 of 3 December establishing measures on combating late payment in commercial transactions, the information on late payment to suppliers in Spain is as follows:

	2023	2022
	Days	Days
Average payment period to suppliers	49.47	52.02
Ratio of transactions paid	52.88	55.00
Transactions payable ratio	22.00	20.50

	Amount (thousands of euros)	Amount (thousands of euros)
Total payments made	436,785	629,928
Total payments outstanding	54,303	59,402
Monetary amount of invoices paid within the maximum period set out in late payment legislation	243,953	310,708
Payments made within the maximum period as a percentage of total payments made	55.85 %	49.32 %

	Amount (number of invoices)	Amount (number of invoices)
Invoices paid within the maximum period set out in late payment legislation	30,644	33,840
As a percentage of all invoices	50.18 %	48.32 %

34. Events after the reporting period

No significant events have taken place subsequent to closing.

Appendix I

Fluidra, S.A. and Subsidiaries

Detail of the corporate name and purpose of the subsidiaries, associates and joint ventures directly or indirectly owned

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Subsidiaries accounted for using the full consolidation method

- AO Astral SNG, domiciled in Moscow (Russia), is mainly engaged in the marketing of swimming-pool materials.
- Aquacontrol, Gesellschaft für meß-, regel- und steuerungstechnik zur wasseraufbereitung gmbh, domiciled in Haan, (Germany), is mainly engaged in the production and distribution of measuring, control and regulation equipment for pools, water systems and waste water of all kinds.
- Astral Aqua Design Limited Liability Company, domiciled in Moscow (Russia), is mainly engaged in the distribution, design, installation and project management of fountains and ponds.
- Astral Bazénové Prislusentsvi, S.R.O., domiciled in Modletice - Doubravice (Czech Republic), is mainly engaged in the production and sale of chemical substances and other chemical products classified as toxic and very toxic.
- Astralpool Cyprus, LTD, domiciled in Limassol (Cyprus), is mainly engaged in the distribution of pool-related products.
- Astralpool Hongkong, CO., Limited, domiciled in Wang Chai (HongKong), is mainly engaged in the marketing of pool, water treatment and irrigation products.
- Astralpool (Thailand) Co., Ltd, (absorbing company of Fluidra (Thailand) Co., LTD), domiciled in Samuth Prakarn (Thailand), is mainly engaged in the marketing of pool, spa and irrigation products.
- Astralpool UK , Limited., domiciled in Fareham (England), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.
- Cepex Mexico, S.A. de C.V., domiciled in Mexico City (Mexico), is mainly engaged in the marketing of fluid handling products.
- Cepex S.A.U., domiciled in La Garriga (Barcelona, Spain), is mainly engaged in the manufacture and distribution of plastic material by injection systems or similar and, in particular, plastic parts for valves and the manufacture of plastic injection molds.
- Certikin International, Limited, domiciled in Witney Oxford (England), is engaged in the marketing of swimming-pool products.
- Certikin International (Ireland) , Limited, domiciled in Dublin (Ireland), is mainly engaged in providing financial advisory services in the acquisition of new shares..
- CMP Pool & Spa (Shanghai) Co, LTD, domiciled in Shanghai (China), is mainly engaged in production and processing of thermoplastic products, thermosetting plastics and related metal / support products, rubber products and electronic luminescent products supporting plastic products, cables, power devices and engines, a variety of plastic pump and valve products, control products, sales of the company's products manufactured in-house; the import and export, wholesale and other ancillary services related to the above products and their similar goods.
- Cover Pools Incorporated, domiciled in West Valley City (USA), is mainly engaged in the manufacture and distribution of automatic pool covers.
- Custom Molded Products, LLC (absorbing company of Del Industries, Inc.), domiciled in Newnan, Georgia (United States), is engaged in taking part in any legal act or activity whereby limited liability companies may be created under the Law and to engage in any and all activities required or incidental thereto.
- Custom Molded Products Shanghái, Inc., domiciled in Shanghai (China) is essentially engaged in the sale of bathroom equipment, plastic products, rubber products, electronic products and metal materials as well as the import and export of goods and technology.
- Fabtronics Australia , Pty Ltd, established in Braeside, Australia, has as its object the design and sale of electronic components.
- Fluidra Adriatic D.O.O., domiciled in Zagreb (Croatia) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for pool and water system maintenance.
- Fluidra Australia Pty Ltd, domiciled in Victoria (Australia), is mainly engaged in the purchase, sale and distribution of machinery, equipment, products and special equipment for pool and water system maintenance. It owns 100% of the share capital of Hurlcon Staffing Pty Ltd and Astral Pool Australia Pty Ltd.

- Fluidra Balkans JSC, domiciled in Plovdiv (Bulgaria) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for pool and water system maintenance.

- Fluidra Belgique, S.R.L., domiciled in Wavre (Belgium), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Fluidra BH D.O.O. Bijeljina, domiciled in Bijeljina (Bosnia and Herzegovina) is mainly engaged in selling swimming pool products.

- Fluidra Brasil Indústria e Comércio LTDA, domiciled in Itajaí (Brazil), is mainly engaged in the marketing, import, export and distribution of equipment, products and services for fluid handling, irrigation, swimming-pools and water treatment, as either partner or shareholder in other companies. Rendering of technical assistance services for machines, filters and industrial and electrical and electronic equipment. Rental of machines and industrial and/or electrical and electronic equipment.

- Fluidra Chile, S.A., domiciled in Santiago de Chile (Chile), is mainly engaged in the purchase and sale, assembly, distribution and marketing of swimming-pool, irrigation and water treatment and purification machinery, equipment and products.

- Fluidra Colombia, S.A.S., domiciled in Funza (Colombia), is engaged in the purchase and sale, distribution, marketing, import, export of all types of machinery, equipment, components and machinery parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification in general, built with both metal materials and any type of plastic materials and plastic derivatives.

- Fluidra Comercial España, S.A.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the manufacture, purchase, sale and distribution of all kinds of machinery, filters, instruments, accessories and specific products for swimming-pools, as well as for the treatment and purification of water in general, irrigation and fluid conduction, made of both metallic materials and all kinds of plastic materials and their transformation; as well as the construction and manufacture of all kinds of elements and products that can be manufactured with fibreglass, metal, vacuum thermoformed materials or injected materials.

- Fluidra Comercial Portugal Unipessoal, Lda., domiciled in São Domingos da Rana (Portugal), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Fluidra Commercial France, S.A.S., domiciled in Perpignan (France), is mainly engaged in the commercialisation of rotary and centrifugal pumps, electric motors and accessories, and the commercialisation of equipment for swimming pools and water treatment.

- Fluidra Commercial, S.A.U., domiciled in Sant Cugat de Vallés (Barcelona, Spain) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest, among other activities.

- Fluidra Commerciale Italia, S.P.A. (absorbing company of Agrisilos, S.R.L.), domiciled in Brescia (Italy), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.

- Fluidra Deutschland, GmbH., domiciled in Großostheim (Germany), is engaged in the distribution and sale of pool-related products and accessories.

- Fluidra Egypt, Egyptian Limited Liability Company, domiciled in Cairo (Egypt), is mainly engaged in the marketing of swimming-pool accessories.

- Fluidra Export, S.A.U., domiciled in Sant Cugat de Vallés (Barcelona, Spain), is engaged in both domestic and foreign marketing of all types of products and goods, mainly in the marketing of pool-related products, basically acquired from related parties.

- Fluidra Finco, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain), is engaged in the manufacture, purchase and sale and distribution of all types of products for swimming-pools, irrigation and water treatment and purification, as well as the marketing of such products both in the domestic market and abroad, and the representation of brands and commercial and industrial enterprises engaged in the manufacture of the aforementioned products.. The company is also engaged in investing in all types of business and enterprises, and advising, managing and administering the companies in which it holds an ownership interest

- Fluidra Global Distribution, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain) is engaged in the manufacture, purchase and sale and distribution of all types of machinery, equipment, components and machinery parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification in general, built with both metal materials and any type of plastic materials and plastic derivatives.

- Fluidra Group Australia, Pty Ltd, domiciled in Smithfield (Australia), is mainly engaged in the manufacture, assembly and distribution of pool equipment and other related products.

- Fluidra Hellas, S.A. domiciled in Aspropyrgos (Greece), is mainly engaged in the distribution of pool-related products.

- Fluidra Holdings Australia, Pty Ltd, domiciled in Smithfield (Australia) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Fluidra Holdings South Africa Pty Ltd, domiciled in Johannesburg (South Africa) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Fluidra India Private Limited (previously Astral India, Private Limited), the absorbing company of Certikin Swiming Pool Products India, Private Limited and Fluidra India, Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool materials and chemical water, spa and irrigation treatments.

- Fluidra Indonesia , PT, domiciled in Jakarta (Indonesia), has as its corporate purpose the import and distribution of products and equipment for swimming-pools, as well as chemical products and accessories.

- Fluidra Industry France, S.A.S., with registered offices in Perpignan (France), is mainly engaged in the manufacture of automatic covers for swimming pools of all types, as well as the purchase and sale of materials, accessories and products for swimming pools.

- Fluidra Kazakhstan Limited Liability Company, domiciled in Almaty City (Kazakhstan), is engaged in the purchase of swimming-pool material for subsequent sale in the domestic market.

- Fluidra Latam Export , LLC, domiciled in Wilmington (US), is mainly engaged in distributing pool materials in the Latin American market.

- Fluidra Magyarország, Kft, (absorbing company of Kerex Szerelö, KFT and Kerex Uksoda, KFT), domiciled in Budapest (Hungary), is mainly engaged in the marketing and assembly of machinery and accessories for swimming-pools, irrigation and water treatment and purification.

- Fluidra Malaysia SDN.BHD, domiciled in Selangor (Malaysia) is mainly engaged in the marketing of swimming-pool material.

- Fluidra Maroc, S.A.R.L., domiciled in Casablanca (Morocco), is engaged in the import, export, manufacture, marketing, sale and distribution of spare parts for swimming-pools, irrigation and water treatment.

- Fluidra México, S.A. DE CV, domiciled in Mexico City (Mexico) is engaged in the purchase and sale, import, export, storage, manufacture and, in general, marketing of all types of goods, equipment, components, machinery, accessories and chemical specialties for swimming-pools, irrigation and water treatment.

- Fluidra Middle East Fze, domiciled in Jebel Ali (Dubai), is engaged in the commercialisation of sand, gravel, stones, tiles, flooring materials, swimming pools, swimming pool and water treatment equipment and related accessories, water cooling and heating equipment, electronic instruments, pumps, motors, valves and spare parts, as well as fibreglass products.

- Fluidra Montenegro DOO domiciled in Podgorica (Montenegro) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.

- Fluidra (N.Z.) Limited, domiciled in North Shore City (New Zealand), is engaged in the distribution and sale of pool material.

- Fluidra Nordic AB, domiciled in Källered (Sweden) is mainly engaged in the purchase, sale, import, export of product categories and products relating to swimming-pools, water treatment and irrigation.

- Fluidra Österreich GmbH "SSA", domiciled in Grödig (Austria) is mainly engaged in the marketing of swimming-pool products.

- Fluidra Polska, SP. Z.O.O., domiciled in Wroclaw (Poland) is mainly engaged in the marketing of pool accessories.

- Fluidra Romania S.A., domiciled in Bucharest (Romania) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.

- Fluidra Serbica, D.O.O. Beograd, domiciled in Belgrade (Serbia) is mainly engaged in the marketing of swimming-pool material.

- Fluidra SI D.O.O., domiciled in Ljubljana (Slovenia) is mainly engaged in marketing pool-related goods, products and materials.

- Fluidra Singapore, PTE LTD, domiciled in Singapore (Singapore), is mainly engaged in the marketing of pool-related accessories.

- Fluidra Switzerland, S.A., domiciled in Bedano (Switzerland) is mainly engaged in the marketing of pool material.

- Fluidra Tr Su Ve Havuz Ekipmanlari AS, domiciled in Tuzla (Turkey), is engaged in the import of equipment, chemical products and other secondary materials necessary for swimming-pools, and their subsequent distribution.

- Fluidra Tunisie, S.A.R.L., with its registered office in El Manar (Tunisia), has as its main purpose the provision of manufacturing services and related activities aimed at promoting and strengthening the Fluidra Group's activity in Tunisia.

- Fluidra USA, LLC, domiciled in Jacksonville (USA), is engaged in the marketing of pool-related products and accessories.

- Fluidra Vietnam LTD, domiciled in Ho Chi Minh City (Vietnam) is engaged in advising, allocating and installing pool filtering systems and water applications, as well as the import, export and distribution of wholesale and retail products.

- Fluidra Waterlinx Pty, Ltd, domiciled in Johannesburg (South Africa), is mainly engaged in the manufacture and distribution of swimming-pools, equipment and spa and garden accessories.
- I.D. Electroquímica, S.L.U., domiciled in Alicante (Alicante, Spain), is engaged in the sale of all types of process development machines and eletrochemical reactors.
- Innodrip, S.L.U., domiciled in Sant Cugat del Vallés (Barcelona, Spain) is engaged in the rendering of services aimed at the sustainable use of water.
- Inquide, S.A.U., domiciled in Polinyà (Barcelona, Spain), is mainly engaged in the manufacture of chemical products and specialties in general, excluding pharmaceutical products.
- Manufacturas Gre, S.A.U., domiciled in Munguia (Vizcaya, Spain), is engaged in the manufacture and marketing of products, accessories and materials for swimming-pools, irrigation and water treatment and purification in general.
- Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH, (Meranus Haan), domiciled in Haan (Germany), is mainly engaged in the trade and production of pool and leisure equipment.
- Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen mbH, (Meranus Lauchhammer), domiciled in Lauchhammer (Germany), is mainly engaged in the trade and production of pool and leisure equipment.
- Ningbo Dongchuan Swimming Pool Equipment Co., LTD, domiciled in Ningbo (China), is engaged in the production and installation of swimming-pool equipment, brushes, plastic and aluminium products, industrial thermometer, water disinfection equipment and water testing equipment. Import and export of technology for own use or as an agent.
- Piscines Techniques 2000, S.A.S., domiciled in Perpignan (France), is engaged in the sale of spare parts for swimming-pools; the purchase and sale of swimming-pool equipment and used water systems; the sale, distribution, marketing, repair and maintenance of swimming-pool equipment, gardening, irrigation and water treatment; and technical advice to swimming-pool and water professionals.
- Poltank, S.A.U., domiciled in Sant Jaume de Llierca (Girona, Spain), whose corporate purpose is the construction of all kinds of elements that can be manufactured with fibreglass and, in particular, of elements or instruments, filters and accessories for water treatment, as well as their sale, distribution, marketing, export and import.
- Poolweb, SAS, domiciled in Chassieu (France), is engaged in the purchase and sale of equipment for pools and other business areas relating to water and relaxation, in providing technical assistance to professionals in this industry and to creating and selling IT programmes used in the aforementioned activities.
- SR Smith, LLC, domiciled in Canby, Oregon (United States), has as its corporate purpose to engage in any lawful act or activity that limited liability companies may engage in under Delaware law, including consulting, brokering, commissions or investments in other companies.
- Sacopa, S.A.U. (absorbing company of Productes Elastomers, S.A.), domiciled in Sant Jaume de Llierca (Girona, Spain), is mainly engaged in the processing, marketing and sale of plastic materials, as well as the manufacture, assembly, processing, purchase and sale and distribution of all types of lighting and decoration devices and tools. Foreign and domestic trading activities of all types of goods and products directly and indirectly related to the above products, their purchase and sale and distribution. Representation of domestic and foreign brands and commercial and industrial enterprises engaged in the manufacture of the aforementioned products.
- SIBO Fluidra Netherlands B.V., domiciled in Veghel (The Netherlands), has as its corporate purpose to act as a wholesale technician and to carry out all activities directly or indirectly related thereto; as well as to incorporate, participate in and direct the management, to have financial interests in other companies; and to provide administrative services. It owns 100% of the share capital of the German company SIBO Gmbh.
- SRS Australia , Pty LTD, domiciled in Brisbane, Queensland (Australia), is principally engaged in the sale of swimming-pool cover equipment and materials to both residential and commercial retail and wholesale customers.
- Sunbather Pty LTD, domiciled in Hastings, Victoria (Australia), is principally engaged in the manufacture and distribution of swimming-pool heating equipment and thermal pool covers..
- Swim & Fun Scandinavia ApS, domiciled in Roskilde, (Denmark), is principally engaged in wholesale trade transactions relating to swimming pools and water treatment.
- Talleres del Agua, S.L.U., domiciled in Los Corrales de Buelna (Cantabria, Spain), is engaged in the building, sale, installation, air-conditioning and maintenance of swimming-pools, as well as the manufacture, purchase and sale, import and export of all types of swimming-pool tools.
- Taylor Water Technologies LLC, domiciled in Sparks, Maryland (USA), is principally engaged in the manufacture and distribution of water testing solutions, testing stations and test strips for swimming-pools and plastic bottles.
- Trace Logistics North, B.V., domiciled in Veghel (Holland), is engaged in receiving third-party goods in consignment in its warehouses or premises for their storage, control and distribution to third parties at the request of its depositors; performing storage, depositing, loading and unloading duties

and any other function required for managing the distribution of these goods in accordance with the instructions of the depositors and arranging and managing transport.

- Trace Logistics, S.A.U., domiciled in Maçanet de la Selva (Girona, Spain), is engaged in receiving third-party goods in consignment in its warehouses or premises for their storage, control and distribution to third parties at the request of its depositors; performing storage, loading and unloading duties and other supplementary activities that are necessary for managing the distribution of these goods in accordance with the instructions of the depositors and arranging and managing transport.

- Turcat Polyester Sanayi Ve Ticaret A.S., (company in process of being wound up) domiciled in Tuzla (Turkey), is engaged in the production, import, export and marketing of products and accessories, purification filters and chemical products.

- Unistral Recambios, S.A.U., domiciled in Maçanet de la Selva (Girona), is engaged in the manufacture, purchase and sale and distribution of machinery, accessories, spare parts, parts and products for water treatment and purification in general.

- Veico. Com. Br Indústria e Comércio LTDA, domiciled in Ciudad de Itají, Estado de Santa Catarina, (Brazil), has as its corporate purpose the provision of administrative support, digitalisation of texts, electronic templates and forms in general, professional and managerial development courses and training, as well as the sale of machines and equipment.

- W.I.T. Egypt, Egyptian Limited Liability Company, domiciled in Cairo (Egypt), is mainly engaged in the marketing of swimming-pool accessories.

- Ya Shi Tu Swimming Pool Equipment (Shanghai) Co, Ltd, domiciled in Tower E, Building 18, nº 238, Nandandong Road, Xu Hui District (Shanghai), is mainly engaged in the marketing of swimming-pool products.

- Zodiac International, S.A.S., established in Belberaud (France), is principally engaged in the construction, purchase, sale and rental of space, maritime and air navigation equipment and objects made of rubberised or ungummed fabrics, as well as the manufacture and marketing of inflatables (boats or semi-rigid craft).

- Zodiac Pool Care Europe, S.A.S., domiciled in Belberaud (France), is engaged in the distribution and sale of pool-related products and accessories.

- Zodiac Pool Solutions, LLC, (absorbing company of SRS Holdco, LLC), domiciled in Carlsbad (USA) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

- Zodiac Pool Systems Canada, INC, domiciled in Vancouver (Canada), is engaged in the distribution and sale of pool-related products and accessories.

- Zodiac Pool Systems, LLC, domiciled in Carlsbad (USA), is mainly engaged in the manufacture and distribution of several Group brands relating to pool equipment.

- Zodiac Swimming Pool Equipment (Shenzen) Co, Ltd, domiciled in Shenzen (China), is mainly engaged in the rendering of technical services for pool and spa equipment; the distribution, sale, import and export of pool and spa products and elements and post-sales services.

- ZPES Holdings, S.A.S., domiciled in Belberaud (France) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

Associates consolidated using the equity method

- Astral Nigeria, Ltd., domiciled in Surulere-Lagos (Nigeria), is engaged in the marketing of swimming-pool products.

- Aspire Polymers Pty. LTD, domiciled in Mornington, Victoria (Australia), is principally engaged in the manufacture and distribution of a wide range of rubber rollers.

- Blue Factory S.R.L., domiciled in Milan (Italy), has as its corporate purpose the provision of consultancy services to both public and private entities related to project design and implementation, the development, implementation and marketing of innovative solutions and high-value technological services. In particular, designing new models of inclusive sport, leisure and recreational infrastructures, either ex novo, or through the remodelling of existing facilities and structures, characterised by environmental sustainability by achieving a positive social impact and inclusion through the involvement of families and different social classes; the execution of the developed projects; the provision of services related to the management, operation and maintenance of the developed infrastructures and all related services.

List of subsidiaries accounted for using the full consolidation method	% of ownership interest Direct	Indirect	
FLUIDRA FINCO, S.L.U	100.00%		
AO ASTRAL SNG		90.00%	
AQUACONTROL, GESELLSCHAFT FÜR MEß-, REGEL- UND STEUERUNGSTECHNIK ZUR WASSERAUFBEREITUNG GMBH		100.00%	(11)
ASTRAL AQUADESIGN LIMITED LIABILITY COMPANY		58.50%	
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.		100.00%	
ASTRALPOOL CYPRUS, LTD		100.00%	
ASTRALPOOL HONGKONG, CO., LIMITED		100.00%	
ASTRALPOOL THAILAND CO., LTD		99.00%	(7)
ASTRALPOOL UK LIMITED		100.00%	
CEPEX MEXICO, S.A. DE C.V.		100.00%	
CEPEX S.A.U.		100.00%	
CERTIKIN INTERNATIONAL (IRELAND) LIMITED		100.00%	
CERTIKIN INTERNATIONAL, LIMITED		100.00%	
CMP POOL & SPA (SHANGHAI) CO, LTD		100.00%	
COVER - POOLS INCORPORATED		100.00%	
CUSTOM MOLDED PRODUCTS LLC		100.00%	(3)
CUSTOM MOLDED PRODUCTS SHANGHAI INC.		100.00%	
FABTRONICS AUSTRALIA PTY LTD		100.00%	
FLUIDRA ADRIATIC D.O.O.		100.00%	
FLUIDRA AUSTRALIA PTY LTD		100.00%	(2)
FLUIDRA BALKANS JSC		61.16%	
FLUIDRA BELGIQUE, S.R.L.		100.00%	
FLUIDRA BH D.O.O. Bijeljina		60.00%	
FLUIDRA BRASIL INDÚSTRIA E COMÉRCIO LTDA		100.00%	
FLUIDRA CHILE, S.A.		100.00%	
FLUIDRA COLOMBIA, S.A.S		100.00%	
FLUIDRA COMERCIAL ESPAÑA, S.A.U.		100.00%	
FLUIDRA COMERCIAL PORTUGAL Unipessoal, LDA		100.00%	
FLUIDRA COMMERCIAL FRANCE, S.A.S.		100.00%	
FLUIDRA COMMERCIAL, S.A.U.		100.00%	
FLUIDRA COMMERCIALE ITALIA, S.P.A.		100.00%	(6)
FLUIDRA DEUTSCHLAND GmbH		100.00%	
FLUIDRA EGYPT, Egyptian Limited Liability Company		99.96%	
FLUIDRA EXPORT, S.A.U.		100.00%	
FLUIDRA GLOBAL DISTRIBUTION, S.L.U.		100.00%	
FLUIDRA GROUP AUSTRALIA PTY LTD		100.00%	
FLUIDRA HELLAS, S.A.		96.96%	
FLUIDRA HOLDINGS AUSTRALIA PTY LTD		100.00%	
FLUIDRA HOLDINGS SOUTH AFRICA PTY LTD		100.00%	
FLUIDRA INDIA PRIVATE LIMITED		100.00%	(5)
FLUIDRA INDONESIA PT.		100.00%	
FLUIDRA INDUSTRY FRANCE, S.A.S		100.00%	
FLUIDRA KAZAKHSTAN Limited Liability Company		70.00%	
FLUIDRA LATAM EXPORT LLC		100.00%	
FLUIDRA MAGYARORSZÁG Kft.		90.5%	95% (9) (12)

	% of ownership interest		
	Direct	Indirect	
List of subsidiaries accounted for using the full consolidation method			
FLUIDRA MALAYSIA SDN.BHD.		100.00%	
FLUIDRA MAROC, S.A.R.L.		100.00%	
FLUIDRA MEXICO, S.A. DE C.V.		100.00%	
FLUIDRA MIDDLE EAST FZE		100.00%	
FLUIDRA MONTENEGRO DOO		60.00%	
FLUIDRA N.Z. LIMITED		100.00%	
FLUIDRA NORDIC AB		100.00%	
FLUIDRA ÖSTERREICH Gmbh "SSA"		98.50%	
FLUIDRA POLSKA, SP. Z.O.O.		100.00%	
FLUIDRA ROMANIA S.A.		66.66%	
FLUIDRA SERBICA, D.O.O. BEOGRAD		60.00%	
FLUIDRA SI D.O.O		60.00%	
FLUIDRA SINGAPORE, PTE LTD		100.00%	
FLUIDRA SWITZERLAND, S.A.		100.00%	
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS		51.00%	
FLUIDRA TUNISIE, S.A.R.L.		100.00%	
FLUIDRA USA, LLC		100.00%	
FLUIDRA VIETNAM LTD		100.00%	
FLUIDRA WATERLINX PTY, LTD		100.00%	
I.D. ELECTROQUÍMICA, S.L.U.		100.00%	
INNODRIP, S.L.U		100.00%	
INQUIDE, S.A.U.		100.00%	
MANUFACTURAS GRE, S.A.U.		100.00%	
MERANUS GESELLSCHAFT FÜR SCHWIMMBAD- UND FREIZEITAUSRÜSTUNGEN GMBH ("MERANUS HAAN").		100.00%	(11)
MERANUS GESELLSCHAFT FÜR SCHWIMMBAD- UND FREIZEITAUSRÜSTUNGEN GMBH ("MERANUS LAUCHHAMMER")		100.00%	(11)
NINGBO DONGCHUAN SWIMMING POOL EQUIPMENT CO., LTD		70.00%	
PISCINES TECHNIQUES 2000, S.A.S.		100.00%	
POLTANK, S.A.U.		100.00%	
POOLWEB SAS		100.00%	
S.R. SMITH, LLC		100.00%	
SACOPA, S.A.U.		100.00%	(4)
SIBO FLUIDRA NETHERLANDS B.V.		100.00%	(2)
SRS AUSTRALIA Pty LTD		100.00%	
SUNBATHER Pty LTD		100.00%	
SWIM & FUN SCANDINAVIA, APS		100.00%	
TALLERES DEL AGUA, S.L.U.		100.00%	
TAYLOR WATER TECHNOLOGIES LLC		100.00%	
TRACE LOGISTICS NORTH BV		100.00%	
TRACE LOGISTICS, S.A.U.		100.00%	
TURCAT POLYESTER SANAYI VE TICARET A.S.		75.50%	(10)
UNISTRAL RECAMBIOS, S.A.U.		100.00%	
VEICO.COM.BR INDÚSTRIA E COMÉRCIO LTDA		100.00%	
W.I.T. EGYPT, Egyptian Limited Liability Company		99.95%	
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co, Ltd.		100.00%	

	% of ownership interest	
	Direct	Indirect
List of subsidiaries accounted for using the full consolidation method		
ZODIAC INTERNATIONAL SAS	100.00%	
ZODIAC POOL CARE EUROPE SAS	100.00%	
ZODIAC POOL SOLUTIONS LLC	100.00%	(8)
ZODIAC POOL SYSTEMS CANADA, INC.	100.00%	
ZODIAC POOL SYSTEMS LLC	100.00%	
ZODIAC SWIMMING POOL EQUIPMENT (SHENZHEN) CO.,LTD.	100.00%	
ZPES HOLDINGS SAS	100.00%	
List of associates consolidated using the equity method		
ASTRAL NIGERIA, LTD.	25.00%	(1)
ASPIRE POLYMERS Pty. LTD	50.00%	
BLUE FACTORY, S.R.L.	17.00%	
List of companies consolidated at cost		
DISCOVERPOOLS COM, INC.	11.00%	(1)
SWIM-TEC GmbH	25.00%	(14)

(1) Companies belonging to the Fluidra Commercial, S.A. and subsidiaries subgroup.

(2) Fluidra Australia Pty Ltd is a group of companies in which the parent fully owns the companies Astral Pool Australia Pty and Hurlcon Staffing Pty Ltd. Sibo Fluidra Netherlands, B.V. owns 100% of the share capital of the German company SIBO Gmbh.

(3) Absorbing company of Del Industries Inc.

(4) Absorbing company of Productes Elastomers, S.A.

(5) Absorbing company of Certikin pools India, Private Limited and Fluidra India, Private Limited.

(6) Absorbing company of Agrisilos S.R.L.

(7) Absorbing company of Fluidra Thailand co, LTD.

(8) Absorbing company of SRS Holdco, LLC.

(9) Absorbing company of Kerex Uszoda, Kft., and Kerex Szerelö, Kft., both acquired in the year ended 31 December 2023.

(10) Company in the process of being wound up.

(11) Companies acquired during the year ended 31 December 2023.

(12) Companies that are fully integrated in the interim consolidated financial statements, and the carrying amount of their non-controlling interest has no longer been recognised.

(13) In the year ended 31 December 2023, the following companies have been wound up: Fluidra Nordic A/S, Fluidra Cyprus LTD, Fluidra Al Urdoun FZ. and Lagheto France S.A.R.L.

(14) 12.5% of the company owned by Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen Gmbh ("Meranus Haan") and12.5% by Meranus Gesellschaft für Schwimmbad- und Freizeitausrüstungen Gmbh ("Meranus Lauchhammer").

Appendix II

Fluidra, S.A. and Subsidiaries

Details of segment results for the year ended 31 December 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	SHARED SERVICES	Adjustments & eliminations	Total consolidated figures
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023
Sales to third parties	933,493	851,954	54,496	210,765	—	—	2,050,708
Inter-segment sales	75,736	5,021	416,689	1,675	—	-499,121	—
Segment sales of goods and finished products	**1,009,229**	**856,975**	**471,185**	**212,440**	**—**	**-499,121**	**2,050,708**
EBITDA (1)	**172,244**	**224,109**	**74,506**	**47,217**	**-73,403**	**370**	**445,043**
Depreciation and amortisation expenses and impairment losses	-26,802	-27,547	-21,200	-9,693	-32,346	-40,232	-157,820

(1) As well as the financial information prepared under IFRS-EU, 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.

This appendix is an integral part of Note 4 to the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the years ended 31 December 2023 and 2022, prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries
Details of segment results for the year ended 31 December 2022
(Expressed in thousands of euros)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	SHARED SERVICES	Adjustments & eliminations	Total consolidated figures
	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022
Sales to third parties	1,048,691	1,025,584	76,474	237,097	1,359	—	2,389,205
Inter-segment sales	117,326	11,627	471,890	1,677	533	-603,053	—
Segment sales of goods and finished products	**1,166,017**	**1,037,211**	**548,364**	**238,774**	**1,892**	**-603,053**	**2,389,205**
EBITDA (1)	**214,001**	**235,084**	**80,118**	**47,336**	**-66,109**	**1,296**	**511,726**
Depreciation and amortisation expenses and impairment losses	-24,487	-26,393	-16,517	-20,750	-19,445	-57,793	-165,385

(1) As well as the financial information prepared under IFRS-EU, 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.

This appendix is an integral part of Note 4 to the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the years ended 31 December 2023 and 2022, prepared in accordance with IFRS as adopted by the European Union.

Appendix III

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities for the year ended 31 December 2023

(Expressed in thousands of euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	SHARED SERVICES	Adjustments & eliminations	Total consolidated figures
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023
NON-CURRENT ASSETS							
Property, plant and equipment	34,373	51,346	82,721	9,732	7,164	—	185,336
Property, plant and equipment in Spain	5,894	—	79,594	—	7,164	—	92,652
Inventories	112,984	152,211	157,538	43,339	—	-39,011	427,061
Trade and other receivables	102,225	102,989	13,859	40,504	15,694	-1,915	273,356
Trade and other payables	66,874	112,315	55,099	38,262	56,261	578	329,389
Net assets for segment	**182,708**	**194,231**	**199,019**	**55,313**	**-33,403**	**-41,504**	**556,364**

This appendix is an integral part of Note 4 to the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the years ended 31 December 2023 and 2022, prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities for the year ended 31 December 2022
(Expressed in thousands of euros)

	EMEA	NORTH AMERICA	OPERATIONS	APAC	SHARED SERVICES	Adjustments & eliminations	Total consolidated figures
	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022
NON-CURRENT ASSETS							
Property, plant and equipment	31,038	57,897	79,202	9,630	6,272	—	184,039
Property, plant and equipment in Spain	5,787	—	76,893	—	6,272	—	88,952
Inventories	134,043	252,672	194,679	59,908	—	-42,209	599,093
Trade and other receivables	94,967	89,878	19,413	45,411	36,339	-1,200	284,808
Trade and other payables	70,143	112,179	54,974	33,600	46,020	51	316,967
Net assets for segment	**189,905**	**288,268**	**238,320**	**81,349**	**-3,409**	**-43,460**	**750,973**

This appendix is an integral part of Note 4 to the interim condensed consolidated financial statements of Fluidra, S.A. and subsidiaries for the years ended 31 December 2023 and 2022, prepared in accordance with IFRS as adopted by the European Union.

General business outlook

Fluidra Group's turnover at the December 2023 reporting date stands at €2,051 million, down 14% on the previous year.

There has been an 18% drop in changes in inventories of finished products and work in progress and raw material supplies, improving the sales ratio in this heading.

Operating profit has decreased by €68 million, caused by lower turnover.

The decreases of 7% in the Personnel expenses heading and 7.5% in the Other operating expenses heading are both lower than turnover, due to the negative operating leverage caused by the decrease in sales.

Amortisation and depreciation expenses and impairment losses drop from 165.4 to 157.8 million, due to the downward effect of the amortisation of intangible assets arising on acquisitions.

The financial result is down from €-79.3 million in 2022 to €-77.9 million in 2023. It is important to remember the extraordinary impact of the refinancing expenses amounting to €11.7 million last year, which offset the increased finance cost caused by the rise in debt during the year. It is also important to note the stabilisation of exchange gains/(losses) compared to last year, which decrease from €-13.9 million in 2022 to €-7.5 million in 2023.

Net profit attributed to the Parent has decreased from €159.9 million to €113.8 million, due mainly to lower sales. In percentage terms, it drops from 6.7% to 5.6%.

The Group's consolidated balance sheet shows a decrease in inventories of €172 million, normalising the extraordinary effects of inventory accumulation during 2022, and a decrease in other intangible assets of €70 million as a result of the amortisation of intangible assets arising on acquisitions.

Net debt (including lease liabilities) decreases from €1,319.1 million to €1,172.3 million, due to the effects of the inventory normalisation explained above.

Further information on the business outlook for 2023 can be found in the 2023 Results presentation document available on the company’s website in the Shareholders and Investors section.

There are 361 employees less compared to the same period in the prior year due mainly to less activity. The headcount at 31 December 2023 is 6,420 people, with 65% of male staff and 35% female.

Fluidra has kept its commitment to optimise the natural resources that it uses in production processes and to promote alternative energies. Additionally, one of the main focuses of R&D projects is the responsible use of water.

Details of related-party transactions can be found in Note 29, Related-party balances and transactions, within the interim financial statements.

On 27 February 2024, Fluidra, S.A.'s Board of Directors authorised for issue the interim condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (which comprise the interim condensed consolidated statements of financial position, the interim condensed consolidated income statements, the interim condensed consolidated statements of comprehensive income, the interim condensed consolidated statements of changes in equity, the interim condensed consolidated cash flow statements and the notes thereto) for the years ended 31 December 2023 and 2022, in accordance with article 12 of Royal Decree 1362/2007.

In witness whereof, all Directors sign in agreement below.

Mr. Eloy Planes Corts	Mr. Bruce Walker Brooks
Ms. Esther Berrozpe Galindo	Ms. Barbara Borra
Mr. Jorge Valentín Constans Fernández	Mr. Bernardo Corbera Serra
Mr. Bernat Garrigós Castro	Ms. Aedhmar Hynes
Mr. Michael Steven Langman	Mr. Brian McDonald
Mr. Manuel Puig Rocha	Mr. Oscar Serra Duffo
Mr. José Manuel Vargas Gómez	

LIABILITY STATEMENT OF COMPANY DIRECTORS FOR THE PURPOSES ENVISAGED UNDER ARTICLE 11.1.b) OF SPANISH ROYAL DECREE 1362/2007 OF 19 OCTOBER (REAL DECRETO 1362/2007)

The members of the Board of Directors of Fluidra, S.A. (the "**Company**"), at the meeting of the Board of Directors held on 27 February 2024, state that, to the best of their knowledge, the condensed consolidated financial statements corresponding to the second half of 2023, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the companies that fall within the consolidated group taken as a whole, and that the interim management report includes a fair review of the information required.

In Sant Cugat del Vallès, 27 February 2024

Mr. Eloy Planes Corts	Mr. Bruce Walker Brooks
Ms. Esther Berrozpe Galindo	Ms. Barbara Borra
Mr. Jorge Valentín Constans Fernández	Mr. Bernardo Corbera Serra
Mr. Bernat Garrigós Castro	Ms. Aedhmar Hynes
Mr. Michael Steven Langman	Mr. Brian McDonald
Mr. Manuel Puig Rocha	Mr. Oscar Serra Duffo
Mr. José Manuel Vargas Gómez	