

FLUIDRA, S.A.

Annual Financial Report

31 December 2022

(Together with the Independent Audit Report thereon)

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

**Audit Report on Financial Statements
issued by an Independent Auditor**

**Fluidra, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2022**

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of Fluidra, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of Fluidra, S.A. (the Company), which comprise the balance sheet as at December 31, 2022, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of investments in equity instruments of group companies and associates

Description	<p>At December 31, 2022 the Company has investments in equity instruments in group companies and associates amounting to 1,449 million euros, as indicated in Note 7.</p> <p>The determination of the recoverable amounts of the investments in equity instruments in group companies and associates is based on Management estimates that entail using cash flow projections based on current results and expectations for the development of each market, growth rates, profitability, discount rates, tax rates and other assumptions used in the impairment tests, which are described in Notes 3 e) ix. and 7 to the accompanying financial statements.</p> <p>Consequently, given the significance of the amount involved and the complexity of the judgments used in the determination of certain assumptions considered by Management in the annual impairment tests, we have considered this area a key audit matter.</p>
Our response	<p>Our audit procedures for this area consisted, among others, in:</p> <ul style="list-style-type: none">▶ Understanding the processes established by Company Management in the determination of the correct measurement of the investments in equity instruments in group companies and associates, including the assessment of the design and implementation of relevant controls.▶ Reviewing the analysis made by the Company Management to identify any indication that the investments in group companies and associates may be impaired.▶ Reviewing the reasonableness of the main assumptions used, in collaboration with our valuations experts, as well as the methodology followed for projecting results, comparing also these assumptions with those used in prior years and understanding the reasons for possible changes; additionally, verifying the level of compliance of projections with actual data from prior years.▶ Comparing the carrying amounts of the Company's financial investments with their corresponding amounts of the resulting equity in the most recent audited financial statements, as well as discussing the associates' performance and prospects with Management.▶ Reviewing the disclosures included in the notes to the financial statements required by the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2022 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

- a) Checking only that the non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2022 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Fluidra, S.A. for the 2022 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Fluidra, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Board remuneration report have been incorporated by reference in the management report.

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on March 29, 2023.

Term of engagement

The ordinary general shareholders' meeting held on May 5, 2022 appointed us as auditors for 3 years, commencing on December 31, 2022.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the financial statements continuously since December 31, 2016.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Daniel Artigas

March 30, 2023

ANNUAL ACCOUNTS

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FLUIDRA, S.A.
Individual Annual Accounts
31 December 2022

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FLUIDRA, S.A.

Balance sheet

31 December 2022 and 2021

(Expressed in thousands of euros)

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

<u>Assets</u>	<u>Notes</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
Intangible assets	Note 4	9,829	14,071
Property, plant and equipment	Note 5	6,268	4,785
Non-current investments in Group companies and associates	Note 7	1,448,934	1,441,426
Equity instruments		1,448,904	1,441,396
Loans to companies		30	30
Non-current investments	Note 8	1,301	1,315
Other financial assets		1,301	1,315
Deferred tax assets	Note 21	9,534	6,923
Total non-current assets		1,475,866	1,468,520
Trade and other receivables	Note 9	20,584	27,355
Current investments in Group companies and associates	Note 7	50,549	191,484
Loans to companies		12,541	11,601
Other financial assets		38,008	179,883
Current accruals		6,968	3,015
Cash and cash equivalents		37	37
Total current assets		78,138	221,891
TOTAL ASSETS		1,554,004	1,690,411
Equity			
Shareholders' equity	Note 10	1,451,694	1,527,780
Capital		192,129	195,629
Share premium		1,148,591	1,148,591
Reserves		93,688	381,921
Profit/(loss) for the year		129,978	(29,870)
Own shares and equity holdings		(112,692)	(168,491)
Grants, donations and bequests received		1,048	864
Total equity		1,452,742	1,528,644
Liabilities			
Non-current provisions	Note 11	13,962	11,647
Deferred tax liabilities	Note 21	1,138	1,138
Total non-current liabilities		15,100	12,785
Current debt		47,154	120,004
Bank borrowings and other marketable securities	Note 12	47,154	120,004
Current debt with Group companies and associates	Note 13	13,061	9,985
Trade and other payables	Note 14	25,947	18,993
Total current liabilities		86,162	148,982
TOTAL EQUITY AND LIABILITIES		1,554,004	1,690,411

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

FLUIDRA, S.A.

Income statement

31 December 2022 and 2021

(Expressed in thousands of euros)

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

	Notes	31/12/2022	31/12/2021
Revenue	Note 18	214,560	35,988
Dividend income		167,000	-
Services rendered		47,560	35,988
Self-constructed assets		2,407	2,401
Other operating income		2,666	2,505
Non-trading and other operating income		2,517	2,470
Capital grants released to income during the year		151	56
Profit from sales of fixed assets		(2)	(21)
Personnel expenses	Note 16	(44,924)	(49,087)
Salaries and wages		(37,881)	(43,077)
Employee benefits expense		(7,043)	(6,010)
Other operating expenses		(38,527)	(26,802)
External services		(37,587)	(26,763)
Taxes		(233)	(39)
(Charges) /Reversals due to impairment of non-current assets		(707)	-
Amortisation and depreciation	Notes 4 & 5	(5,732)	(5,712)
Impairment and gains/(losses) on disposal of fixed assets		(7,362)	-
Results from operating activities		<u>123,088</u>	<u>(40,707)</u>
Finance income		488	2,075
Group companies and associates		488	2,018
Other		-	57
Finance cost		(778)	(183)
Debt with others		(778)	(183)
Change in fair value of financial instruments		-	-
Derivative financial instruments		-	-
Exchange gains/(losses)		(83)	33
Financial result		<u>(373)</u>	<u>1,925</u>
Profit/(loss) before tax		<u>122,715</u>	<u>(38,782)</u>
Income tax	Note 21	7,263	8,912
Profit/(loss) for the year from continuing operations		<u>129,978</u>	<u>(29,870)</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

FLUIDRA, S.A.

Statement of changes in equity
for the years ended 31 December 2022 and 2021

A) Statement of recognised income and expense

(Expressed in thousands of euros)

	<u>Notes</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
Profit/(loss) for the year		129,978	(29,870)
Income and expense recognised directly in equity			
Grants, donations and bequests received		245	248
Tax effect		(61)	(62)
Total income and expense recognised directly in equity		<u>184</u>	<u>186</u>
Total recognised income and expense		<u>130,162</u>	<u>(29,684)</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

FLUIDRA, S.A.

Statement of changes in equity
for the years ended 31 December 2022 and 2021

B) Statement of total changes in equity
(Expressed in thousands of euros)

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

	Capital	Share premium	Legal reserve	Other reserves	Interim dividend	Profit/(loss) for the year	Own shares and investments in equity	Grants donations and bequests received	Total
Balance at 1 January 2021	195,629	1,148,591	39,126	248,318	(40,752)	139,986	(35,841)	678	1,695,735
Net profit/(loss) recognised directly in equity	-	-	-	-	-	-	-	186	186
Profit/(loss) for the year	-	-	-	-	-	(29,870)	-	-	(29,870)
Total recognised income and expense in the year	-	-	-	-	-	(29,870)	-	186	(29,684)
Capital increase	-	-	-	-	-	-	-	-	-
Transactions with own shares or holdings (net)	-	-	-	46,543	-	-	(132,650)	-	(86,107)
Distribution of dividends	-	-	-	(75,931)	-	-	-	-	(75,931)
Equity-based payments	-	-	-	24,631	-	-	-	-	24,631
Other changes in equity	-	-	-	99,234	40,752	(139,98)	-	-	-
Balance at 31 December 2021	<u>195,629</u>	<u>1,148,591</u>	<u>39,126</u>	<u>342,795</u>	<u>-</u>	<u>(29,870)</u>	<u>(168,491)</u>	<u>864</u>	<u>1,528,644</u>
Net profit/(loss) recognised directly in equity	-	-	-	-	-	-	-	184	184
Profit/(loss) for the year	-	-	-	-	-	129,978	-	-	129,978
Total recognised income and expense in the year	-	-	-	-	-	129,978	-	184	130,162
Transactions with own shares or holdings (net)	(3,500)	-	-	(112,106)	-	-	55,799	-	(59,807)
Distribution of dividends	-	-	-	(159,874)	-	-	-	-	(159,874)
Equity-based payments	-	-	-	13,617	-	-	-	-	13,617
Other changes in equity	-	-	-	(29,870)	-	29,870	-	-	-
Balance at 31 December 2022	<u>192,129</u>	<u>1,148,591</u>	<u>39,126</u>	<u>54,562</u>	<u>-</u>	<u>129,978</u>	<u>(112,692)</u>	<u>1,048</u>	<u>1,452,742</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

FLUIDRA, S.A.

Statement of cash flows
for the years ended
31 December 2022 and 2021

(Expressed in thousands of euros)

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

	<u>Notes</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
<u>Cash flows from/(used in) operating activities</u>			
Profit /(loss)for the year before tax		122,715	(38,782)
Adjustments for:			
Amortisation and depreciation	Notes 4 & 5	5,732	5,712
Impairment allowances	Notes 7 & 8	7,362	-
(Profit)/loss on the sale of property, plant and equipment		2	21
Finance income		(488)	(2,075)
Finance cost		778	183
Change in provisions		677	(802)
Grants recognised in profit and loss		-	(56)
Share-based payment expenses		6,354	11,485
Exchange (gains)/losses		83	(48)
Changes in operating assets and liabilities:			
Trade and other receivables		139	(12,977)
Trade and other payables		3,074	2,882
Cash flows from/(used in) operating activities			
Interest received		483	2,190
Interest paid		(408)	(183)
Income tax received/(paid)		14,060	2,851
Cash flows from/(used in) operating activities		<u>160,563</u>	<u>(27,995)</u>
<u>Cash flows from/(used in) investing activities</u>			
Payments for investments in property, plant and equipment	Note 5	(2,410)	(3,775)
Payments for the acquisition of intangible assets	Notes 4 & 13	(8,123)	(7,729)
Payments for investments in financial assets	Notes 7 & 8	-	(7)
Payments for the transfer of assets		-	632
Proceeds from the sale of intangible assets		179	-
Proceeds from the sale of property, plant and equipment		17	-
Proceeds from the sale of investments in financial assets		14	1,145
Cash flows from/(used in) investing activities		<u>(10,323)</u>	<u>(9,734)</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

<u>Notes</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
<u>Cash flows from/(used in) financing activities</u>		
Acquisition of own equity instruments	(237,420)	(277,955)
Disposal of own equity instruments	177,613	191,848
Issue of bank borrowings and other marketable securities	297,409	295,011
Net proceeds/(payments) on debt with Group companies and associates	142,291	71,125
Redemption and repayment of bank borrowing and other marketable securities	(370,259)	(176,439)
Dividends paid	(159,874)	(75,931)
Cash flows from/(used in) financing activities	<u>(150,240)</u>	<u>27,659</u>
Increase /(decrease) in cash and cash equivalents	-	(10,070)
Cash and cash equivalents at start of year	37	10,138
Effect of currency translation differences on cash flows	-	(31)
Cash and cash equivalents at year end	<u>37</u>	<u>37</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

FLUIDRA, S.A.

Notes to the Annual Accounts

2022

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

1. Nature, Activity and Composition of the Group

Fluidra, S.A. (hereinafter the Company) was incorporated as a limited liability company for an indefinite period in Girona 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 Company is the parent of a group of companies whose activity consists of the manufacture and marketing of accessories and machinery for swimming-pools, irrigation and water treatment and purification.

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.

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 Euro 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 Fluidra, S.A. increased its share capital for a nominal amount of Euros 83,000,000 by issuing and circulating 83,000,000 ordinary shares of Euros 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 Corporations Act, to any preferential subscription rights. The difference between the fair value of the equity received by Fluidra, S.A. by virtue of the merger and the par value was allocated to the share premium.

Following this increase, share capital is represented by 195,629,070 ordinary shares with a par value of Euros 1 each, fully subscribed and paid up.

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

2. Basis of presentation**a) True and fair view**

The annual accounts at 31 December 2022 have been prepared based on the accounting records of the Company and in accordance with prevailing legislation and the Spanish General Chart of Accounts, to give a true and fair view of the equity and financial position at 31 December 2022 and results of operations, changes in equity, and cash flows for the year then ended.

The Parent's directors expect these 2022 annual accounts to be approved by the shareholders at their general meeting without modification.

The annual accounts are presented in thousands of euros rounded to the nearest thousand. The euro is the Company's functional and presentation currency.

b) Comparative information

For comparative purposes, the annual accounts include the 2022 figures in addition to those of the prior year for each item of the balance sheet, the income statement, the statement of changes in equity, the statement of cash flows and the notes thereto, which were part of the 2021 annual accounts approved by the shareholders at their general meeting on 5 May 2022.

c) Group companies

As mentioned in Note 7, the Company has a stake in subsidiaries. As a result, the Company is the parent of a Group of companies in accordance with current legislation. In addition to these individual annual accounts, on 30 March 2023 the directors authorised for issue the consolidated annual accounts of Fluidra, S.A. and subsidiaries at December 2022 in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), which show profit attributable to equity holders of the Parent of Euros 159,931 thousand (a profit of Euros 252,363 thousand in 2021) and equity of Euros 1,678,681 thousand (Euros 1,622,433 thousand in 2021). The consolidated annual accounts will be filed at the Barcelona Mercantile Registry.

d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts, is as follows:

- Significant accounting estimates and key assumptions and judgements when applying accounting policies

In the Company's 2022 and 2021 annual accounts, estimates were used by Management in order to quantify certain assets, liabilities, income, expenses and commitments reported therein. These estimates basically refer to:

Impairment of investments in Group companies and associates:

An impairment analysis of investments in Group companies and associates includes an analysis of their recoverable amount, which is understood to be the higher of the fair value less costs to sell and the present value of the cash flows expected to be received. This recoverable amount is calculated using cash flow projections based on past results and development expectations for each of the markets (see Note 3, section e). The calculation of the recoverable amount requires the use of estimates by management. The key assumptions used to determine fair value less costs to sell and the value in use include the growth rates, profitability, the discount rate and tax rates. The estimates, including the methodology used, could have a significant impact on values and impairment loss. In addition, the capitalisation value is used as a reference.

The fair value of the commitment to the Company's management team to acquire an ownership interest in the Company's share capital (see Note 19).

- Reasons that justify the classification of income from dividends and impairment losses on non-current assets within operating results (see Note 3 e, section vii and Note 16).

- Changes in accounting estimates

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2022 and 2021, future events may require changes to these estimates in subsequent years. Any effect on the annual accounts of adjustments made in future reporting periods is recognised prospectively.

3. Significant accounting policies

The accounting principles and measurement criteria contained in the General Chart of Accounts have been used to prepare the annual accounts at 31 December 2022 and 2021.

The most significant principles are summarised as follows:

a) Foreign currency transactions, balances and cash flows

Foreign currency transactions have been translated into Euros using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated to euros at the closing exchange rate, while non-monetary items measured at historical cost are translated at the exchange rate prevailing at the transaction date.

In the cash flow statement, cash flows from foreign currency transactions have been translated into Euros at the exchange rates at the dates the cash flows occur.

The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currency is presented under a separate caption in the statement of cash flows as Effect of exchange rate fluctuations.

Exchange gains and losses arising on the settlement of foreign currency transactions and on the translation into euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

b) Intangible assets

Intangible assets are measured at cost of acquisition or production. The production cost of inventories includes the acquisition cost of the asset, 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.

Production costs are capitalised in the income statement under Self-constructed assets. Intangible assets are presented in the balance sheet at cost, less any accumulated amortization and impairment allowances.

Subsequent costs incurred in intangible assets are recorded as expenses, unless they increase the future economic benefits expected from the assets.

i. Computer software

Computer software acquired and produced by the Company, including website development costs, is recognised when it meets the conditions for consideration as development costs.

Payments made to develop a website for promotional purposes or to advertise the Company's products or services are recognised as an expense when incurred.

Computer software maintenance costs are charged as expenses when incurred.

ii. Research and development

Expenses related to research activities are recognised as an expense in the income statement when incurred.

The Company capitalises the development costs incurred in specific and individualised projects that meet the following conditions:

- Payments attributable to the performance of the project can be measured reliably.
- The allocation, assignment and timing of costs for each project are clearly defined.
- There is evidence of the project's technical success, in terms of direct operation or sale to a third party of the results thereof once completed and if a market exists.
- The economic and commercial feasibility of the project is reasonably assured.

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- Financing to develop the project, the availability of adequate technical and other resources to complete the development and to use or sell the resulting intangible asset are reasonably assured.
- There is an intention to complete the intangible asset for its use or sale.

If the Company is unable to distinguish the research stage from the development stage, the costs incurred are recognised as research expenses.

Costs recognised in profit and loss in previous years cannot subsequently be capitalised when they meet these conditions.

Upon registration in the corresponding Public Registry, development expenses are reclassified to the caption Patents, licences, trademarks and other similar items.

iii. Useful life and amortisation

The Company 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 there is no foreseeable limit to when it will generate net cash flows.

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

	Amortisation method	Estimated years of useful life
Patents and brands	Straight-line basis	5-10
Computer software	Straight-line basis	4-5

To this end, amortisable amount is understood as acquisition cost less residual value, if applicable.

The Company deems the residual value of assets to be zero, unless:

- a) There is a commitment from a third part to purchase the asset at the end of its useful life.
- b) There is an active market for the intangible asset and:
 - i. Residual value can be determined using this market; and
 - ii. It is likely that this market subsists at the end of the useful life of the asset.

The Company 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.

In accordance with Royal Decree 602/2016 of 2 December, modifying the General Chart of Accounts, goodwill and intangible assets with an indefinite useful life will be amortised over a maximum period of 10 years. No goodwill or intangible assets with indefinite useful life are included on the Company's balance sheet.

iv. Impairment

The Company measures and determines valuation allowances for impairment of intangible assets and any reversals thereof in accordance with the criteria described in the section on property, plant and equipment.

c) Property, plant and equipment

i. Initial recognition

Property, plant and equipment are measured at cost of acquisition or production. The production cost of inventories includes the acquisition cost of the asset, 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 production process. Production costs are capitalised in the income statement under Self-constructed assets. Property, plant and equipment are presented in the balance sheet at cost, less any accumulated amortization and impairment allowances.

ii. Depreciation

Property, plant and equipment items are depreciated by allocating their depreciable amount on a systematic basis over their useful lives. To this end, depreciable amount is understood as acquisition cost less residual value. The Company determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

Property, plant and equipment are depreciated using the following criteria:

	Depreciation method	Estimated years of useful life
Other installations, equipment and furniture	Straight-line basis	5-12
Other property, plant and equipment	Straight-line basis	4-8

The Company reviews the residual value, useful life and depreciation method of property, plant and equipment at the end of each reporting period. Changes to initially established criteria are accounted for as a change in accounting estimates.

iii. Subsequent costs

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of servicing are recognised in profit and loss as incurred.

Replacements of property, plant and equipment which meet the requirements for capitalisation are recognised together with a reduction of the carrying amount of the items replaced. In those cases in which the cost of the replaced items has not been depreciated separately and it is not practicable to determine the carrying amount thereof, the cost of the replacement is used as an indication of the cost of the replaced item at the date it was acquired or constructed.

Impairment of non-financial assets subject to amortisation or depreciation

The Company evaluates whether there are indications of possible impairment losses to verify whether the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Additionally, and regardless of the existence of any indication of impairment, the Company tests intangible assets not yet ready to be put to use for potential impairment at least annually.

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. Impairment losses are recognised in the income statement and are only reversed if there has been a change in the estimates used to calculate the asset's recoverable amount.

Where the Company has reasonable doubts as to the technical success or financial and commercial feasibility of in-progress research and development projects, the amounts in the balance sheet are recognised directly in losses on the disposal of intangible assets in the income statement and may not be reversed.

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 CGU to which the asset belongs.

Any reversals of impairment losses are charged to the income statement. 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. After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

d) Leases

i. Lessee accounting

The Company has the right to use certain assets under lease agreements.

Leases in which, at the start of the agreement, the Company assumes substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases; all other leases are classified as operating leases.

- Operating leases

Lease payments under an operating lease, net of incentives received, are recognized as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

e) Financial instruments

i Classification and separation of financial instruments

A financial instrument is classified upon initial recognition as a financial asset, a financial liability or an equity instrument, when it becomes party to the contract or legal transaction, in accordance with the terms set out therein, either as issuer or investor or buyer thereof.

Furthermore, for measurement purposes financial instruments are classified into financial assets and liabilities at fair value through profit or loss, loans and receivables, debt and payables, investments in the equity of Group companies, joint ventures and associates and financial liabilities. They are classified under the categories above in accordance with the characteristics of the instrument and the purpose that influenced their purchase.

Regular purchases and sales of financial assets are recognised on the trade date; i.e. the date on which the Company commits to purchase or sell the asset.

ii Offsetting principles

A financial asset and a financial liability are offset only when the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii Financial assets and liabilities at fair value through profit or loss

This heading includes derivative financial instruments that have not been designated as hedging instruments.

Equity instruments that are not listed on an active market and whose fair value cannot be reliably measured are not classified into this category.

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs directly attributable to the purchase or issue are recognised as an expense in the income statement as incurred.

After initial recognition, they are recorded at fair value through profit or loss. Fair value is not reduced by transaction costs incurred on sale or disposal. Accrual interest and dividends are recognised separately.

iv Loans and receivables

Loans and receivables comprise trade and non-trade receivables with fixed or determinable payments that are not quoted in an active market other than those classified in other financial asset categories. Financial assets included in this category are initially measured at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

v Investments in the equity of Group companies, joint ventures and associates

The investments included in this category are initially measured at cost, which equals the fair value of the consideration paid plus the directly attributable transaction costs. That is to say, inherent transaction costs are capitalised.

Group companies are those over which the Company, either directly, or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce, or when the companies are controlled by one or more individuals or entities acting jointly or under the same Management through agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

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 a company but no control or joint control over it is held. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Company or other companies, are considered when assessing whether an entity has significant influence.

After initial recognition, they are measured at cost less any accumulated impairment, if applicable.

If an investment no longer meets the conditions for classification in this category, it is reclassified to available for sale investments and it is measured as such from the date of reclassification.

At least at year-end, the necessary value adjustments are carried out provided there is objective evidence that the carrying value of an investment will not be recoverable. The amount of the impairment loss is measured as the difference between the carrying amount and the recoverable amount, the latter of which is understood to be the higher of the fair value less costs to sell and the present value of estimated future cash flows from the investment (see section x).

vi Interest and dividends

Interest is recognised using the effective interest rate method.

Dividends from investments in equity instruments are recognised when the Company is entitled to receive them and they are recorded under revenue given the Company's business activity. If the dividends are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, the carrying amount of the investment is reduced.

vii Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing buyers and sellers on an arm's length basis. The Company generally applies the following systematic hierarchy to determine the fair value of financial assets and financial liabilities:

- Firstly, the Company applies the quoted prices of the most advantageous active market to which it has immediate access, adjusted where necessary to reflect any difference in credit risk between the instruments commonly traded and the instrument being measured. For this purpose, the bid price is used for assets purchased or liabilities to be issued and the offer price for assets to be purchased or liabilities issued. If the Company has assets and liabilities that offset market risks against each other, average market prices are used for the offset risk positions, applying the appropriate price to the net position.
- If there are no market prices available, the prices of recent transactions are used, adjusted for conditions.
- Otherwise, the Company applies generally accepted valuation techniques using, insofar as is possible, market data and, to a lesser extent, specific Company data.

viii Amortised cost

The amortised cost of a financial asset or liability is the amount for which it was initially measured less repayment of the principal, plus or less the gradual accumulated allocation or repayment, using the effective interest rate method, of any difference existing between the initial value and the repayment value at maturity, less any decrease due to impairment loss or default.

Additionally, the effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or shorter where appropriate, to the carrying amount of the financial asset or liability. For financial instruments in which the variable to which commissions, basis points, transactions costs, discounts and premiums are related is reviewed at market rates before expected maturity, the amortization period is that until the next review of conditions.

Cash flows are estimated considering all contractual conditions of the financial instrument, excluding future credit losses. The calculation includes the commissions and basis points of interest paid or received by the parties to the contract, as well as the transaction costs and any other premium or discount. In the event that the Company cannot reliably estimate cash flows or the expected life of a financial instrument, contractual cash flows over the whole contractual period are used.

ix Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

- Impairment of financial assets measured at amortised cost

At least at year-end, the Company analyses whether there is objective evidence of impairment of a financial asset or a group of financial assets with similar risk characteristics assessed collectively, as a result of one or more events occurring after their initial recognition causing a reduction or delay in estimated future cash flows, which may be due to debtor insolvency.

Should this evidence exist, the impairment loss is calculated as the difference between the carrying value and the current value of the future cash flows, including, if applicable, cash flows from collateral and personal guarantees expected to be generated, discounted at the effective interest rate calculated upon initial recognition. For variable rate financial assets, the effective interest rate corresponding to the closing date of the annual accounts under the contractual conditions is used. The Company uses formula-based approaches or statistical methods to determine impairment losses in a group of financial assets.

Impairment adjustments, and the reversal thereof when the amount of the loss decreases due to causes relating to a subsequent event, are recognised as expenses or income, respectively, in the income statement. Impairment reversal is limited to the carrying amount at which the asset would be recognised at the reversal date had the impairment not been recorded.

In substitution of the present value of the future cash flows, the Company uses the market value of the instrument, provided it is reliable enough to be deemed representative of the value the Company may recover.

- Investments in Group companies, associates and joint ventures and equity instruments carried at cost

Impairment is calculated by comparing the carrying amount of the investment with its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell.

Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

Nonetheless, and in certain cases, unless better evidence of the recoverable amount of the investment is available, when estimating impairment of these types of assets, the investee's equity is taken into consideration, adjusted, where appropriate, to generally accepted accounting principles and standards in Spain, corrected for any net unrealised gains existing at the measurement date.

In subsequent years, reversals of impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised.

The recognition or reversal of an impairment loss is recorded in the income statement.

Impairment of an investment is limited to the amount of the investment, except when contractual, legal or constructive obligations have been assumed by the Company or payments have been made on behalf of the companies. In this last circumstance, a provision is recognised.

x **Financial liabilities at amortised cost**

The financial liabilities included in this category are initially measured at fair value, which, unless evidence exists to the contrary, is considered to be the transaction price, which is equivalent to the fair value of the consideration received, less the transaction costs directly attributable thereto. That is to say, inherent transaction costs are capitalised.

For subsequent measurement, the amortised cost method is used. Interest accrued are expensed in the income statement (finance cost), using the effective interest method.

The Company derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

f) **Derivatives and hedge accounting**

The Company uses derivative financial instruments to cover the interest rate and foreign currency risks derived from its activity. Under the Fluidra Group's finance policies, the Company does not acquire or hold financial derivatives for trading. However, the derivative financial instruments that do not qualify as hedging derivatives are recorded as trading instruments.

Derivative financial instruments are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition or less any transaction costs directly attributable to the issue of the financial instruments. Nonetheless, transaction costs are subsequently recognised in profit and loss, inasmuch as they do not form part of the changes in the effective value of the hedge.

At the inception of the hedge, the Company formally designates and documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent periods in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, throughout the period for which the hedge was designated (prospective analysis) and the actual effectiveness, which can be reliably measured, is within a range of 80% - 125% (retrospective analysis).

For cash flow hedges of a forecast transaction, the Company assesses whether the forecast transaction that is the subject of the hedge is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

- Cash flow hedges

The Company recognises as recognised income and expense the gain or loss on the measurement at fair value of a hedging instrument that relates to the portion determined to be an effective hedge. The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised in change in fair value of financial instruments.

The separate component of equity associated with the hedged item is adjusted to the lesser of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in fair value or present value of the expected future cash flows on the hedged item from inception of the hedge. However, if the Company expects that all or part of a loss recognised in equity will not be recovered in one or more future periods, it reclassifies the amount that is not expected to be recovered to profit or loss as finance income or cost.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in equity are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss and under the same caption of the income statement.

The Company prospectively discontinues hedge accounting when the circumstances mentioned in fair value hedges occur. In these cases, the cumulative gain or loss on the hedging instrument recognised in equity is not recognised in profit or loss until the forecast transaction occurs. Notwithstanding the foregoing, accumulated amounts in equity are reclassified to changes in the fair value of financial instruments in the income statement when the Company does not expect the transaction to occur.

g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits at banks. This caption also includes other short-term highly-liquid investments readily convertible into specific amounts of cash that do not mature beyond three months.

The Company recognises cash payments and receipts for financial assets and financial liabilities in which turnover is quick on a net basis in the statement of cash flows. Turnover is considered to be quick when the period between the date of acquisition and maturity does not exceed six months.

The Company classifies cash flows corresponding to interest earned and interest paid as an operating activity. Dividends received from subsidiaries are classified as operating activities and dividends paid by the Company, as financing activities.

h) Grants, donations and bequests

Grants, donations and bequests are recorded in recognised income and expense when, where applicable, they have been officially awarded, the conditions attached to them have been met or there is reasonable assurance that they will be received.

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.

i) Own equity instruments held by the Company

The acquisition by the Company of equity instruments is presented separately at acquisition cost as a decrease in shareholders' equity in the balance sheet. In the transactions entered into with own equity instruments no profit or loss is recognised in the 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.

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

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

The Company classifies assets and liabilities in the balance sheet 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 realized or are intended for sale or consumption in the Company's normal operating cycle, they are held primarily for trading, they are expected to be realized 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 Company'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 Company 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 financial statements are authorised for issue.
- Deferred tax assets and deferred tax liabilities are recognised in the balance sheet as non-current assets and non-current liabilities, irrespective of the expected date of recovery or settlement.

k) Termination benefits

Unless otherwise justified, the Company is obliged to compensate its employees when it terminates their services. Termination benefits are recognised as a liability when the Company has a detailed formal plan for the termination and there is a valid expectation among the affected employees that termination will arise either because the plan has already started to be implemented or because its main characteristics have been published.

Termination benefits for voluntary redundancy are recognised when the scheme is announced and there is no realistic likelihood of the offer being withdrawn. These payments are measured based on the best estimate of the group of employees to be included in the plan.

l) Obligations with employees

In accordance with the agreements signed with executives, in the event of permanent invalidity, a percentage of the previously earned remuneration is paid yearly until death. At 31 December 2022 and 2021, there is no liability under this heading, as the obligation has been outsourced.

m) Share-based payment transactions

The Company recognises a personnel expense for all employee services received in share-based payment transactions upon receipt of said services, and the corresponding increase in equity if the transaction is settled with equity instruments or the corresponding liability if the transaction is paid with an amount based on the value of equity instruments.

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The Company recognises equity-settled share-based payments, including non-monetary contributions to capital increases and the corresponding increase in equity, at the fair value of the goods or services received, unless fair value cannot be estimated reliably, in which case value is determined by reference to the fair value of the equity instruments granted.

The delivery of equity instruments as consideration for the services performed by the employees of the Company 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 the income statement, with a corresponding increase under Other equity instruments;
- 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 Other equity instruments.

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

Market-related vesting conditions are taken into account when calculating 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 Company 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 in Other equity instruments, no additional adjustments to equity are made after the vesting date, without prejudice to making the corresponding reclassifications in equity.

n) Provisions

Provisions are recognised when the Company has a present obligation (legal, contractual, constructive or tacit) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision in the balance sheet 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.

Single obligations are measured using the individual most likely outcome. If the obligation involves a large population of homogeneous items, it is measured by weighting the possible outcomes by probability. If there is a continuous range of possible outcomes and each point on the range has the same probability as the others, the obligation is measured at the average amount.

Where the Company has subcontracted the hedged risk to a third party through a legal or contractual agreement, the provision is recognised only for the portion of the risk assumed. If it is no longer probable that an outflow of resources will be required to settle an obligation, the provision is reversed.

o) Revenue from the rendering of services

Revenue from the rendering of services is recognised at the fair value of the consideration received or receivable. Volume rebates, prompt payment and any other discounts, as well as the interest added to the nominal amount of the consideration are recognised as a reduction in the consideration.

However, the Company includes interest on trade receivables maturing in less than a year that do not specify a contractual interest rate when the result of upgrading the cash flows is insignificant.

Discounts given to customers are recognised as a reduction in sales revenue when it is probable that the discount conditions will be met.

Revenues associated with the rendering of services are recognised in the income statement by reference to the stage of completion at the reporting date when revenues, the stage of completion, the costs incurred and the costs to complete the transaction can be estimated reliably and it is probable that the economic benefits derived from the transaction will flow to the Company.

The company recognises revenue on ordinary activities when control of the goods or services committed to customers is transferred.

The company accounts for this revenue using the following successive stages:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price or contract consideration.
4. Allocate the transaction price to the performance obligations.
5. Recognise the revenue on ordinary activities when the company meets each performance obligation.

Generally speaking, the Company has concluded that there is ordinarily a single performance obligation allocated to the transaction price and therefore no impacts from regulatory adoption are identified.

p) Income tax

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

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Current and deferred income tax is recognised in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside profit or loss, directly in equity or a business combination.

Deductions and other income tax relief granted by public administrations as a decrease on the amount payable for this tax are recognised as a decrease in the corporate income tax expense in the year in which they are accrued.

The Company and other Group companies are taxed under the consolidated tax return regime. Fluidra, S.A. is the parent of this consolidated tax group and is responsible for making the relevant payments to the tax authorities (see Note 21).

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies forming the consolidated tax group:

Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.

* Deductions and credits corresponding to each company forming the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

Temporary differences arising from the elimination of profits and losses on transactions between tax group companies are allocated to the company which recognised the profit/loss and are valued using the tax rate of that company.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. If there is a tax loss which cannot be offset by the other companies in the consolidated group, these tax loss carryforwards are recognised as deferred tax assets in accordance with the criteria established for their recognition, considering the tax group as the taxpayer.

The Parent of the Group records the total consolidated income tax payable (recoverable) with a debit (credit) to receivables (payables) from/to Group companies and associates.

The amount of the debt relating to the subsidiaries is recognised with a credit (debit) to payables (receivables) to/from Group companies.

Recognition of taxable temporary differences

Deferred tax liabilities deriving from taxable temporary differences are recognised in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

Recognition of deductible temporary differences

Deferred tax assets arising on deductible temporary differences are recognised provided that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilised. Assets that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income are not recognised.

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

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 realized 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 Company expects to recover or settle the carrying amount of its assets and liabilities.

q) Transactions between Group companies

Transactions between Group companies are recognised at fair value of the consideration given or received. The difference between this value and the amount agreed, if applicable, is recognised in line with the underlying economic substance of the transaction.

On 24 February 2021, the sole shareholder of Fluidra Services, España, S.L.U. and Fluidra Engineering Services, S.L.U. and the board of directors of Fluidra, S.A. decided and approved, respectively, in their capacity as Transferor Companies and Transferee Company, the global transfer of the assets and liabilities of the former to the latter. Fluidra, S.A. was subrogated in the ownership of the assets, liabilities, rights and obligations of the transferor companies, in exchange for a consideration paid to their sole shareholders, which resulted in the simultaneous extinction without liquidation of the Transferor Companies. This consideration amounted to Euros 632 thousand. This transfer was completed on 30 April 2021. The most significant movements of this transfer are set forth in the corresponding notes.

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4. Intangible assets

Details of intangible assets and movement during 2022 and 2021 are as follows:

	Thousands of Euros					Balances at 31/12/2022
	Balances at 31/12/2021	Additions	Disposals	Transfers	Impairment	
Cost						
Patents, licences, trademarks and other similar rights	1,034	25	-	-	-	1,059
Computer software	44,960	8,103	(6,967)	397	(7,362)	39,131
Under construction	520	-	(5)	(397)	-	118
	<u>46,514</u>	<u>8,128</u>	<u>(6,972)</u>	<u>-</u>	<u>(7,362)</u>	<u>40,308</u>
Accumulated amortisation						
Patents, licences, trademarks and other similar rights	(888)	(28)	-	-	-	(916)
Computer software	(31,555)	(4,796)	6,788	-	-	(29,563)
	<u>(32,443)</u>	<u>(4,824)</u>	<u>6,788</u>	<u>-</u>	<u>-</u>	<u>(30,479)</u>
Carrying amount	<u>14,071</u>	<u>3,304</u>	<u>(184)</u>	<u>-</u>	<u>(7,362)</u>	<u>9,829</u>

	Thousands of Euros					Balances at 31/12/2021
	Balances at 31/12/2020	Additions	Disposals	Transfers	Impairment	
Cost						
Patents, licences, trademarks and other similar rights	997	37	-	-	-	1,034
Computer software	37,537	7,423	-	-	-	44,960
Under construction	164	356	-	-	-	520
	<u>38,698</u>	<u>7,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,514</u>
Accumulated amortisation						
Patents, licences, trademarks and other similar rights	(857)	(31)	-	-	-	(888)
Computer software	(27,038)	(4,517)	-	-	-	(31,555)
	<u>(27,895)</u>	<u>(4,548)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,443)</u>
Carrying amount	<u>10,803</u>	<u>3,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,071</u>

a) Patents, licences, trademarks and other similar rights

Additions in 2022 and 2021 mainly relate to exclusivity rights over the Fluidra brand in various countries. No impairment of patents has been recognised in 2022 or 2021.

b) Computer software

Capitalised expenses relate to the cost of software licences acquired, external expenses relating to the development of the corporate ERP and personnel expenses for Company staff involved in the development, which are capitalised in the caption Self-constructed assets. In 2022 computer software amounting to Euros 1,933 thousand (Euros 2,401 thousand in 2021) has been capitalised.

In 2022, Euros 7,362 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.

c) Fully amortised assets

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

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	Thousands of euros	
	2022	2021
Patents, licences, trademarks and other similar rights	345	276
Computer software	24,253	22,291
	<u>24,598</u>	<u>22,567</u>

d) Transfer of assets

Movement relating to the transfer of assets is included in the additions column at the carrying amount thereof. This amount stands at Euros 87 thousand in 2021.

5. Property, plant and equipment

Details of property, plant and equipment and movement during 2022 and 2021 are as follows:

	Thousands of euros				Balances at 31/12/2022
	Balances at 31/12/2021	Additions	Disposals	Transfers	
Cost					
Other installations, equipment and furniture	3,728	930	-	103	4,761
Other property, plant and equipment	2,722	467	(19)	56	3,226
Under construction	216	1,013	-	(159)	1,070
	<u>6,666</u>	<u>2,410</u>	<u>(19)</u>	<u>-</u>	<u>9,057</u>
Accumulated depreciation					
Other installations, equipment and furniture	(470)	(360)	-	-	(830)
Other property, plant and equipment	(1,411)	(548)	-	-	(1,959)
	<u>(1,881)</u>	<u>(908)</u>	<u>-</u>	<u>-</u>	<u>(2,789)</u>
Carrying amount	<u>4,785</u>	<u>1,502</u>	<u>(19)</u>	<u>-</u>	<u>6,268</u>

	Thousands of euros				Balances at 31/12/2021
	Balances at 31/12/2020	Additions	Disposals	Transfers	
Cost					
Other installations, equipment and furniture	1,946	3,108	(1,345)	19	3,728
Other property, plant and equipment	5,087	705	(3,070)	-	2,722
Under construction	19	216	-	(19)	216
	<u>7,052</u>	<u>4,029</u>	<u>(4,415)</u>	<u>-</u>	<u>6,666</u>
Accumulated depreciation					
Other installations, equipment and furniture	(1,231)	(571)	1,332	-	(470)
Other property, plant and equipment	(3,880)	(593)	3,062	-	(1,411)
	<u>(5,111)</u>	<u>(1,164)</u>	<u>4,394</u>	<u>-</u>	<u>(1,881)</u>
Carrying amount	<u>1,941</u>	<u>2,865</u>	<u>(21)</u>	<u>-</u>	<u>4,785</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

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Additions and disposals in 2022 and 2021 were largely due to the transfer of the main offices from Sabadell to Sant Cugat (See Note 1 and Note 6).

a) Fully depreciated assets

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

	Thousands of euros	
	2022	2021
Other installations, tools and furniture	99	171
Other property, plant and equipment	1,290	748
	<u>1,389</u>	<u>919</u>

b) Insurance

The Company has taken out several 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) Transfer of assets

Movement relating to the transfer of assets is included in the additions column at the carrying amount thereof. This amount stands at Euros 254 thousand in 2021.

6. Operating leases - Lessee

The Company has leased from third parties several floors in office buildings and parking spaces, as well as several vehicles and other assets under operating leases.

The most significant lease contracts are as follows:

- Office building in calle Alcalde Barnils, 69-71 in Sant Cugat del Vallés, where the Fluidra Group's headquarters is located. This agreement came into force on 1 January 2021 for a renewable 5-year term with a 5-month grace period.
- Offices in calle Ametllers, 6 in Polinyà (Barcelona). The lease matured in December 2021.
- To replace the previous facilities, offices were rented in carretera Setmenat, 46 – 48, Nave 6 in Polinyà. This agreement entered into force on 1 May 2022 for an automatically renewable 1-year term.
- A warehouse also in Polinyà (Barcelona) located at calle Santiago Russinyol 14. This agreement came into force on 1 November 2021 and has a 5-year term.
- The Company leases the offices located in calle Lluís Companys nº 51 in Granollers and other assets to other Group companies under operating lease agreements.

Operating lease payments recognised as an expense for the year are as follows:

	Thousands of euros	
	2022	2021
Leased offices and parking spaces	498	624
Leased vehicles	371	308
Other assets under lease	219	133
	<u>1,088</u>	<u>1,065</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

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The future minimum lease payments under non-cancellable operating leases are as follows:

	Thousands of euros	
	2022	2021
Under one year	1,252	1,154
From one to five years	3,228	3,514
Over 5 years	1,970	2,484
	<u>6,450</u>	<u>7,152</u>

7. Investments in equity instruments of Group companies and associates

Non-current

Movement in non-current investments in equity instruments of Group companies and associates in 2022 and 2021 is as follows:

	Thousands of euros				Balances at at 31/12/2022
	Balances at 31/12/2021	Additions	Disposals	Transfers	
<i>Equity instruments</i>					
Investments in Group companies and associates	1,441,396	7,508	-	-	1,448,904
<i>Loans to companies</i>					
Non-current loans to Group companies and associates	30	-	-	-	30
Net carrying amount	<u>1,441,426</u>	<u>7,508</u>	<u>-</u>	<u>-</u>	<u>1,448,934</u>

	Thousands of euros				Balances at at 31/12/2021
	Balances at 31/12/2020	Additions	Disposals	Transfers	
<i>Equity instruments</i>					
Investments in Group companies and associates	1,427,992	13,404	-	-	1,441,396
<i>Loans to companies</i>					
Non-current loans to Group companies and associates	1,146	8	(1,124)	-	30
Net carrying amount	<u>1,429,138</u>	<u>13,412</u>	<u>(1,124)</u>	<u>-</u>	<u>1,441,426</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

a) Interests in Group companies and associates

The company's investment relates to its sole subsidiary, Fluidra Finco, S.L.U.

Information relating to remaining interests in Group companies and associates is presented in Appendix I.

In 2022, the Company has made the following movements in interests in Group companies:

- The Company increased its interest in the subsidiary Fluidra Finco, S.L. as a result of the long-term variable remuneration plan aimed at Fluidra, S.A.'s executive directors and management team and the subsidiaries that make up the consolidated group, with share-based equity instruments for a total amount of Euros 7,508 thousand.

In 2021, the Company made the following movements in interests in Group companies:

- The Company increased its investment in the subsidiary Fluidra Finco, S.L. as a result of the long-term variable remuneration plan aimed at Fluidra, S.A.'s executive directors and management team and the subsidiaries that make up the consolidated group, via share-based equity instruments for a total amount of Euros 13,404 thousand.

None of the Group companies in which the Company has holdings are listed on the stock exchange.

In accordance with article 13.1 of the rewritten text of the Spanish Companies Act, Group companies that are single shareholder companies are entered as such on the Mercantile Register.

The recoverable amount of the groups and companies in which the Company has interests is determined on the basis of the higher of fair value less costs of disposal and value in continuing 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. These projections are adjusted based on the degree of compliance with the strategic plans and/or financial budgets in prior years. The estimated long-term growth rate is between 1.74% and 2.65% (between 1.73% and 2.33% in 2021) and does not exceed the medium to long-term growth rate for the markets in which the CGUs operate. The discount rates after taxes used range between 6.65% and 11.82% (between 6.21% and 10.63% in 2021). However, this recoverable value is analysed from an individual perspective for each of the directly and indirectly held subsidiaries of the Company, based on the forecast evolution of each subsidiary in line with the average projections and discount rates used for CGUs, taking into account their borrowings.

The Group's market capitalization at 31 December 2022 amounts to Euros 2,840.5 million (Euros 6,886.1 million at 31 December 2021).

The Company has not recorded any valuation adjustments in 2022 or 2021.

b) Loans to Group companiesNon-current

At 31 December 2022 and 2021, no loans have been granted to Group companies, except for a security deposit totalling Euros 30 thousand.

In March 2021, the loans granted to the Group company Fluidra Australia Pty were settled.

Movement relating to the transfer of assets is included in the additions column at the carrying amount thereof. This amount stands at Euros 8 thousand in 2021.

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Current

Details of current investments in Group companies and associates at 31 December 2022 and 2021 are as follows:

	Thousands of euros	
	2022	2021
Receivables from Group companies under the consolidated tax regime	12,449	11,100
Cash-pooling receivables (Fluidra Finco, S.L.U)	37,063	180,292
Receivables from Group companies for current loans	92	92
	<u>49,604</u>	<u>191,484</u>

The Company and other Group companies are taxed under the consolidated tax return regime. Fluidra, S.A. is the parent of this consolidated tax group and is responsible for making the relevant payments to the tax authorities (see Note 21).

Balances receivable under this heading from several Group companies subject to the consolidated tax regime are recorded under Receivables from Group companies under the consolidated tax regime (see Note 13).

Cash-pooling debts reflect the company's debtor and creditor balances in the Group's centralised cash pooling accounts, the head of which is Fluidra Finco, S.L.U.

8. Non-current investments

Details of non-current investments and movement in 2022 and 2021 are as follows:

	Thousands of euros				
	Balances at 31/12/2021	Additions	Disposals	Transfers	Balances at 31/12/2022
<i>Other financial assets</i>					
Other financial assets	1,315	1	(15)	-	1,301
	<u>1,315</u>	<u>1</u>	<u>(15)</u>	<u>-</u>	<u>1,301</u>
Net carrying amount	<u>1,315</u>	<u>1</u>	<u>(15)</u>	<u>-</u>	<u>1,301</u>

	Thousands of euros				
	Balances at 31/12/2020	Additions	Disposals	Transfers	Balances at 31/12/2021
<i>Other financial assets</i>					
Other financial assets	1,361	9	(55)	-	1,315
	<u>1,361</u>	<u>9</u>	<u>(55)</u>	<u>-</u>	<u>1,315</u>
Net carrying amount	<u>1,361</u>	<u>9</u>	<u>(55)</u>	<u>-</u>	<u>1,315</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

Other financial assets and non-current loans to Group companies, current investments in Group companies and associates (see Note 7) and trade and other receivables (see Note 9) are classified under loans and receivables. There are no significant differences between the fair values and the carrying amounts of these categories.

Other financial assets mainly includes the non-current receivable from shareholders and non-current security deposits.

Movement relating to the transfer of assets is included in the additions column at the carrying amount thereof. This amount stands at Euros 3 thousand in 2021.

9. Trade and other receivables

Details of trade and other receivables are as follows:

	Thousands of euros	
	Balances at 31/12/2022	Balances at 31/12/2021
Receivables, Group companies	15,260	15,464
Other receivables	167	140
Provisions for uncollectibility	(764)	(57)
Current income tax assets (see Note 21)	4,681	10,335
Public entities	1,240	1,473
	<u>20,584</u>	<u>27,355</u>

In 2022, the overdue receivable from Fluidra Maroc, S.A.R.L., for an amount of Euros 707 thousand, was impaired due to the impossibility of collection as a result of exchange controls in that country. In 2021 there were no impairment adjustments.

10. Equity

a) Share capital

At 31 December 2022 Fluidra, S.A.'s share capital consists of 192,129,070 ordinary shares with a par value of Euros 1 each, fully subscribed.

The shares are represented by book entries and are established as such by being recorded in the corresponding accounting record. The shares bear the same political and financial rights.

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

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At 31 December 2021 Fluidra, S.A.'s share capital consisted of 195,629,070 ordinary shares with a par value of Euros 1 each, fully subscribed. The shares were represented by book entries and were established as such by being recorded in the corresponding accounting record.

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 2022 and 2021 is as follows:

Ownership percentage	31/12/2022	31/12/2021
Rhône Capital L.L.C.	11.67%	11.47%
Boyser, S.R.L.	7.80%	7.59%
Dispur, S.L.	7.33%	7.11%
Edrem, S.L.	6.93%	6.93%
T.Rowe Price Associates, Inc.	6.73%	-
Aniol, S.L.	6.23%	6.04%
Yukon Capital, S.L.U.	5.14%	-
G3T, S.L.	5.09%	5.00%
Schwarzsee 2018, S.L.	5.09%	5.00%
Other shareholders	37.99%	50.86%
	<u>100.00%</u>	<u>100.00%</u>

b) Share premium

This reserve can be freely distributed, except for the provisions established in section c) ii) of this note.

c) Reserves

The breakdown of this heading is as follows:

	Thousands of euros	
	Balances at 31/12/2022	Balances at 31/12/2021
Legal reserve	39,126	39,126
Amortised capital reserve	3,500	-
Voluntary reserve	51,062	342,795
	<u>93,688</u>	<u>381,921</u>

i) Legal reserve

Pursuant to article 274 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 2022 and 2021 this legal reserve is fully funded.

ii) Amortised capital reserve

As a result of the aforementioned capital reduction, a restricted reserve for amortised capital has been allocated for an amount equal to the nominal amount of amortised shares, i.e. Euros 3,500 thousand.

iii) Voluntary reserve

The Company's voluntary reserves at 31 December 2022 amounting to Euros 54,562 thousand (Euros 342,795 thousand at 31 December 2021), as well as the share premium and profit/(loss) for the year, are freely available, but are subject to the legal restrictions on distribution included in article 273 of the rewritten text of the Spanish Companies Act in Royal Decree 1/2010 of 2 July.

d) Dividends

According to the minutes of the Company's ordinary general shareholders' meeting held on 5 May 2022, agreement was made to pay a cash dividend charged to freely available voluntary reserves of Euros 0.85 gross per eligible Company share, resulting in a maximum total dividend of Euros 166,284,709.50 if the distribution were to be made on all of the Company's ordinary shares. This dividend was paid out in two equal payments on 5 July 2022 and 3 November 2022.

According to the minutes of the Company's ordinary general shareholders' meeting held on 6 May 2021, agreement was made to pay a cash dividend charged to freely available voluntary reserves of Euros 0.40 gross per eligible Company share, resulting in a maximum total dividend of Euros 78,251,628 if the distribution were to be made on all of the Company's ordinary shares. This dividend was paid out in two equal payments on 6 July 2021 and 3 November 2021.

e) Treasury shares

The movement in treasury shares during 2022 and 2021 is as follows:

	Number	Euros	
		Face value	Average acquisition/disposal price
Balance at 1.1.21	2,543,738	2,543,738	14.0899
Acquisitions	9,318,560	9,318,560	29.8281
Disposals	(6,065,987)	(6,065,987)	(31.6353)
Balance at 31.12.2021	<u>5,796,311</u>	<u>5,796,311</u>	<u>29.0687</u>
Acquisitions	12,736,445	12,736,445	18.6410
Disposals	(12,740,098)	(12,740,098)	(18.6162)
Balances at 31.12.22	<u>5,792,658</u>	<u>5,792,658</u>	<u>19.4544</u>

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

Included in the disposals for year 2022, find included the capital reduction executed on the 15th of December 2022 stated above.

No Group company owns shares in the Parent.

f) Proposed distribution of results

The allocation of the Company's results for the year ended 31 December 2021, approved by shareholders at their general meeting on 5 May 2022, and the proposed distribution of the Company's 2022 results are as follows:

	Euros	
	31/12/2022	31/12/2021
Basis of allocation:		
Profit for the year	129,978,025.35	(29,869,613.97)
Distribution:		
To legal reserves	-	-
To voluntary reserves	129.978.025,35	-
To interim dividend	-	-
To prior years' losses	-	(29,869,613.97)
Dividends	-	-
	<u>129,978,025.35</u>	<u>(29,869,613.97)</u>

The Board of Directors of Fluidra, S.A. shall propose a dividend of Euros 0,70 per share to voluntary reserves.

11. Provisions

A breakdown of Other provisions is as follows:

	Thousands of euros	
	2022	2021
Provisions for taxes	13,185	10,840
Provisions for obligations with employees	772	802
Litigation and other liabilities	<u>5</u>	<u>5</u>
Total	<u><u>13,962</u></u>	<u><u>11,647</u></u>

Non-current provisions is broken down into three headings: Provisions for taxes to cover potential risks related to tax obligations; Provisions for obligations to employees recorded in accordance with employment legislation to cover potential future employee compensation and benefits; and Provisions for litigation and other liabilities, which includes provisions recorded in connection with contingencies arisen as a result of the Company's activities.

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The movements during 2022 and 2021 are as follows:

	Provisions for employee obligations	Litigation and other liabilities	Provision for taxes	Total
At 1 January 2021	-	5	8,105	8,110
Charge for the year	802	-	2,735	3,537
Applications	-	-	-	-
At 31 December 2021	802	5	10,840	11,647
Charge for the year	78	-	2,345	2,423
Applications	(108)	-	-	(108)
At 31 December 2022	772	5	13,185	13,962

12. Current and non-current bank borrowings and other marketable securities

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 2022, the scheme was extended for a further year and for Euros 150 million. There is a debt amount at 31 December 2022 of Euros 47 million, which refers to the total balance in this heading.

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 3 June 2021 the scheme was extended for a further year and for Euros 150 million. There is a debt amount at 31 December 2021 of Euros 120 million, which refers to the total balance in this heading.

13. Debt with Group companies and associates

The breakdown of this heading is as follows:

	Thousands of euros	
	Balances at 31/12/2022	Balances at 31/12/2021
Group companies	3,233	2,912
Payables to Group companies under the consolidated income tax regime	9,828	7,073
	<u>13,061</u>	<u>9,985</u>

The Company and other Group companies are taxed under the consolidated tax return regime. Fluidra, S.A. is the parent of this consolidated tax group and is responsible for making the relevant payments to the tax authorities.

Balances payable under this heading from different Group companies subject to the consolidated tax regime are recorded under Payables to Group companies under the consolidated tax regime (see Note 21).

14. Trade and other payables

The breakdown of this heading is as follows:

	Thousands of euros	
	Balances at 31/12/2022	Balances at 31/12/2021
Payables	19,800	8,013
Public entities	1,548	1,381
Remuneration payable	4,599	9,599
Other debt	-	-
	<u>25,947</u>	<u>18,993</u>

15. Risk management policy

The Company's activities are exposed to various financial risks: market risk (currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Company focuses its risk management on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's profits. The Company uses derivatives to mitigate certain risks.

Market, liquidity, foreign exchange and interest rate risk management is monitored by the Group's Central Cash Department in accordance with the policies defined by the Group. This department identifies, evaluates, and covers financial risks in close collaboration with the Group's operating units.

Credit risk is managed centrally by the Company in accordance with the parameters set out in Group policies.

a) Credit risk

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.

The accompanying table shows the ageing analysis of Trade and other receivables which are past due but not impaired at 31 December 2022 and 2021 as they are mainly debts with Group companies.

	Thousands of euros	
	2022	2021
Not due	1,106	1,113
Past due	13,558	14,434
0 - 90 days	13,231	13,246
90 - 120 days	181	333
More than 120 days	146	855

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 Company applies a prudent policy to cover its liquidity risks based on having sufficient cash and marketable securities, as well as sufficient financing through credit facilities, to settle market positions. Due to the dynamic nature of the underlying businesses, the Group's Treasury Department aims to maintain sufficient headroom on its undrawn committed borrowing facilities.

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

c) Foreign currency risk

The Company is not significantly exposed to foreign currency risk.

d) Cash flow interest rate risk

The income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

There are no significant cash flow interest rate risks.

The Company manages cash flow interest rates in coordination with the Group.

e) Market risk

The Company is not exposed to significant market risk.

16. Income and expensesa) Revenue

Revenue in 2022 and 2021 relates to services rendered to Group companies and dividends (see Note 18).

b) Personnel expense

Details of personnel expenses in 2022 and 2021 are as follows:

	<u>Thousands of euros</u>	
	<u>Balances at 31/12/2022</u>	<u>Balances at 31/12/2021</u>
Salaries, wages and indemnities	30,506	30,385
Social Security payable by the company	6,256	4,848
Payments to personnel in equity instruments	7,375	12,692
Other employee benefits expense	<u>787</u>	<u>1,162</u>
	<u>44,924</u>	<u>49,087</u>

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17. Employee information

The average headcount in 2022 and 2021 of the Company's personnel and directors, distributed by category, is as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Directors (*)	12	12
Senior managers	17	18
Managers	51	45
Professional workers	148	128
Technicians	189	139
Administrative and support staff	54	35
Production staff	-	-
	<u>471</u>	<u>377</u>

(*) The Directors category includes two senior managers in 2022 and 2021.

At year end the distribution by gender of personnel and the directors is as follows:

	<u>31/12/2022</u>		<u>31/12/2021</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Board members (*)	10	2	10	2
Senior managers	13	5	16	2
Managers	33	15	35	14
Professional workers	95	45	96	48
Technicians	111	87	90	75
Administrative and support staff	19	38	11	35
Production staff	-	-	-	-
	<u>281</u>	<u>192</u>	<u>258</u>	<u>176</u>

(*) The Directors category includes two senior managers in 2022 and 2021.

The average number of employees with a disability equal to or greater than 33% during 2022 is 5, with one from the "Management" category, 1 from the "Sales, logistics and production" category and 3 from the "Administration and purchasing staff" category. The average number of employees with a disability equal to or greater than 33% during 2021 is 4, with 1 from the "Sales, logistics and production" category and 3 from the "Administration and purchasing staff" category.

FLUIDRA, S.A.

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18. Transactions with Group companies and associates

Details of the most important transactions with Group companies and associates are as follows:

	Thousands of euros	
	31/12/2022	31/12/2021
Income		
Dividends	167,000	-
Services rendered	47,560	35,988
Interest income	488	-
Total income	<u>215,048</u>	<u>35,988</u>
Expenses for services received	280	658
Interest expense	470	-
Total costs	<u>750</u>	<u>658</u>

Details of the dividends recorded in 2022 and 2021 are as follows:

	Thousands of euros	
	31/12/2022	31/12/2021
Fluidra Finco, S.L.U.	167,000	-
	<u>167,000</u>	<u>-</u>

The Company only receives dividends from the subsidiary Fluidra Finco, S.L.U.

The income caption Services rendered includes necessary recurrent services rendered by Fluidra, SA. to the Group companies in the area of management and administration. The main services included fall under the following areas: Chairperson, Board of Directors and CEO, General Director of Operations, Internal Auditing, Finance, Investor Relations, Legal Services, Tax, Investments and Acquisitions, Human Resources, Supply Chain, IT Systems, Communication and Marketing, Lean Management, Procurement, E-Business, Planning and Analysis, General Division Management, General Services (telephony, travel and insurance) and Technical Office and Sales Support.

Furthermore, since May 2021 and the transfer of assets from Fluidra Services España, S.L.U. and Fluidra Engineering Services, S.L.U, the Company renders administrative, accounting and risk and project management services to the Group's various subsidiaries.

Expenses for services received includes the services rendered by Group companies, specifically Zodiac Pool Solutions LLC, to provide the services rendered by Fluidra, S.A. described in previous paragraphs.

19. Information on the Directors**a) Remuneration and balances with the Company's Directors and senior management**

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

FLUIDRA, S.A.

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

	Thousands of euros	
	31/12/2022	31/12/2021
Total key management personnel	5,988	7,305
Total Directors of the Company (*)	4,902	5,637

(*) At 31 December 2022, of the Total Directors of the Company heading, a portion of the remuneration (Euros 4,902 thousand) is paid by the Parent company (Euros 5,637 thousand in 2021).

Members of the Company's Board of Directors have received Euros 1,337 thousand in the twelve-month period ended 31 December 2022 (Euros 1,214 thousand in 2021) from the consolidated companies in which they act as board members. Similarly, the members of the Board of Directors have received Euros 120 thousand in compensation for travel expenses in 2022 (Euros 120 thousand in 2021).

Additionally, for their executive duties, they have received a total of Euros 3,445 thousand in the twelve-month period ended 31 December 2022 (Euros 4,303 thousand in the same period in 2021). The executive function includes remuneration in kind relating to the share plan, a vehicle and life insurance.

During the twelve-month period ended 31 December 2022, the Company has taken out life insurance policies and has recognised an expense of Euros 47 thousand (Euros 29 thousand in 2021) to cover survival, death and temporary and permanent incapacity contingencies.

In addition, during the year ended 31 December 2022, the Company made contributions to benefit plans amounting to Euros 41 thousand (Euros 41 thousand in 2021).

During the year ended 31 December 2022, the company paid the annual civil liability insurance premiums for directors and executives of the Group for possible damages and/or claims from third parties during the exercise of their duties amounting to Euros 160 thousand (Euros 172 thousand in 2021), with all Group Directors and Executives, including those of the company, being covered by these policies.

In addition to the above, the Group has no pension plan or life insurance policies for former or current members of the Board of Directors or key management personnel, nor has it given any guarantees on their behalf.

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

On 9 June 2022, the General Shareholders' Meeting 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.

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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 shall have 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 cycle is 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 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 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.

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 Euros 55 million. The maximum number of shares included in the plan shall be 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 2022 the best estimate of the fair value of the plan's total amount comes to approximately Euros 20,397 thousand, which will be settled in full in equity instruments. At 31 December 2022, an equity increase was recorded in this respect for the amount of Euros 2,577 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 includes the delivery of Fluidra, S.A., shares, taking place following the merger.

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The 2018-2022 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 specific number of shares in Fluidra, S.A. in terms of the PSUs on concession and attached to the compliance of the financial targets, will be 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.

For the purposes of measuring the evolution of the TSR, the initial value taken shall be 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. Euros 8. The target EBITDA is the amount resulting from the approved Fluidra, S.A. strategic plan.

The 2018-2022 plan covers 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 is 5,737,979 shares.

At 31 December 2022 the best estimate of the fair value of the plan's total amount comes to approximately Euros 51,460 thousand, which will be settled in full in equity instruments. At 31 December 2022, an equity increase was recorded in this respect for the amount of Euros 10,876 thousand (Euros 24,332 thousand at 31 December 2021).

In January 2023, this plan was settled.

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 Replacement Plan grants management staff three different instruments:

- Share units in LuxCo convertible to shares in Fluidra, S.A. or cash at the date of their liquidation by the management staff who are currently shareholders of LuxCo and subject to the Original Plan ("Common Equity roll-over").
- Share units in LuxCo convertible to shares in Fluidra, S.A. or cash at the date of their liquidation by the management staff who hold the MIV in an equivalent number of shares to the value of the MIV under the Original Plan ("MIV Interest roll-over").
- Restricted additional share units in LuxCo, convertible to shares in Fluidra, S.A. or cash at the liquidation date ("Restricted shares").

Generally speaking, the stated instruments are subject to conditions of permanency as employees of the Company, complying with Rhône Capital L.L.C.'s financial objectives, share lock-up periods and repurchase options in the event the member of management staff leaves the company. The periods of consolidation of rights and/or lock-in periods, whichever the case, depend on the total or partial departure of Rhône Capital L.L.C. from Fluidra, S.A. in line with the different tranches contained in the three aforementioned instruments of the plan. In all cases the commitments are payable entirely in Fluidra, S.A. shares or cash.

The change of plan in these circumstances should be analysed in order to determine to what extent the impact should be counted as services performed before the transaction, after it, or a combination of both. The services counted prior to the transaction were included in the price paid, whilst services counted after the transaction date are taken to the income statement as long-term salaries throughout the remaining period until the right accrues. In this case, although it impacts on the income statement by way of services rendered by management staff who are beneficiaries of the plan, Fluidra, S.A. is not required to settle the Replacement Plan since Rhône Capital L.L.C. is obliged to pay for the plan. Consequently, the percentage that does not belong to Rhône Capital L.L.C. is reflected in the grants heading, net of the tax effect.

The best estimate of services counted after the transaction amounts to Euros 11,479 thousand (Euros 11,479 thousand at 31 December 2021). At 31 December 2022, an equity increase was recorded in this respect for the amount of Euros 348 thousand, net of the tax effect, and the plan has been fully accrued (Euros 485 thousand at 31 December 2021).

b) Transactions other than ordinary business or under terms differing from market conditions carried out by the directors of the Company

During 2022 and 2021 the Directors 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.

c) Conflicts of interest concerning the Directors of the 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.

20. Other commitments and contingencies

At 31 December 2022 and 2021 the Company has not presented any mortgage guarantees.

At 31 December 2022, the Company has guarantees from financial institutions and other companies amounting to Euros 80 thousand (Euros 178 thousand in 2021), of which none are technical guarantees.

Fluidra Commercial, S.A.U., a subsidiary indirectly wholly-owned by Fluidra, signed a share purchase agreement on 23 December 2022 whereby it has undertaken 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. Its expected revenue for the year ending 31 December 2022 is in excess of Euros 25 million. The transaction is expected to be completed in 2023, once all standard conditions precedent have been approved, particularly approval by the competition authorities. The purchase price agreed by the Meranus Group, to be paid at completion, is Euros 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.

21. Taxation

During 2022, the Company continues to be taxed under the consolidated tax return regime. Fluidra, S.A. is the parent of this consolidated tax group and is responsible for making the relevant payments to the tax authorities. The companies that make up this tax group are: Fluidra Export, S.A., Cepex, S.A.U., Fluidra Commercial, S.A.U., Fluidra Comercial España, S.A.U., I.D.Electroquímica, S.L., Inquide, S.A.U., Poltank, S.A.U., Fluidra Global Distribution, S.L.U., Sacopa, S.A.U., Talleres del Agua, S.L.U., Trace Logistics, S.A.U., Unistral Recambios, S.A.U, Innodrip, S.L.U. and Fluidra Finco, S.L.U. Profits determined in accordance with tax legislation are subject to a rate of 25% on the taxable income of companies located in areas of Spain not subject to a regional tax agreement.

In 2021, the consolidation scope comprised the same companies as in 2022, plus the following companies: Industrias Mecánicas Lago, S.A.U. (company absorbed in 2022 by Fluidra Finco, S.L.U.), Togama, S.A.U. (entity transferred during 2022 to a third party) and, although during the first four months of that year only (upon the transfer of assets and liabilities to Fluidra, S.A.), Fluidra Engineering Services S.L.U. and Fluidra Services Espanya, S.L.U.

FLUIDRA, S.A.

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A reconciliation of net income and expenses for the year with taxable income at 31 December 2022 and 2021 is as follows:

Thousands of Euros							
2022							
	Income statement			Income and expense recognised in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expense for the year	-	-	129,978	184	-	184	130,162
Income tax	-	-	7,263	-	(61)	(61)	7,202
Profit/(loss) before tax			122,715	-	-	-	122,960
Permanent differences - ind. company	852	(158,920)	(158,068)	-	-	-	(158,068)
Permanent differences - consolidated tax group	-	-	-	-	-	-	-
Temporary differences - ind. company	15,845	(6,351)	9,494	-	-	-	9,494
Originating in the year	15,599	0	15,599	-	-	-	15,599
Originating in prior periods	246	(6,351)	(6,105)	-	-	-	(6,105)
Temporary differences - consolidated tax group	-	-	-	-	-	-	-
Offset of tax loss carryforwards from prior years	-	-	-	-	-	-	-
Tax base			(25,859)				(25,614)

Thousands of Euros							
2021							
	Income statement			Income and expense recognised			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expense for the year	-	-	(29,870)	186	-	186	(29,684)
Income tax	-	-	(8,912)	2	(64)	(62)	(8,850)
Profit/(loss) for the year before tax			(38,782)	-	-	-	(38,534)
Permanent differences - ind. company	585	-	585	-	-	-	585
Permanent differences - consolidated tax group	-	-	0	-	-	-	-
Temporary differences - ind. company	13,751	(580)	13,171	-	-	-	13,171
Originating in the year	13,494		13,494				13,494
Originating in prior periods	257	(580)	(323)				(323)
Temporary differences - consolidated tax group	-	-	-	-	-	-	-
Offset of tax loss carryforwards from prior years			(2,437)				(2,437)
Tax base			(27,463)				(27,215)

The individual company's permanent differences relate mainly to the elimination of dividends and other non-deductible expenses.

The temporary differences of the individual company relate mainly to non-tax-deductible provisions and the reversal of restrictions on the deductibility of depreciation and amortisation in 2013 and 2014.

FLUIDRA, S.A.

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2022

Details of deferred tax assets and liabilities by type are as follows:

	Thousands of euros					
	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Deferred gains	-	-	(1,138)	(1,138)	(1,138)	(1,138)
Tax credit for unused tax loss carryforwards and deductions	-	1	-	-	-	1
Limit on deductibility of amortisation/depreciation	2	3	-	-	2	3
Provision for obligations with employees	7,498	6,851	-	-	7,498	6,851
Other items	2,034	68	-	-	2,034	68
	<u>9,534</u>	<u>6,923</u>	<u>1,138</u>	<u>1,138</u>	<u>8,396</u>	<u>5,785</u>

The breakdown of changes by type of deferred tax asset and liability is as follows:

	Thousands of euros				
	31/12/2021	Losses and gains	Equity	Other	31/12/2022
Deferred gains	(1,137)	-	-	(1)	(1,138)
Tax credit for unused tax loss carryforwards and deductions	1	-	-	(1)	-
Limit on deductibility of amortisation/depreciation	3	(1)	-	-	2
Provisions for employee obligations	6,851	648	-	(1)	7,498
Other items	67	1,726	61	180	2,034
Total	<u>5,785</u>	<u>2,373</u>	<u>61</u>	<u>177</u>	<u>8,396</u>

	Thousands of euros				
	31/12/2020	Losses and gains	Equity	Other	31/12/2021
Deferred gains	(1,137)	-	-	-	(1,137)
Tax credit for unused tax loss carryforwards and deductions	89	(609)	-	521	1
Limit on deductibility of amortisation/depreciation	4	(1)	-	-	3
Provisions for employee obligations	3,413	3,368	-	70	6,851
Other items	205	(74)	-	(64)	67
Total	<u>2,574</u>	<u>2,684</u>	<u>-</u>	<u>527</u>	<u>5,785</u>

The accompanying notes are an integral part of the annual accounts for the year ended 31 December 2022.

FLUIDRA, S.A.

Notes to the Annual Accounts

2022

At 31 December 2022 deferred tax assets are expected to be reversed in the coming 12 months for Euros 5,922 thousand. At 31 December 2021, Euros 20 thousand were expected.

The breakdown of corporate income tax income is as follows:

	Thousands of euros	
	2022	2021
Current tax		
For the year	(8,139)	(10,599)
Tax deductions	837	1,867
Prior years' adjustments	2	(335)
Other	2,410	2,839
Deferred taxes		
Origination and reversal of temporary differences	(2,373)	(3,293)
Tax credit for unused tax loss carryforwards and deductions	-	609
Prior years' adjustments	-	-
Total income tax expense	<u>(7,263)</u>	<u>(8,912)</u>

The reconciliation of current income tax with current net income tax liabilities / (assets) is as follows:

	Thousands of euros	
	2022	2021
Current tax	(7,302)	(8,732)
Withholdings and payments made on account during the year	-	(163)
Additional liabilities of Group companies under the consolidated tax regime	2,621	4,026
Tax payable/(receivable) in 2020	-	(5,466)
Tax payable/(receivable) in 2021	-	-
Current income tax (assets)/liabilities (see Note 9)	<u>(4,681)</u>	<u>(10,335)</u>

FLUIDRA, S.A.

Notes to the Annual Accounts

2022

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

	Thousands of euros	
	2022	2021
Profit for the year before tax from continuing operations	122,715	(38,782)
Profit at 25%	30,679	(9,696)
Dividend exemption	(39,663)	-
Permanent differences	146	146
Tax deductions	(837)	(1,867)
Other	2,412	2,505
Income tax expense/(income)	<u>(7,263)</u>	<u>(8,912)</u>

At 31 December 2022 and 2021, the only unused recognised deduction relates to reversal of depreciation/amortisation for 2013 and 2014, the amount of which is as follows:

	Thousands of euros	
	2022	2021
Deductions	-	1
Tax loss carryforwards	-	-
	<u>-</u>	<u>1</u>

Likewise, at 31 December 2022 and 2021, there are no unrecognised tax loss carryforwards pending offset or unused deductions.

The years open to inspection are:

Tax	Open tax periods
Corporate income tax	2018 - 2022
Value added tax	2019 - 2022
Personal income tax	2019 - 2022
Tax on Economic Activities	2019 - 2022

Tax returns cannot be considered definitive until they have been inspected by the tax authorities or the inspection period of four years has elapsed. Due to different possible interpretations of current fiscal legislation, additional tax liabilities could arise in the event of an inspection. In any case, the Company's directors consider that in the event of additional tax inspections, the possibility that contingent liabilities arise is remote and the additional tax payable, if any, that may derive would not have a significant impact on the Company's annual accounts.

There are no inspections in progress at 31 December 2022. Neither for the company nor for the tax group of which the company is the parent.

FLUIDRA, S.A.

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2022

22. 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:

	2022 Days	2021 Days
Average payment period to suppliers	47.67	40.26
Ratio of transactions	51.36	42.33
Ratio of transactions payable	36.68	31.6
	<u>Amount (thousands of Euros)</u>	<u>Amount (thousands of Euros)</u>
Total payments made	43,117	32,655
Total payments outstanding	14,458	7,797
Invoices paid within maximum period set out in late payment regulations (monetary amount)	30,058	n/a
Payments made within maximum period as percentage of total payments made	70%	n/a
	<u>Number of invoices</u>	<u>Number of invoices</u>
Invoices paid within maximum period set out in late payment regulations	3,699	n/a
As percentage of total invoices	72%	n/a

23. Auditors' and related Group companies' fees

Ernst & Young, S.L. have invoiced the following net fees for professional services during the year ended 31 December 2022 and 2021:

	<u>Thousands of euros</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>
Audit services	175	167
Other assurance services	51	57
Other services	-	-
Total	<u>226</u>	<u>224</u>

The amount of Other assurance services for 2022 and 2021 includes: the report on the system of internal control over financial reporting (SCIIF), the review report on the non-financial information, the review of the integrated report and the review of the financial reports of certain R+D projects.

The amounts detailed in the above table include the total fees for services rendered in 2022 and 2021, irrespective of the date of invoice.

No other company affiliated with EY, S.L. has invoiced fees for professional services to the Group during the year ended 31 December 2022 and 2021.

24. Environmental issues

Given the company's business activities, at 31 December 2022 and 2021 there are no significant assets for the protection or improvement of the environment and it has not incurred any major expenses of an environmental nature during either year.

The Company's Board of Directors considers that there are no significant contingencies in connection with the protection and improvement of the environment and that it is not necessary to recognise any provisions for environmental liabilities and charges at year end.

25. Subsequent events

On 25 January, completion of the acquisition transaction 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, with a deferred payment of HUF 350 million payable upon completion of the merger of Kerex and Fluidra Magyar Kft. In addition, cross options to be exercised between 2023 and 2024 have been agreed upon, which will be recorded as a liability and have been initially valued at HUF 526 million. At the date of authorisation for issue, the acquisition balance sheet is not yet available.

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Information on Group companies

31 December 2022

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

Name	% of interest		Euros					Carrying amount of interest
	Dir	Ind	Capital and share premium	Reserves	Profit (loss) for de year	Interim Dividend	Total shareholders' equity	
Details of subsidiaries								
FLUIDRA FINCO, S.L.U	100%		1.416.563.305	50.250.583	172.990.514	-167.000.000	1.472.804.402	1.448.903.614
FLUIDRA COMMERCIAL, S.A.U.	100%		142.690.175	45.627.350	122.674.723	-117.000.000	193.992.248	126.310.706
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LIMITED	100%		405.622	223.769	16.322	0	645.713	648.482
AO ASTRAL SNG	90%		194.936	332.744	1.029.552	0	1.557.232	823.516
ASTRAL AQUADESIGN LIMITED LIABILITY COMPANY	59%		11.873	308.716	311.033	0	631.622	8.366
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.	100%		71.395	1.175.722	1.706.736	0	2.953.853	1.229.641
ASTRAL INDIA PRIVATE, LIMITED	100%		77.897	547.154	914.853	0	1.539.904	317.019
FLUIDRA INDIA PRIVATE LIMITED	100%		1.408	405.575	26.663	0	433.646	1.134
ASTRALPOOL CYPRUS, LTD	100%		201.000	1.330.445	901.218	0	2.432.663	1.405.000
ASTRALPOOL HONGKONG, CO., LIMITED	100%		994	620.411	-2.120	0	619.285	994
FLUIDRA SWITZERLAND, S.A.	100%		922.085	-83.905	174.645	0	1.012.825	1.306.841
ASTRALPOOL UK LIMITED	100% (3)		51.603	1.853.374	1.765.269	0	3.670.246	4.522.264
CEPEX MEXICO, S.A. DE C.V.	100%		633.090	23.009	5.505	0	661.604	555.778
CERTIKIN INTERNATIONAL, LIMITED	100% (3)		1.500.003	8.959.478	4.333.318	0	14.792.799	17.184.987
CERTIKIN INTERNATIONAL (IRELAND) LIMITED	100%		100				100	
FLUIDRA ADRIATIC D.O.O.	100%		9.987	979.753	497.713	0	1.487.453	1.495.952
FLUIDRA BALKANS JSC	61%		216.353	-759.654	2.283.181	0	1.739.880	719.114
FLUIDRA BRASIL INDÚSTRIA E COMÉRCIO LTDA	100%		20.414.607	-11.627.860	3.409.414	0	12.196.161	18.844.921
VEICO.COM.BR INDÚSTRIA E COMÉRCIO LTDA	100%		794.821	-1.458.877	138.418	0	-525.638	0
FLUIDRA CHILE, S.A.	100%		2.746.065	-1.394.189	193.195	0	1.545.071	1.357.192
FLUIDRA COLOMBIA, S.A.S	100%		1.743.492	-921.547	193.654	0	1.015.599	1.643.864
FLUIDRA COMERCIAL ESPAÑA, S.A.U.	100%		1.202.072	28.168.789	12.246.048	0	41.616.909	38.613.795
FLUIDRA NORDIC A/S	100% (14)		63.652	553.150	-140.260	0	476.542	63.652
FLUIDRA EGYPT, EGYPTIAN LIMITED LIABILITY COMPANY	90%		32.611	376.222	3.636.002	0	4.044.835	543.617
W.I.T. EGYPT, EGYPTIAN LIMITED LIABILITY COMPANY	90%		116.225	1.213.670	24.358	0	1.354.253	75.918

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

Name	% of interest		Euros					
			Capital and share premium	Reserves	Profit (loss) for de year	Interim Dividend	Total shareholders' equity	Carrying amount of interest
	Dir	Ind						2022
Details of subsidiaries								
FLUIDRA EXPORT, S.A.U.	100%		601.000	3.605.064	2.777.197	0	6.983.261	820.950
FLUIDRA GLOBAL DISTRIBUTION, S.L.U.	100%		1.753.100	1.672.226	-1.431.729	0	1.993.597	1.773.664
FLUIDRA HELLAS, S.A.	97%		3.768.050	413.539	3.227.566	0	7.409.155	4.188.271
FLUIDRA HOLDINGS SOUTH AFRICA PTY LTD	100%		28.980.938	5.456.570	747.312	0	35.184.820	29.775.057
FLUIDRA WATERLINX PTY, LTD	100%		25.073.684	-8.303.229	2.807.895	0	19.578.350	34.752.921
FLUIDRA INDONESIA PT.	100%		1.870.547	1.147.262	659.941	0	3.677.750	1.877.901
FLUIDRA KAZAKHSTAN LIMITED LIABILITY COMPANY	70%		47.250	350.831	997.089	0	1.395.170	1.022.628
FLUIDRA MAGYARORSZÁG KFT.	95%		140.426	1.420.317	361.355	0	1.922.098	237.069
FLUIDRA MALAYSIA SDN.BHD.	100%		364.620	498.071	-78.414	0	784.277	700.887
FLUIDRA MAROC, S.A.R.L.	90%		311.143	3.665.272	1.746.818	0	5.723.233	1.051.292
FLUIDRA MEXICO, S.A. DE C.V.	100%		3.358.504	-119.494	993.817	0	4.232.827	3.374.952
FLUIDRA MIDDLE EAST FZE	100%		211.231	12.635.115	6.715.873	0	19.562.219	599.294
FLUIDRA AL URDOUN FZ	70%		168.517	-168.517	0	0	0	0
FLUIDRA MONTENEGRO DOO	60%		10.000	163.325	202.981	0	376.306	6.000
FLUIDRA ÖSTERREICH GMBH "SSA"	99%		1.158.434	7.092.797	4.719.646	0	12.970.877	6.942.991
FLUIDRA POLSKA, SP. Z.O.O.	100%		95.376	1.113.596	476.825	0	1.685.797	236.997
FLUIDRA COMERCIAL PORTUGAL UNIPessoal, LDA	100%		1.375.641	6.872.846	1.821.421	0	10.069.908	7.457.938
FLUIDRA ROMANIA S.A.	67%		50.000	-45.737	556.235	0	560.498	33.330
FLUIDRA SERBICA, D.O.O. BEOGRAD	60%		10.000	378.903	587.679	0	976.582	6.000
FLUIDRA COMMERCIALE ITALIA, S.P.A.	100% (6)		1.060.000	10.034.453	8.102.637	0	19.197.090	16.466.247
AGRISILOS, S.R.L.	100%		10.000	1.397.581	578.032	0	1.985.613	4.083.864
LAGHETTO FRANCE, S.A.R.L.	100%		1.000	-839.967	0	0	-838.967	0

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Name	% of interest		Euros					
			Capital and share premium	Reserves	Profit (loss) for de year	Interim Dividend	Total shareholders' equity	Carrying amount of interest
	Dir	Ind						2022
Details of subsidiaries								
FLUIDRA SINGAPORE, PTE LTD		100%	238.473	1.489.571	158.228	0	1.886.272	872.221
FLUIDRA NORDIC AB		100%	5.768	1.583	845.390	0	852.741	5.563
FLUIDRA (THAILAND) CO, LTD		100%	487.769	365.758	-8.943	0	844.584	288.378
ASTRALPOOL (THAILAND) CO., LTD		99%	92.912	2.056.046	403.853	0	2.552.811	212.264
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS		51%	168.796	1.035.184	1.363.224	0	2.567.204	73.481
TURCAT POLYESTER SANAYI VE TICARET A.S.		26% (14)	79.200	-112.200	84.876	0	51.876	3.716
FLUIDRA VIETNAM LTD		100%	119.209	402.937	553.482	0	1.075.628	119.208
SIBO FLUIDRA NETHERLANDS B.V.		100% (2)	323.528	12.953.712	6.218.092	0	19.495.332	16.787.551
YASHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) CO, LTD		100%	85.183	1.105.590	-180.682	0	1.010.091	85.183
FLUIDRA DEUTSCHLAND GMBH		100%	3.962.512	7.917.810	3.045.829	0	14.926.151	19.643.446
FLUIDRA HOLDINGS AUSTRALIA PTY LTD		100%	131.949.901	-90.861.986	-840.605	0	40.247.310	118.796.524
FLUIDRA GROUP AUSTRALIA PTY LTD		100%	20.509.252	28.375.712	5.037.940	0	53.922.904	24.919.863
FABTRONICS AUSTRALIA PTY LTD		100%	62	10.007.410	-3.578	0	10.003.894	10.003.780
FLUIDRA (N.Z.) LIMITED		100%	59	864.793	221.230	0	1.086.082	113
FLUIDRA AUSTRALIA PTY LTD		100% (2)	1.432.037	-1.473.105	0	0	-41.068	54.164
FLUIDRA TUNISIE, S.A.R.L.		100%	67.016	25.278	10.160	0	102.454	64.163
FLUIDRABH D.O.O. BIJELJINA		60%	10.009	118.718	270.876	0	399.603	6.009
UNISTRAL RECAMBIOS, S.A.U.		100%	60.110	1.974.688	3.208.611	0	5.243.409	23.400.000
CEPEX S.A.U.		100%	11.037.930	22.410.949	6.268.373	0	39.717.252	98.744.379
POLTANK, S.A.U.		100%	601.010	13.278.641	3.896.458	0	17.776.109	56.323.621
TURCAT POLYESTER SANAYI VE TICARET A.S.		26% (14)	79.200	-112.200	84.876	0	51.876	42.059
SACOPA, S.A.U.		100%	601.000	24.022.401	16.948.786	0	41.572.187	164.926.235

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Name	% of interest		Euros					
	Dir	Ind	Capital and share premium	Reserves	Profit (loss) for de year	Interim Dividend	Total shareholders' equity	Carrying amount of interest
								2022
Details of subsidiaries								
I.D. ELECTROQUÍMICA, S.L.U.		100%	5.022	6.268.897	7.273.323	0	13.547.242	61.987.757
INQUIDE, S.A.U.		100%	10.293.709	21.741.316	7.410.481	0	39.445.506	116.977.657
FLUIDRA SI D.O.O.		60%	30.000	35.712	55.456	0	121.168	18.000
SWIM & FUN SCANDINAVIA Aps		100% (12)	16.792	7.688.925	-734.492	-3.607.029	3.364.196	21.005.891
NINGBO DONGCHUAN SWIMMING POOL EQUIPMENT CO., LTD		70%	905.369	6.679.904	3.709.757	0	11.295.030	633.758
PRODUCTES ELASTOMERS, S.A.		100%	60.200	1.192.987	-28.845	0	1.224.342	3.583.333
TALLERES DEL AGUA, S.L.U.		100%	2.203.753	-794.143	151.406	0	1.561.016	1.681.796
MANUFACTURAS GRE, S.A.U.		100%	445.343	20.265.062	9.137.131	0	29.847.536	27.587.523
TRACE LOGISTICS, S.A.U.		100%	4.509.000	961.397	589.378	0	6.059.775	3.347.690
TRACE LOGISTICS NORTH BV		100%	30.000	-352.125	-72.943	0	-395.068	0
INNODRIP, S.L.U		100%	760.000	-523.286	-141.734	0	94.980	104.000
ZODIAC POOL SOLUTIONS LLC		100% (9)	295.454.396	-538.135.444	225.875.431	0	-16.805.617	1.076.959.583
ZODIAC POOL SYSTEMS CANADA, INC.		100%	4.377.616	1.444.489	925.288	0	6.747.393	803.319
ZODIAC POOL SYSTEMS LLC		100%	78.632.092	-35.992.952	150.869.938	0	193.509.078	167.207.834
COVER - POOLS INCORPORATED		100%	-153.215	39.563.555	5.477.724	0	44.888.064	22.329.192
FLUIDRALATAMEXPORT LLC		100%	178.659	807.480	446.486	0	1.432.625	187.512
FLUIDRA USA, LLC		100%	4.955.885	-2.320.605	-1.986.520	0	648.760	6.806.888
CUSTOM MOLDED PRODUCTS LLC		100% (4)	53.253.601	-72.079.631	12.325.122	-4.285.715	-10.786.623	178.003.090
DEL INDUSTRIES INC.		100% (5)	0	0	0	0	0	0
CMP POOL & SPA (SHANGHAI) CO, LTD		100%	0	0	0	0	0	0
<i>CUSTOM MOLDED PRODUCTS SHANGHAI INC.</i>		100%	3.006.317	2.990.163	-1.575.674	0	4.420.806	7.765.442
SRS HOLDCO, LLC		100%	0	0	0	0	0	0
S.R. SMITH, LLC		100%	0	33.828.267	19.273.634	-17.619.048	35.482.853	214.759.012
<i>SRS AUSTRALIA PTY LTD</i>		100%	0	-1.295.717	-155.420	0	-1.451.137	3.273.275
<i>SUNBATHER PTY LTD</i>		100%	0	4.001.831	-414.474	0	3.587.357	11.064.328
TAYLOR WATER TECHNOLOGIES LLC		100%	-1.254.940	6.564.101	5.350.885	-2.857.143	7.802.903	71.756.289

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Name	% of interest		Euros					
	Dir	Ind	Capital	Reserves	Profit (loss)	Interim Dividend	Total shareholders' equity	Carrying amount of interest
			and share premium		for de year			2022
Detalle de sociedades dependientes								
ZPES HOLDINGS SAS	100%	(10)	320.403.565	158.034.948	40.397.310	0	518.835.823	320.984.053
ZODIAC POOL CARE EUROPE SAS	100%		6.884.263	38.624.777	17.810.272	0	63.319.312	306.038.677
ZODIAC SWIMMING POOL EQUIPMENT (SHENZHEN) CO.,L	100%		77.200	524.895	109.404	0	711.499	0
FLUIDRA COMMERCIAL FRANCE, S.A.S.	100%	(7)	13.307.294	6.501.085	14.013.010	0	33.821.389	70.456.771
FLUIDRA BELGIQUE, S.R.L.	100%		162.920	1.500.502	661.596	0	2.325.018	4.819.600
POOLWEB SAS	100%		37.000	310.259	849.191	0	1.196.450	125.225
ZODIAC INTERNATIONAL SAS	100%		18.341.776	4.665.998	469.662	0	23.477.436	78.458.000
FLUIDRA INDUSTRY FRANCE, S.A.S	100%		2.050.000	5.907.438	2.814.045	0	10.771.483	4.019.800
PISCINES TECHNIQUES 2000, S.A.S.	100%		1.062.169	515.005	296.557	0	1.873.731	1.000.001

Detalle de sociedades asociadas consolidadas de acuerdo con el método de la participación

ASTRAL NIGERIA, LTD.	25%	(1)
ASPIRE POLYMERS PTY. LTD	50%	
BLUE FACTORY S.R.L.	17%	(15)

Detalle de sociedades integradas al coste

DISCOVERPOOLS COM, INC.	11%	(1)
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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- (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 share capital of Astral pool Australia Pty Ltd, Hurlcon Staffing Pty Ltd and Hurlcon Investments Pty Ltd. SIBO FLUIDRA NETHERLANDS, B.V. fully owns the share capital of the German company SIBO GmbH.
- (3) The companies Certikin International Limited and Astralpool UK Limited, wholly-owned subsidiaries of Fluidra, S.A. and registered in England under numbers 03047290 and 01823941, respectively, are exempt from the requirement of the Companies Act 2006 in relation to the audit of the individual annual accounts by virtue of section S479C.
- (4) Absorbing company of Aqua Sun Zone LLC, Bobe Water & Fire LLC, Century Composites Of Georgia LLC, Shenandoah Manufacturing LLC and Saline Generating Systems LLC.
- (5) Absorbing company of CMP holco Inc., Del agricultural and Del Ozone Holding Company Inc.
- (6) Absorbing company of Fluidra Services Italia, S.R.L.
- (7) Absorbing company of Fluidra Assistance, S.A.S.
- (8) Previous company of Industrias Mecánicas Lago, S.A.U. and ZPNA Holdings, S.A.S.
- (9) Absorbing company of Fluidra Holdco North America, Inc.
- (10) Absorbing company of Fluidra Services France, S.A.S.
- (11) In the year ended 31 December 2022, Togama, S.A.U. was disposed of.
- (12) Companies acquired during the year.
- (13) In the year ended 31 December 2022, the following companies have been wound up: Price Chemicals, Pty Ltd., Hurlcon Investments, Pty Ltd., Riot Labs NV/SA and Zodiac Pool care South Africa, Pty Ltd.
- (14) Companies in the process of being wound up.
- (15) Newly created companies in the year.

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

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Subsidiaries accounted for using the full consolidation method

- Agrisilos, S.R.L., domiciled in Vescovato (Italy), is mainly engaged in the production, processing, assembly and marketing of plastic products and other materials for use in agricultural and industrial settings, swimming pools, swimming pool equipment and supplies, water treatment products, robotic cleaning devices and membranes for projects in the gas industry and, in general, products and accessories, spare parts, expandable structures and products relating to the wellness market, including maintenance, repair, management and other services relating to the abovementioned activities.
- AO Astral SNG, domiciled in Moscow (Russia), is mainly engaged in the marketing of swimming-pool materials.
- Astral Aquadesign 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.
- Astral India Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool materials and chemical water, spa and irrigation treatments.
- 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 (Hong Kong), is mainly engaged in the marketing of pool, water treatment and irrigation products.
- Astralpool (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 México, 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..
- Certikin Swimming Pool Products India Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of swimming-pool products.
- 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.

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

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- Custom Molded Products, LLC (absorbing company of Aqua Sun Zone LLC, Bobe Water & Shenandoah Manufacturing LLC and Saline Generating Systems LLC), 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 Shanghai, 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.
- Del Industries, Inc. (absorbing company of CMP holdco Inc, Del agricultural and Del Ozone Holding Company, Inc), domiciled in San Luis Obispo, California (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.
- 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 Al Urdoun Fz, domiciled in Zarqa Free Zone (Jordan) is mainly engaged in the marketing of pool material.
- 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 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.

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

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- 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., (absorbing company of Fluidra Assistance, 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 Fluidra Services Italia, 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 Cyprus, LTD, domiciled in Limassol, (Cyprus), is essentially engaged in the import, export, manufacture, purchase and sale and distribution of all types of product specifically for pools, saunas or similar 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, (absorbing company of Industrias Mecánicas Lago, S.A.U. and ZPNA holdings, S.A.S.) 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.

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

31 December 2022

- 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, domiciled in Chennai (India), is mainly engaged in the marketing of pool material.
- 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, 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 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 D.O.O., 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 Nordic A/S, (company in process of being wound up) domiciled in Rødékro (Denmark) is mainly engaged in the purchase, sale, import and 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.

Details of the corporate name and purpose
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31 December 2022

- 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 (Thailand) Co., LTD, domiciled in Samuth Prakarn (Thailand), is engaged in the holding and use of equity shares and securities.
- 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 electrochemical 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.
- Laghetto France, S.A.R.L., domiciled in Saint-Cannat (France), is mainly engaged in the purchase and sale of sports, leisure and pool materials and equipment and related accessories.
- 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.
- 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.

Details of the corporate name and purpose
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31 December 2022

- 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 used in pools and other businesses related to water and relax, technical assistance to professionals in the field and creation and sale of computer programs related to the above activities.
- Productes Elastomers, S.A., domiciled in Sant Joan Les Fonts (Girona, Spain), is engaged in the manufacture of rubber molded parts, as well as all types of natural and synthetic rubber; the execution and development of techniques for the maintenance of pressure rollers; their repair and trueing; and in general, the production, manufacture and processing of all types of rubber and plastic products.
- 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., 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.
- SRS Holdco, LLC, domiciled in Canby, Oregon (United States), is essentially engaged in defending directly or indirectly the ownership interests of SRS and may engage in any necessary, related, convenient, desirable, incidental or appropriate activity or commence through SRS or any other entity, any activity related to SRS's line of business. In connection with that purpose, and in order to carry it out, the company may undertake any necessary activity.
- 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.

Details of the corporate name and purpose
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31 December 2022

- 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, Spain), 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 Itajaí, 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, n° 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 unglummed 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 Fluidra Holdco North América, Inc), 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. (absorbing company of Fluidra Services France, 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.

Details of the corporate name and purpose
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31 December 2022

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.

DIRECTORS' REPORT

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

FLUIDRA, S.A.
Notes to the Annual Accounts
31 December 2022

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 - 1.3. Treasury shares
 - 1.4. Research, Development and Technological Innovation
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- 4. Annual Director Remuneration Report**

- 5. Signatures**

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FLUIDRA, S.A.

Directors' Report

31 December 2022

1. General business outlook

1.1. Business outlook and results

Revenue increased by Euros 178,572 thousand with respect to the corresponding prior year period. This increase is essentially explained by the dividends received from Fluidra Finco, S.L.U., the only Group company that Fluidra, S.A. has a direct stake in at 31 December 2022 (see Note 7). Euros 167,000 thousand have been received.

Other operating expenses have increased by Euros 11,725 thousand compared to the previous year, which is partially offset by a decrease in personnel expenses of Euros 4,163 thousand.

Due to the main changes mentioned above, operating results for the year go from Euros -40.7 million in 2021 to Euros 123 million in 2022.

If we analyse the balance sheet at 31 December 2022 compared to the balance sheet at 31 December 2021, there are no significant changes other than the investment in treasury shares reflected under Own shares and equity holdings (which went from Euros -168,491 thousand in 2021 to Euros -112,692 thousand in 2022), due to the impact of the capital reduction.

Bank borrowings saw a significant change, ending the year with a debt of Euros 47 million (Euros 120 million in 2021) from the promissory notes programme on the Alternative Fixed Income Market (MARF) (See Note 12).

The average payment period to suppliers is 48 days.

1.2. General description of Risk Policy

In terms of managing the risk policy, the Company has not modified its management of financial market risks (exchange rate and interest rate), maintaining the same hedging policies.

1.3. Treasury shares

Over 2022 the Company has carried out several purchase and sale transactions of treasury shares (12,736,445 shares purchased and 12,740,098 sold). At year end, the Company owned 5,792,658 treasury shares, which account for 3.01% of share capital and a cost of Euros 112,692 thousand.

1.4. Research, Development and Technological Innovation

No investments have been made in research, development and technological innovation during 2022.

1.5. Environmental issues

At 31 December 2022 there are no significant assets for the protection or improvement of the environment and it has not incurred any major expenses of an environmental nature during either year.

1.6. Personnel

The number of employees at year end has increased by 39 compared to 2022.

1.7. Non-financial information and diversity - Act 11/2018

This information required by Act 11/2018 is included in the consolidated directors' report which forms part of the Consolidated Annual Report. The individual directors' report is exempt from reporting requirements.

1.8. Subsequent events

See Note 25

2. **Annual Corporate Governance Report**

The Annual Corporate Governance Report of listed companies is included in the consolidated annual report authorised for issue on 30 March 2023 and filed with the CNMV and published on the corporate website, and is not included in the individual directors' report.

3. **Auditor's Report on the System of Internal Control over Financial Reporting**

The Auditor's Report on the System of Internal Control over Financial Reporting of listed companies is included in the consolidated annual report authorised for issue on 30 March 2023 and filed with the CNMV and published on the corporate website, and is not included in the individual directors' report.

4. **Annual Director Remuneration Report**

The Annual Director Remuneration Report of listed companies is included in the consolidated annual report authorised for issue on 30 March 2023 and filed with the CNMV and published on the corporate website, and is not included in the individual directors' report.

FLUIDRA, S.A.
Individual Annual Accounts
2022

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

On 30 March 2023, the Board of Directors of Fluidra, S.A. authorised for issue the annual accounts in accordance with the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, which comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in equity, the cash flow statement, the notes to the annual accounts and the directors' report for the year ended 31 December 2022, in accordance with the European Single Electronic Format (ESEF) as established in Delegated Regulation (EU) 2019/815 under ID number:

3B915FC455C9370F34710DF42BF570820D998AE07EB99D6C64CE2E3598D945FD (*)

And in witness whereof, all Directors sign below in compliance with article 253 of the Spanish Companies Act.

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

Mr. Michael Steven Langman

Mr. Gabriel López Escobar

Mr. Brian McDonald

Mr. Oscar Serra Duffo

Mr. José Manuel Vargas Gómez

(*) ID number hash SHA256

FLUIDRA, S.A.
Individual Annual Accounts
2022

**DECLARATION OF RESPONSIBILITY OF THE DIRECTORS OF FLUIDRA, S.A. IN RELATION TO THE
CONTENT OF THE ANNUAL FINANCIAL REPORT FOR FINANCIAL YEAR 2022**

In connection with the Annual Financial Report of FLUIDRA, S.A. for financial year 2022, which contains the Annual Financial Statements and the Directors' Report, the members of the Board of Directors declare that:

To the best of their knowledge, the Annual Financial Statements, prepared in accordance with the applicable accounting principles, present a true and fair view of the assets, liabilities, financial position and results of FLUIDRA, S.A., and the Directors' Report includes a true and fair analysis of the performance and earnings obtained and of the position of FLUIDRA, S.A., along with a description of the principal risks and uncertainties it faces.

Declaration made upon the authorization for issue of the Annual Financial Report of FLUIDRA, S.A. for financial year 2022, prepared by the Board of Directors of FLUIDRA, S.A. on March 30, 2023.

Mr. Eloy Planes Corts

Mr. Bruce Walker Brooks

Mrs. Esther Berrozpe Galindo

Mrs. Barbara Borra

Mr. Jorge Valentín Constans Fernández

Mr. Bernardo Corbera Serra

Mr. Bernat Garrigós Castro

Mr. Michael Steven Langman

Mr. Gabriel López Escobar

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Mr. Oscar Serra Duffo

Mr. José Manuel Vargas Gómez