

Report on Limited Review

**Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
and Interim Consolidated Management Report
for the six-month period ended
June 30, 2021**

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

REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Fluidra, S.A.

Report on the interim condensed consolidated financial statements

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of Fluidra, S.A. (hereinafter the parent Company) and its Subsidiaries (hereinafter the Group), which comprise the balance sheet at June 30, 2021, the income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flow statement, and the explanatory notes, all of which have been condensed and consolidated, for the six-month period then ended. The parent's Company Directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," adopted by the European Union for the preparation of interim condensed financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the review

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances can be considered an audit of accounts, no matter come to our attention which would lead us to conclude that the accompanying interim financial statements for the six-month period ended June 30, 2021 have not been prepared, in all significant respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim condensed financial statements.

Emphasis paragraph

We draw attention to the matter described in accompanying explanatory Note 2, which indicates that the above-mentioned accompanying interim financial statements do not include all the information that would be required for completed consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with Fluidra, S.A. and Subsidiaries consolidated financial statements for the year ended December 31, 2020. This does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying consolidated interim management report for the six-month period ended June 30, 2021 contains such explanations as the parent's Company Directors consider appropriate concerning significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended June 30, 2020. Our work is limited to verifying the consolidated interim management report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of Fluidra, S.A. and Subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the parent's Company Management with regard to the publication of the half yearly financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23, approving the consolidated text of the Securities Market Law enacted by Royal Decree 1362/2007.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

Daniel Artigas

July 30, 2021

FLUIDRA

**FLUIDRA, S.A.
AND SUBSIDIARIES**

**Interim Condensed Consolidated Financial Statements
prepared in accordance with International Financial Reporting
Standards as adopted by the European Union**

30 June 2021

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

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

- **Consolidated Financial Statements**
 - Consolidated Statements of Financial Position
 - Consolidated Income Statements
 - Consolidated Statements of Comprehensive Income
 - Consolidated Statements of Changes in Equity
 - Consolidated Cash Flow Statements

- **Notes**
 1. Nature, principal activities and companies comprising the Group
 2. Basis of presentation
 3. Relevant accounting principles applied
 4. Segment information
 5. Seasonal transactions
 6. Business combinations and sales of Group companies
 7. Property, plant and equipment and Other intangible assets
 8. Goodwill
 9. Current and non-current financial assets
 10. Derivative financial instruments
 11. Non-current assets held for sale and liabilities relating to non-current assets held for sale and discontinued operations
 12. Equity
 13. Earnings per share
 14. Provisions
 15. Bank borrowings and other marketable securities
 16. Risk management policy
 17. Changes in inventories of finished goods and work in progress and raw material supplies
 18. Sales of goods and finished products
 19. Income from the rendering of services
 20. Personnel expenses
 21. Other operating expenses
 22. Finance income and cost
 23. Deferred taxes and Income tax
 24. Related party balances and transactions
 25. Other commitments and contingencies
 26. EBITDA
 27. Subsequent events

- **Consolidated Directors' Report**

- **Appendices**
 - APPENDIX I Details of the corporate name and purpose of the subsidiaries, associates and joint ventures directly or indirectly owned

 - APPENDIX II Details of segment results
 Details of segment assets and liabilities

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Statements of Financial Position
30 June 2021 and 2020 and 31 December 2020
(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>30/06/2021</u>	<u>30/06/2020</u>	<u>31/12/2020</u>
		(Limit. Rev.)	(Limit. Rev.)	(Audited)
Property, plant, and equipment	7	130,716	116,969	117,941
Investment property		3,145	3,131	2,940
Goodwill	8	1,144,985	1,112,658	1,075,483
Other intangible assets	7	759,562	713,236	641,717
Right-of-use assets	7	120,247	107,756	101,714
Investments accounted for using the equity method		29	-	28
Non-current financial assets	9	4,592	6,875	4,384
Other receivables		3,557	2,275	3,680
Deferred tax assets		95,061	81,682	90,389
Total non-current assets		2,261,894	2,144,582	2,038,276
Non-current assets held for sale	11	4,960	633	-
Inventories		356,314	273,772	281,838
Trade and other receivables		405,406	393,391	249,341
Other current financial assets	9	10,679	9,812	10,867
Derivative financial instruments	10	527	448	10
Cash and cash equivalents		99,797	172,551	225,631
Total current assets		877,683	850,607	767,687
TOTAL ASSETS		<u>3,139,577</u>	<u>2,995,189</u>	<u>2,805,963</u>
<u>Equity</u>				
Share capital		195,629	195,629	195,629
Share premium		1,148,591	1,148,591	1,148,591
Retained earnings and other reserves		322,223	172,594	227,648
Interim dividend		-	-	(40,752)
Treasury shares		(142,537)	(14,493)	(35,841)
Other comprehensive income		(45,241)	(13,995)	(73,969)
Equity attributable to equity holders of the parent	12	1,478,665	1,488,326	1,421,306
Non-controlling interests		8,626	7,145	6,734
Total equity		<u>1,487,291</u>	<u>1,495,471</u>	<u>1,428,040</u>
<u>Liabilities</u>				
Bank borrowings and other marketable securities	15	680,288	733,449	671,102
Lease liabilities		108,240	97,027	91,694
Derivative financial instruments	10	12,029	21,622	15,987
Deferred tax liabilities		170,553	177,890	165,365
Provisions	14	14,686	10,808	13,636
Government grants		215	253	241
Other non-current liabilities		8,609	26,443	18,602
Total non-current liabilities		994,620	1,067,492	976,627
Liabilities linked to non-current assets held for sale	11	2,752	713	-
Bank borrowings and other marketable securities	15	69,240	53,542	20,013
Lease liabilities		26,115	21,959	22,454
Trade and other payables		511,838	325,175	319,696
Provisions	14	47,380	30,739	37,602
Derivative financial instruments	10	341	98	1,531
Total current liabilities		657,666	432,226	401,296
Total liabilities		1,652,286	1,499,718	1,377,923
TOTAL EQUITY AND LIABILITIES		<u>3,139,577</u>	<u>2,995,189</u>	<u>2,805,963</u>

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements of Fluidra, S.A. and subsidiaries for the six-month period ended 30 June 2021 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Income Statement
for the six-month periods ended 30 June 2021 and 2020
and the year ended 31 December 2020

(Expressed in thousands of euros)

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

	Notes	30/06/2021 (Limit. Rev.)	30/06/2020 (Limit. Rev.)	31/12/2020 (Audited)
Operating income				
Sales of goods and finished products	18	1,186,740	771,267	1,488,108
Income from the rendering of services	19	14,825	11,596	22,752
Work performed by the Group and capitalised as non-current assets		7,105	6,254	14,848
Total operating income		1,208,670	789,117	1,525,708
Operating expenses				
Change in inventories of finished products and work in progress and raw material supplies	17	(558,937)	(370,373)	(702,053)
Personnel expenses	20	(181,508)	(134,445)	(272,436)
Depreciation and amortisation expenses and impairment losses		(59,409)	(59,876)	(117,981)
Other operating expenses	21	(164,321)	(123,321)	(248,789)
Total operating expenses		(964,175)	(688,015)	(1,341,259)
Other gains and losses				
Profit/(loss) from sales of fixed assets		(309)	118	(386)
Total other gains and losses		(309)	118	(386)
Operating profit		244,186	101,220	184,063
Finance income / (cost)				
Finance income		1,934	6,218	7,378
Finance cost		(18,888)	(20,565)	(37,927)
Right-of-use finance cost		(2,540)	(2,495)	(4,861)
Exchange gains/(losses)		1,210	(4,138)	(9,660)
Net finance income/(cost)	22	(18,284)	(20,980)	(45,070)
Share of profit/(loss) for the year of entities accounted for using the equity method		-	-	28
Profit/(loss) before tax from continuing operations		225,902	80,240	139,021
Income tax expense				
Profit/(loss) after tax from continuing operations		176,237	57,440	99,903
Profit/ (loss) after tax from discontinued operations	11	-	-	-
Consolidated profit/(loss) after tax		176,237	57,440	99,903
Profit/(loss) attributable to non-controlling interests		1,997	2,562	3,515
Profit/(loss) attributable to equity holders of the parent		174,240	54,878	96,388
From continuing operations		174,240	54,878	96,388
From discontinued operations		-	-	-
EBITDA	26	303,595	161,096	302,072
Basic and diluted earnings per share from continuing operations (euros)	13	0.91088	0.28282	0.49702
Basic and diluted earnings per share (euros)	13	0.91088	0.28282	0.49702

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements of Fluidra, S.A. and subsidiaries for the six-month period ended 30 June 2021 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Statements of Comprehensive Income
for the six-month periods ended 30 June 2021 and 2020
and the year ended 31 December 2020
(Expressed in thousands of euros)

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

	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>31/12/2020</u>
Profit / (loss) for the year	176,237	57,440	99,903
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Cash flow hedges	4,048	(6,733)	(1,370)
Actuarial gains and losses	-	(17)	135
Exchange differences on translation of foreign operations	26,202	(5,163)	(66,097)
Tax effect	<u>(968)</u>	<u>1,466</u>	<u>459</u>
Other comprehensive income for the year, net of tax	<u>29,282</u>	<u>(10,447)</u>	<u>(66,873)</u>
Total comprehensive income for the year	<u><u>205,519</u></u>	<u><u>46,993</u></u>	<u><u>33,030</u></u>
Total comprehensive income attributable to:			
Equity holders of the parent	203,508	44,697	30,089
From continuing operations	203,508	44,697	30,089
From discontinued operations	-	-	-
Non-controlling interests	<u>2,011</u>	<u>2,296</u>	<u>2,941</u>
	<u><u>205,519</u></u>	<u><u>46,993</u></u>	<u><u>33,030</u></u>

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity
for the six-month period ended 30 June 2021
(Expressed in thousands of euros)

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

Equity attributable to equity holders of the parent

	Capital	Share premium	Legal reserve	Retained earnings	Interim dividend	Treasury shares	Other comprehensive income		Total	Non-controlling interests	Total equity
							Exchange differences	Other			
Balance at 1 January 2021	195,629	1,148,591	40,140	187,508	(40,752)	(35,841)	(61,373)	(12,596)	1,421,306	6,734	1,428,040
Total comprehensive income for the year	-	-	-	174,240	-	-	26,188	3,080	203,508	2,011	205,519
Inclusion of entities	-	-	-	-	-	-	-	-	-	12	12
Change in ownership interest	-	-	-	540	-	-	(540)	-	-	-	-
Treasury shares	-	-	-	20,616	-	(106,696)	-	-	(86,080)	-	(86,080)
Equity-based payments	-	-	-	18,183	-	-	-	-	18,183	-	18,183
Other	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	(119,004)	40,752	-	-	-	(78,252)	(131)	(78,383)
Balance at 30 June 2021	<u>195,629</u>	<u>1,148,591</u>	<u>40,140</u>	<u>282,083</u>	<u>-</u>	<u>(142,537)</u>	<u>(35,725)</u>	<u>(9,516)</u>	<u>1,478,665</u>	<u>8,626</u>	<u>1,487,291</u>

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements of Fluidra, S.A. and subsidiaries for the six-month period ended 30 June 2021 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity
for the six-month period ended 30 June 2020
(Expressed in thousands of euros)

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

Equity attributable to equity holders of the parent

	Capital	Share premium	Legal reserve	Retained earnings	Treasury shares	Other comprehensive income		Total	Non-controlling interests	Total equity
						Exchange differences	Other			
Balance at 1 January 2020	195,629	1,148,591	40,140	73,068	(14,000)	8,006	(11,820)	1,439,614	5,878	1,445,492
Total comprehensive income for the year	-	-	-	54,878	-	(4,897)	(5,284)	44,697	2,296	46,993
Inclusion of entities	-	-	-	-	-	-	-	-	-	-
Change in ownership interest	-	-	-	-	-	-	-	-	32	32
Treasury shares	-	-	-	413	(493)	-	-	(80)	-	(80)
Equity-based payments	-	-	-	3,771	-	-	-	3,771	-	3,771
Other	-	-	-	324	-	-	-	324	-	324
Dividends	-	-	-	-	-	-	-	-	(1,061)	(1,061)
Balance at 30 June 2020	<u>195,629</u>	<u>1,148,591</u>	<u>40,140</u>	<u>132,454</u>	<u>(14,493)</u>	<u>3,109</u>	<u>(17,104)</u>	<u>1,488,326</u>	<u>7,145</u>	<u>1,495,471</u>

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements of Fluidra, S.A. and subsidiaries for the six-month period ended 30 June 2021 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Cash Flow Statements
for the six-month periods ended 30 June 2021 and 2020
(Expressed in thousands of euros)

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

	Note	2021	2020
<u>Cash flows from operating activities</u>			
Profit /(loss) for the year before tax		225,902	80,240
<i>Adjustments for:</i>			
Amortisation and depreciation		58,180	58,946
Adjustments due to impairment of receivables		229	4,163
Provision for/(reversal of) impairment losses on assets		1,230	930
Provision for/(reversal of) impairment losses on financial assets		127	93
Provision for/(reversal of) losses on risks and expenses		9,751	2,814
Provision for/(reversal of) losses on inventories		1,872	691
Income from financial assets	22	(226)	(3,984)
Finance cost	22	18,565	22,866
Exchange (gains)/losses		(1,210)	4,138
(Profit)/loss on the sale of property, plant and equipment and other intangible assets		309	(118)
Government grants recognised in profit and loss		(53)	(50)
Adjustments to consideration paid against gains/losses on business combinations		2,736	(1,268)
Share-based payment expenses		18,308	3,771
(Profit)/loss from derivative financial instruments at fair value through profit or loss		<u>(1,708)</u>	<u>(865)</u>
Operating profit before changes in working capital		334,012	172,367
Changes in working capital, excluding effects of acquisitions and currency translation differences			
Increase/(decrease) in trade and other receivables		(136,177)	(88,974)
Increase/(decrease) in inventories		(44,982)	(13,665)
Increase/(decrease) in trade and other payables		95,936	28,435
Utilization of provisions		<u>(579)</u>	<u>(652)</u>
Cash from operating activities		248,210	97,511
Interest paid		(16,586)	(23,933)
Interest received		219	3,978
Corporate income tax paid		<u>(43,586)</u>	<u>(11,573)</u>
Net cash from operations (*)		<u>188,257</u>	<u>65,983</u>
<u>Cash flows from investing activities</u>			
From the sale of property, plant and equipment		1,083	681
From the sale of other intangible assets		450	134
From the sale of financial assets		7,545	2,318
Proceeds from the sale of subsidiaries in prior years		105	-
Acquisition of property, plant and equipment		(15,798)	(8,577)
Acquisition of intangible assets		(11,464)	(8,222)
Acquisition of other financial assets		(7,104)	(2,106)
Payments for acquisitions of subsidiaries, net of cash and cash equivalents	6	(164,603)	(7,946)
Payments for acquisitions of subsidiaries in prior years		<u>(14,668)</u>	<u>(6,997)</u>
Net cash from investing activities (*)		(204,454)	(30,715)

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements of Fluidra, S.A. and subsidiaries for the six-month period ended 30 June 2021 prepared in accordance with IFRS as adopted by the European Union.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Cash Flow Statements
for the six-month periods ended 30 June 2021 and 2020
(Expressed in thousands of euros)

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

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<u>Cash flows from financing activities</u>			
Payments for repurchase of treasury shares		(158,694)	(3,441)
Proceeds from the sale of treasury shares		72,614	3,360
Proceeds from grants		27	-
Proceeds from bank financing		63,645	66,831
Payments from bank borrowings		(76,540)	(157,872)
Payments from lease liabilities		(11,395)	(10,586)
Dividends paid		<u>(131)</u>	<u>(1,061)</u>
Net cash from financing activities (*)		<u>(110,474)</u>	<u>(102,769)</u>
Net increase/(decrease) in cash and cash equivalents		(126,671)	(67,501)
Cash and cash equivalents at 1 January		225,631	242,240
Effect of currency translation differences on cash flows		<u>3,473</u>	<u>(1,968)</u>
Cash and cash equivalents at 30 June		<u><u>102,433</u></u>	<u><u>172,771</u></u>

(*) Includes the cash flows associated with activities held for sale (Note 11).

Fluidra, S.A. and Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

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

1. **Nature, principal activities and companies comprising the Group**

Fluidra, S.A. (hereinafter the Company) was incorporated as a limited liability company for an indefinite period in Girona 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 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 Vallès, Barcelona).

The Group's 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 interest in other entities as detailed in Appendix I also. Group companies have been consolidated using their interim financial statements prepared/approved for issue by the corresponding managing bodies or Boards of Directors.

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

On 31 October 2007, Fluidra, S.A. (the "Company") completed its initial public offering process through the public offering of 44,082,943 ordinary shares with a par value of 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, and within the framework of the merger agreement between the Fluidra Group and the Zodiac Group, Fluidra, S.A. increased its share capital for a nominal amount of 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.

2. **Basis of presentation**

These interim condensed consolidated financial statements have been prepared from the accounting records of Fluidra, S.A. and the companies included in the Group. These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, specifically IAS 34 "Interim Financial Reporting", as adopted by the European Union (IFRS-EU) pursuant to article 12 of Royal Decree 1362/2007. These financial statements do not include all disclosures required for annual financial statements, and shall be read together with the consolidated financial statements for the years ended 31 December 2020 and 2019 prepared in accordance with IFRS-EU.

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

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

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

b) Comparative information

For comparative purposes, the interim condensed consolidated financial statements include the consolidated figures for the six-month period ended 30 June 2021 in addition to those for the same period of the prior year for each item of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the notes thereto, which have been obtained by consistently applying the IFRS-EU as required by the standards. Additionally, due to the seasonality of activities, for comparative purposes, the Company's Directors have considered it appropriate to include the figures for the year ended 31 December 2020 in the consolidated statement of financial position and the consolidated income statement.

All significant mandatory accounting principles have been applied.

The 2020 consolidated annual accounts were approved for issue by the shareholders in general meeting on 6 May 2021.

c) Relevant accounting estimates, assumptions and judgements used when applying accounting policies

In the preparation of interim condensed consolidated financial statements in accordance with IFRS-EU IAS 34 "Interim Financial Reporting", Group Management is required to make judgements, estimates and assumptions affecting the adoption of the standards and the amounts of assets, liabilities, income and expenses. The estimates and assumptions adopted are based on historical experience and various other factors understood to be reasonable under the existing circumstances.

In the Group's interim condensed consolidated financial statements for the six-month periods ended 30 June 2021 and 2020, estimates were made by management of the Group and of the consolidated companies in order to quantify certain assets, liabilities, income, expenses and commitments reported herein. These estimates basically refer to:

- The useful life and fair value of the customer portfolio and other intangible assets.
- The assumptions used in determining the fair value/value in use of the Cash Generating Units (CGUs) or group of CGUs for the purposes of evaluating potential impairment of goodwill and other assets (see note 8).
- Assessment of technical and commercial feasibility of development projects in progress.
- Estimate of the expected credit losses from receivables and obsolete inventory.
- The fair value of financial instruments and of certain unquoted financial assets.
- Assumptions used in determining the fair values of assets, liabilities and contingent liabilities related to the business combination of Agrisilos, S.R.L., Riiot Labs NV/SA and Fabtronics Australia Pty Ltd. Liabilities for contingent considerations correspond to level 3 fair value hierarchy in accordance with IFRS 13.
- The fair value of the commitment to the Company's management team related to the acquisition of an ownership interest in the Company's share capital.
- Estimates and judgements related to the provisions for litigation.
- Assessment of the recoverability of tax credits, including prior years' tax losses and rights to deduction. Deferred tax assets are recognised to the extent that future tax profit is available against which temporary differences can be charged, based on the management's assumptions about the amount of and payment schedules for future tax profit. Additionally, in the case of deferred tax assets related to investments in Group companies, their capitalisation takes into account whether they will be reversed in the foreseeable future.

Although these estimates are made on the basis of the best information available on the events analysed at 30 June 2021 and 2020, events may occur in the future which require these estimates to be adjusted (upwards or downwards) in the coming years or periods. Any effect of adjustments made in future reporting periods is recognised prospectively.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

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

- Reasons supporting the transfer of risks and rewards in leases and in the recognition of disposals of financial assets and liabilities,
- Reasons supporting the classification of assets as investment property,
- Assessment criteria for impairment of financial assets,
- Judgements made to calculate the lease terms of agreements that can be renewed and,
- Reasons supporting the capitalisation of development projects.

3. Relevant accounting principles applied

The accounting policies used in the preparation of these interim condensed consolidated financial statements are the same as those applied in the consolidated annual accounts for the year ended 31 December 2020, as none of the standards, interpretations or amendments that are applicable for the first time this year have had an impact on the Group's accounting policies.

The Group intends to apply the standards, interpretations and amendments issued by the IASB whose application is not mandatory in the European Union when they are effective, to the extent applicable to the Group. Although the Group is currently analysing their impact, based on the analysis conducted to date, the Group believes that their first-time application will not have a material impact on the annual accounts nor the interim condensed consolidated financial statements.

4. Segment information

The Fluidra Group's organisational structure up to the second half of 2020 was organised into three divisions, two of them covering a geographical approach, which manage the Group's sales and distribution activity, and the third one, which comprised the manufacture and logistics chain for the whole Group.

The Sales Divisions were ESA and North America.

The ESA (Europe, Southern Hemisphere & Asia) segment corresponded to Europe, Africa, Asia, Australia and South America.

The North America segment corresponded to the US and Canada.

Finally, the Operations division, located mainly in Spain, France, China and Mexico, integrated the Group's entire manufacturing and logistics chain.

In the second half of 2020, a new division was created to cover the Asian, Australian and South African markets.

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

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

The Business Divisions are EMEA, North America and APAC.

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

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

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

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

This new organisational structure also affected identification of the Group's cash generating units (CGUs) (note 8).

Following this change, the comparative segment figures for the six-month period ended 30 June 2020 have been restated.

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

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

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

The Management Advisory Committee uses EBITDA (see note 26) to measure the segment results. Amortisation and depreciation and impairment losses are linked to the assets directly allocated to the segment activity, excluding the impact of allocating the acquisition price of business combinations and investment portfolio provisions. Net financial profit/(loss) and income tax expense are not allocated by segment, as these activities are dealt with by the Group's central departments.

Intangible assets, deferred taxes, goodwill and financial assets and liabilities are not allocated by segment, as they are dealt with at Group level. Each segment manages non-current property, plant and equipment and working capital (NWC), as defined in Appendix II.

A breakdown of the Group's segment information for the six-month periods ended 30 June 2021 and 2020 is shown in Appendix II to these interim condensed consolidated financial statements.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

5. Seasonal transactions

The Group shows a certain seasonality in sales and in current assets and liabilities.

In the six-month period ended 30 June 2021, total sales represent 62.34% of sales in the last year.

6. Business combinations and sales of Group companies

A breakdown of the transactions resulting in the most significant additions during the six-month periods ended 30 June 2021 and 2020 is as follows:

2021

On 13 January 2021, the subsidiary Zodiac Pool Systems LLC, indirectly wholly-owned by Fluidra, completed the acquisition of all substantial assets of the business Built Right Pool Heaters LLC ("Built Right"), a heat pump manufacturer located in Florida, U.S.

Built Right specialises in the manufacture and servicing of high-quality heat pumps. Adding Built Right to the Fluidra catalogue significantly reinforces the Company's position in the pool and spa heat pump solutions business, while also enabling Fluidra to better meet the needs of customers through a broader product offering.

The price of this acquisition amounted to USD 11.1 million.

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

On 10 March 2021, Fluidra Holdco America, Inc., a wholly-owned subsidiary indirectly held by Fluidra, S.A. signed a share purchase agreement whereby it has acquired 100% of the share capital of the US company Custom Molded Products, LLC ("CMP").

CMP is a Georgia-based firm considered one of the leaders in the US business of designing, manufacturing, marketing and selling pool and spa products, including built-in equipment, sanitising systems, water fountains and lighting. The company operates several manufacturing and distribution facilities in multiple locations in the United States and China, and has a broad portfolio of pool and wellness products that complement Fluidra's product offerings. CMP's product reputation, together with its operational and manufacturing expertise, will help Fluidra to accelerate growth by providing its customers with a wider range of pool and spa technology, as well as greater product supply capacity.

The consideration paid for the transaction amounts to USD 189.8 million, with an initial payment and a net working capital adjustment to offset the seasonality of working capital.

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

During the period comprised between the date of acquisition and 30 June 2021, the acquired business has generated consolidated total sales of goods and finished products amounting to Euros 42,811 thousand and consolidated total profit after tax amounting to Euros 6,429 thousand.

If the acquisitions had occurred on 1 January 2021, the Group's sales of goods and finished products would have increased by Euros 25,608 thousand and consolidated profit after tax would have increased by Euros 2,710 thousand.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the six-month period ended 30 June 2021 is as follows:

Consideration paid	
Cash paid	165,743
Contingent consideration	<u>-</u>
Total consideration paid	<u>165,743</u>
Fair value of net assets acquired	<u>114,064</u>
Goodwill	<u>51,679</u>

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

The accounting of these business combinations is not final. A final analysis of the tax deductibility of goodwill and intangible assets is outstanding.

The most significant differences that have arisen between the carrying amounts of the businesses acquired during the year and their fair values correspond to brands, technology and client portfolio.

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

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

The amounts that have been recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the six-month period ended 30 June 2021, by significant categories, are as follows:

	Thousands of euros
Property, plant and equipment	12,000
Other intangible assets	121,535
Right-of-use assets	8,574
Non-current financial assets	129
Deferred tax assets	78
Inventories	32,086
Trade and other receivables	19,562
Cash and cash equivalents	1,140
 Total assets	 195,104
 Non-current lease liabilities	 7,963
Deferred tax liabilities	1,561
Bank borrowings and other marketable securities - current	52,225
Current lease liabilities	1,336
Trade and other payables	17,207
Current provisions	748
 Total liabilities and contingent liabilities	 81,040
 Total net assets	 114,064
 Total net assets acquired	 114,064
 Paid in cash	 165,743
Cash and cash equivalents acquired	1,140
 Cash paid for the acquisitions	 164,603

In the six-month period ended 30 June 2021, cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests for Euros 14,668 thousand.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

2020

On 14 February 2020, Fluidra Group Australia Pty Ltd., a wholly-owned subsidiary, owned indirectly by Fluidra, S.A. acquired 80% of the share capital of the Australian company Fabtronics Australia Pty Ltd.

Fabtronics has its registered address in Melbourne and is considered one of the leading companies in the Australian market for the design of electronic parts for pool equipment, with a particular emphasis on research and development in this industry. Fabtronics' sales figure in the year ended 30 June 2019 amounts to approximately 18 million Australian Dollars with EBITDA in the aforementioned period of approximately 6 million Australian Dollars.

The acquisition of this business meant the acquisition of its technology, property, plant and equipment, inventories, employees and the other assets and liabilities related to this activity.

An initial amount of Euros 9,094 thousand was paid for this acquisition and contingent amounts were established mainly subject to the results that the acquired business obtains during 2020. The Group recognised an amount of Euros 3,778 thousand related to this contingent consideration at the date of acquisition. The Group estimated a fair value for this consideration based on projections provided by the company's Management. The agreement did not establish any maximum limit to be paid.

As a consequence of the above-mentioned acquisition, the Group granted a put option right to the minority shareholders for 20% and the minority shareholders a call option right to the Group, the exercise period of which is between 15 February 2021 and 15 April 2023 and the price of which is mainly subject to the development of new products. At acquisition date, the Group recorded a non-current liability for the present amount of the price of said put option amounting to Euros 3,887 thousand, and no non-controlling interest has been recognised.

During the period from the date of acquisition to 30 June 2021, the acquired business generated consolidated total sales of goods and finished products amounting to Euros 631 thousand and consolidated total profit after tax amounting to Euros 218 thousand.

If the acquisition had occurred on 1 January 2020, the Group's sales of goods and finished products would have increased by Euros 210 thousand and consolidated profit after tax would have increased by Euros 364 thousand.

Due to commercial and management synergies, this acquisition was integrated into the Europe and Southern hemisphere CGU, subsequently being reassigned to the CGU of Asia-Pacific.

The breakdown of the consideration paid, of the fair value of the net assets acquired and goodwill for the business combinations carried out during the six-month period ended 30 June 2020 is as follows:

Consideration paid	
Cash paid	9,094
Contingent consideration	<u>7,665</u>
Total consideration paid	<u>16,759</u>
Fair value of net assets acquired	<u>7,608</u>
Goodwill	<u>9,151</u>

The intangible assets that were not recorded separately from goodwill and were therefore included in it since they do not meet the separability criterion required by IFRS-EU mainly relate to the work force and synergies of the acquired business. The goodwill on this acquisition is not expected to be deductible for tax purposes.

The accounting of this business combination is not final at 30 June 2020.

The most significant difference that arose between the carrying amounts of the businesses acquired during the year and their fair values relate to technology.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

The fair value of the technology was based on measurements made by an independent expert using the royalty relief method. The key assumptions used were based on the strategic plans approved by Management.

The amounts that were recorded in the consolidated statement of financial position at the date of acquisition of the assets, liabilities and contingent liabilities of the businesses acquired during the six-month period ended 30 June 2021, by significant categories, are as follows:

Property, plant, and equipment	615
Other intangible assets	6,511
Non-current financial assets	210
Inventories	1,511
Trade and other receivables	935
Cash and cash equivalents	<u>1,148</u>
 Total assets	 10,930
 Deferred tax liabilities	 1,625
Non-current provisions	176
Bank borrowings and other marketable securities - current	2
Trade and other payables	1,444
Current provisions	<u>75</u>
 Total liabilities and contingent liabilities	 3,322
 Total net assets	 <u>7,608</u>
 Total net assets acquired	 <u>7,608</u>
 Paid in cash	 9,094
Cash and cash equivalents acquired	<u>1,148</u>
 Cash paid for the acquisitions	 <u><u>7,946</u></u>

In the six-month period ended 30 June 2020, cash was disbursed in connection with the acquisition of subsidiaries in prior years and non-controlling interests for Euros 6,997 thousand.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

7. Property, plant and equipment, Other intangible assets and Right of use assets

Movement in Other intangible assets during the first half of 2021 is as follows:

	Balances at 31.12.20	Business combinations (note 6)	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 30.06.21
Cost	856,550	121,763	11,464	(9,412)	(3)	425	24,582	1,005,369
Accumulated amortisation	(214,833)	(228)	(34,752)	8,962	-	(4)	(4,952)	(245,807)
Net carrying amount	<u>641,717</u>	<u>121,535</u>	<u>(23,288)</u>	<u>(450)</u>	<u>(3)</u>	<u>421</u>	<u>19,630</u>	<u>759,562</u>

These investments notably include additions due to expenses incurred in several development projects that the Group is currently carrying out for an amount of Euros 6,355 thousand (Euros 5,429 thousand during the same period ended 30 June 2020), which relate to product developments for responsible use of water.

Movement in Property, plant and equipment during the first half of 2021 is as follows:

	Balances at 31.12.20	Business combinations (note 6)	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 30.06.21
Cost	393,852	12,000	13,488	(6,520)	(994)	(6,741)	2,802	407,887
Accumulated depreciation	(275,911)	-	(10,966)	5,195	-	5,996	(1,485)	(277,171)
Net carrying amount	<u>117,941</u>	<u>12,000</u>	<u>2,522</u>	<u>(1,325)</u>	<u>(994)</u>	<u>(745)</u>	<u>1,317</u>	<u>130,716</u>

During the first half of 2021 there have been investments in molds for new products for an approximate amount of Euros 1,128 thousand (Euros 693 thousand during the same period ended 30 June 2020). Investments in several production plants, as well as renovation work on the new corporate headquarters in Sant Cugat del Vallès for Euros 7,806 thousand, and machinery to improve the production process amounting to Euros 1,820 thousand (Euros 4,366 thousand and Euros 1,021 thousand, respectively, in the same period ended 30 June 2020).

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

Movement in right-of-use assets during the six-month period ended 30 June 2021 is as follows:

	Balances at 31.12.20	Business combinations (note 6)	Additions	Disposals	Impairment	Transfers	Exchange gains/(losses)	Balances at 30.06.21
Cost	135,430	8,574	21,102	(2,082)	(233)	8	2,080	164,879
Accumulated amortisation	(33,716)	-	(12,419)	2,015	-	(39)	(473)	(44,632)
Net carrying amount	<u>101,714</u>	<u>8,574</u>	<u>8,683</u>	<u>(67)</u>	<u>(233)</u>	<u>(31)</u>	<u>1,607</u>	<u>120,247</u>

Additions under the Right of use assets caption in the six-month period ended 30 June 2021 amount to Euros 21,102 thousand and mainly relate to the new corporate headquarters in Sant Cugat del Vallès and the renegotiation of certain contracts.

Additions under the right-of-use assets caption in the six-month period ended 30 June 2020 amount to Euros 8,782 thousand and mainly relate to new facilities in Perpignan and the renegotiation of certain contracts.

8. Goodwill and sale of Group companies

The following CGUs were identified following the merger with the Zodiac Group in the first half of 2020:

- Operations
- North America
- Europe
- Certikin International, LTD
- SIBO Fluidra Netherlands B.V.
- Expansion
- Sohem – Southern Hemisphere

For impairment testing purposes, the goodwill arising on the acquisition of the Zodiac Group was allocated to the following CGUs and group of CGUs which benefited from the synergies obtained on the business combination:

- Operations
- North America
- Europe and the Southern hemisphere

The Certikin International, LTD, SIBO Fluidra Netherlands B.V. and Expansion CGUs did not benefit from the synergies of the business combination and they were not therefore allocated any portion of the goodwill generated.

The Operations and North America CGUs were allocated goodwill at CGU level, which in both cases coincides with the segment definition set out in note 4.

In the case of Europe and Sohem, goodwill was allocated to a "group of CGUs" on the basis that the group is not supervised by management at a lower level than the respective segment. Similarly, goodwill was not allocated to the entire segment, as some CGUs within the segment will not benefit from the business

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

combination (as Zodiac did not operate in these territories). Goodwill was therefore allocated to the remaining CGUs included in the segment.

During the second half of 2020, due to the Group's new organisational structure (see note 4) a new CGU was identified, which coincides with the segment/division created.

This new CGU includes the former Sohem businesses (Southern Hemisphere) as well as the subsidiaries located in Asia, which were formerly included in the Expansion CGU.

Thus, the CGUs for the 2020 and first half of 2021 reporting dates are those listed below:

- North America
- Europe
- Operations
- Asia-Pacific
- EMEA expansion
- SIBO Fluidra Netherlands B.V.
- Certikin International, LTD

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

The aforementioned restructuring and its resulting impact on the identification and definition of the different CGUs necessitated the reallocation of Goodwill among the affected CGUs. Goodwill was reallocated from the former Expansion CGU and the former group of Europe and Sohem CGUs to the new Asia Pacific CGU, in line with IAS-36, which states that this allocation must be carried out on the basis of the fair values of the affected CGUs. These fair values were calculated using the estimated cash flows at the reporting date for each redefined CGU.

A breakdown of goodwill allocated by CGU or group of CGUs at 31 December 2020 and 30 June 2021 is as follows:

	Segment	Thousands of euros	
		30.06.21	31.12.20
North America	North America	546,625	478,046
Europe	EMEA	301,204	300,968
Operations	Operations	186,562	186,562
Asia-Pacific	APAC	62,116	61,567
EMEA expansion	EMEA	39,904	39,904
SIBO Fluidra Netherlands B.V.	EMEA	5,048	5,048
Certikin International, LTD	EMEA	3,526	3,388
Total		1,144,985	1,075,483

Movement in goodwill is essentially due to the acquisition of Built Right and CMP (see note 6) and the currency translation differences arising from the goodwill denominated in foreign currency, chiefly as a result of fluctuations in the exchange rates of the US dollar and pound sterling.

The Group's market capitalization at 30 June 2021 amounts to Euros 6,543.8 million.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

9. Current and non-current financial assets

A breakdown of Other current and non-current financial assets is as follows:

	<u>Note</u>	<u>30.06.21</u>	<u>31.12.20</u>	<u>30.06.20</u>
Financial assets at fair value through profit or loss		300	249	541
Deposits and guarantees		<u>4,292</u>	<u>4,135</u>	<u>6,334</u>
Total non-current		<u>4,592</u>	<u>4,384</u>	<u>6,875</u>
Deposits and guarantees		10,679	10,867	9,812
Derivative financial instruments	10	<u>527</u>	<u>10</u>	<u>448</u>
Total current		<u><u>11,206</u></u>	<u><u>10,877</u></u>	<u><u>10,260</u></u>

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

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

10. Derivative financial instruments

A breakdown of derivative financial instruments is as follows:

	30/06/2021				
	Notional amount	Fair values			
		Assets			Liabilities
	Non-current	Current	Non-current	Current	
1) Derivatives held for trading					
<i>a) Exchange rate derivatives</i>					
Foreign currency contracts	29,985	-	527	-	341
Total derivatives traded on over-the-counter markets		-	527	-	341
Total derivatives held for trading		-	527	-	341
2) Hedging derivatives					
<i>a) Cash flow hedges</i>					
Interest rate swaps	580,826	-	-	12,029	-
Foreign currency swaps	-	-	-	-	-
Total hedging derivatives		-	-	12,029	-
Total recognised derivatives		-	527	12,029	341

(Note 9)

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

	30/06/2020				
	Notional amount	Fair values			
		Assets		Liabilities	
		Non-current	Current	Non-current	Current
1) Derivatives held for trading					
<i>a) Exchange rate derivatives</i>					
Foreign currency contracts	41,651	-	448	-	
Total derivatives traded on over-the-counter markets		-	448	98	
Total derivatives held for trading		-	448	98	
2) Hedging derivatives					
<i>a) Cash flow hedges</i>					
Interest rate swaps	595,438	-	-	21,622	
Foreign currency swaps	-	-	-	-	
Total hedging derivatives		-	-	21,622	
Total recognised derivatives		-	448	21,622	

(Note 9)

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

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

11. **Non-current assets held for sale and liabilities linked to non-current assets held for sale**

2021

In line with the strategy in recent years of divesting non-strategic businesses (Puralia Systems, S.L.U., SET Energietechnik, GmbH and Tecnical Pool Service, S.L.), during the first half of 2021 Togama, S.A.U., a company engaged in manufacturing small glass pool tiles, which wasn't part of Fluidra's core business, was put up for sale.

For this reason, a letter of intent for the sale of this business was signed on 13 July 2021. Since the Group has a binding agreement to sell these clearly identified assets and liabilities, the sale is deemed highly likely to go ahead and it is expected to be completed in 2021, the accounting balances of these assets and liabilities have been reclassified under the caption "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale", in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". However, these have not been considered as discontinued operations as they do not represent

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

a significant line of business, and therefore all income and expenses for the period relating to this business are presented under the relevant heading according to their nature.

Assets held for sale, less their related liabilities, have been measured at their carrying value or the expected sale amount less cost of sale, whichever is lower. This has led to the recognition of impairment of Euros 1,230 thousand at 30 June 2021.

Details of the nature of the assets classified as held for sale and the related liabilities, at 30 June 2021, are as follows:

	<u>Assets</u>	<u>30/06/2021</u>
Non-current financial assets		66
Total non-current assets		66
Inventories		719
Trade and other receivables		1,539
Cash and cash equivalents		2,636
Total current assets		4,894
TOTAL ASSETS		<u>4,960</u>
	<u>Liabilities</u>	
Lease liabilities		45
Deferred tax liabilities		17
Other non-current liabilities		37
Total non-current liabilities		99
Bank borrowings		551
Lease liabilities		174
Trade and other payables		1,928
Total current liabilities		2,653
TOTAL LIABILITIES		<u>2,752</u>

2020

At 30 June 2020 non-current assets held for sale and liabilities relating to non-current assets held for sale relate to the distribution and sale of dehumidifiers and fans developed by SET Energietechnik GMBH, located in Hemmingen (Germany).

Since the Group had a binding agreement to sell these clearly identified assets and liabilities, the sale was deemed highly likely to go ahead and it was expected to be completed in 2020, the accounting balances of these assets and liabilities were reclassified to "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale", in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". However, these were not considered as discontinued operations as they do not represent a significant line of business, and therefore all income and expenses for the six-month period ended 30 June 2020 relating to this business are presented under the relevant heading according to their nature.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

Assets held for sale, less their related liabilities, were measured at their carrying value or the expected sale amount less cost of sale, whichever was lower. This has led to the recognition of impairment of Euros 1,370 thousand at 30 June 2020.

Details of the nature of the assets classified as held for sale and the related liabilities, at 30 June 2020, are as follows:

<u>Assets</u>	<u>30/06/2020</u>
Inventories	183
Trade and other receivables	230
Cash and cash equivalents	<u>220</u>
Total current assets	633
TOTAL ASSETS	<u><u>633</u></u>
<u>Liabilities</u>	
Lease liabilities	<u>328</u>
Total non-current liabilities	328
Lease liabilities	140
Trade and other payables	235
Provisions	<u>10</u>
Total current liabilities	385
TOTAL LIABILITIES	<u><u>713</u></u>

12. Equity

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

a) Share capital

At 30 June 2021, Fluidra, S.A.'s share capital consists of 195,629,070 ordinary shares with a par value of Euro 1 each, fully subscribed. The shares are represented by book entries and are established as such by being recorded in the corresponding accounting record. All shares bear the same political and financial rights.

On 31 October 2007, Fluidra, S.A. (the "Company") completed its initial public offering process through the public offering of 44,082,943 ordinary shares with a par value of 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, and within the framework of the merger agreement between the Fluidra Group and the Zodiac Group, Fluidra, S.A. increased its share capital for a nominal amount of 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.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

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 equity shares at 30 June 2021 is as follows:

	Ownership percentage
Rhône Capital L.L.C.	16.58%
Boyser, S.R.L.	7.59%
Dispur, S.L.	7.11%
Edrem, S.L.	6.78%
Piumoc Inversions, S.L.U.	5.50%
G3T, S.L.	5.00%
Maveor, S.L.	5.00%
Other shareholders	46.44%
	<u>100.00%</u>

b) Share premium

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

c) Legal reserve

According to the revised text of the Spanish Corporation Law, companies must transfer 10% of profits for the year to a legal reserve until this reserve is equivalent to at least 20% of 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.

The legal reserve is fully funded.

d) Parent company shares

Movement in treasury shares during the six-month period ended 30 June 2021 is as follows:

	Euros		
	Number	Face value	Average acquisition/disposal price
Balances at 01.01.21	2,543,738	2,543,738	14.0899
Acquisitions	5,886,973	5,886,973	26.9568
Disposals	(2,630,042)	(2,630,042)	(27.6186)
Balances at 30.06.21	5,800,669	5,800,669	24.5724

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

No Group company owns shares in the Parent.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

e) Recognised income and expense

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

f) Dividends and limitations on the distribution of dividends

The Parent Company's voluntary reserves at 30 June 2021 amounting to Euros 307,759 thousand, as well as the share premium and profit/(loss) for the year, are subject however to the legal limitations on their distribution.

g) Capital management

The Group's capital management policy is applied in line with the policy described in the Group's consolidated annual accounts for the year ended 31 December 2020.

13. Earnings per share

a) Basic earnings

Basic earnings per share are calculated by dividing consolidated profit / (loss) for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the six-month period ended 30 June 2021 and 2020, excluding own shares.

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

	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2020</u>
Profit for the period attributable to equity holders of the Parent (thousands of euros)	174,240	96,388	54,878
Weighted average number of ordinary shares outstanding	191,287,132	193,933,352	194,040,345
Basic earnings per share from continuing operations (euros)	0.91088	0.49702	0.28282
Basic earnings per share from discontinued operations (euros)	<u>-</u>	<u>-</u>	<u>-</u>

Profit for the year corresponds to the profit for the year attributable to equity holders of the Parent.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

The weighted average number of ordinary shares was calculated as follows:

	Number of shares		
	30.06.2021	31.12.2020	30.06.2020
Ordinary shares outstanding at 1 January	195,629,070	195,629,070	195,629,070
Effect of changes in treasury shares	(4,341,938)	(1,695,718)	(1,588,725)
Weighted average number of ordinary shares outstanding	<u>191,287,132</u>	<u>193,933,352</u>	<u>194,040,345</u>

b) Diluted earnings

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

14. Provisions

A breakdown of Other provisions is as follows:

	30.06.2021		31.12.2020		30.06.2020	
	Non-current	Current	Non-current	Current	Non-current	Current
Guarantees	-	47,380	-	37,602	-	30,739
Provisions for taxes	-	-	-	-	170	-
Provisions for obligations with employees	8,952	-	7,941	-	8,916	-
Litigation and other liabilities	5,734	-	5,695	-	1,722	-
Total	<u>14,686</u>	<u>47,380</u>	<u>13,636</u>	<u>37,602</u>	<u>10,808</u>	<u>30,739</u>

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

According to the IFRIC 23 interpretation issued by the IASB, Provisions for taxes related to income tax have been reclassified to Current income tax liabilities under Trade and other payables.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

15. Bank borrowings and other marketable securities

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

	<u>30.06.21</u>	<u>31.12.20</u>	<u>30.06.20</u>
Non-current borrowings	680,198	670,939	704,457
Bank borrowings	<u>90</u>	<u>163</u>	<u>28,992</u>
 Total non-current	 680,288	 671,102	 733,449
Bank loans	13,834	801	23,714
ABL credit facility	183	174	2,653
Non-current borrowings	4,909	4,795	5,337
Bank borrowings	317	14,243	15,686
Discounting facilities	-	-	59
Other marketable securities	<u>49,997</u>	<u>-</u>	<u>6,093</u>
 Total current	 <u>69,240</u>	 <u>20,013</u>	 <u>53,542</u>
 Total bank borrowings and other marketable securities	 <u><u>749,528</u></u>	 <u><u>691,115</u></u>	 <u><u>786,991</u></u>

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

On 2 July 2018, the debt refinancing following the merger with the Zodiac Group took effect, as follows:

- Long-Term Euro Loan Tranche amounting to Euros 400 million.
- Long-Term USD Loan Tranche amounting to USD 500 million.
- Long-Term AUD Loan Tranche amounting to AUD 75 million.
- Multi-currency revolving credit facility amounting to Euros 130 million.
- ABL multi-currency credit facility (asset-based loan, mainly clients and inventories) amounting to USD 230 million.

The term agreed is 7 years for the loan in its three tranches with quarterly repayments of 0.25%, and repayment in full at the end of the term; 6 years in the case of the revolving credit facility, and 5 years for the ABL.

On 28 January 2020, the terms of the loan agreements were renegotiated for the Euro and USD tranches of the long-term loan and the revolving multi-currency credit facility, leaving the remaining refinancing conditions unaltered.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

This financing entailed:

1. The partial voluntary repayment of Euros 90 million on the long-term Euro loan with an interest rate decrease of 75 basis points.
2. The voluntary repayment of USD 66.5 million on the long-term USD loan tranche with a 25 basis point decrease on the interest rate spread.

Based on the repricing of interest rates already index-linked to the Euribor, Libor or BBSY at 1 month, they were reduced from spreads ranging between 2.25% and 3.75% depending on the tranche and currency, to ranging between 2% and 3.75%; the revolving credit facility dropped from 2% and 2.5% based on the leverage ratio to a spread of between 1.5% and 2%; and for the ABL there is a margin of between 1.5% and 2% based on the drawdown.

The Group is obliged to report to the lenders quarterly and there are certain standard limitations on increasing borrowings in loans and credit facilities of this kind. Furthermore the revolving credit facility is subject to compliance with certain financial ratios based on the requirement to keep the Financial Debt/EBITDA ratio below 5.65 when the facility is drawn down more than 40%. With regard to the ABL credit facility, there is a trigger for entering the settlement period based on whether over 90% of the assigned asset base or the total facility is drawn down over five consecutive days.

These loans and facilities are subject to arrangement and issuance fees, and an availability commission in the case of credit facilities. The expenses incurred in the repricing have been added to those initially included in the aforementioned refinancing of 2 July 2018.

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 30 June 2021, the scheme was renewed for a further year and for Euros 150 million, with an outstanding amount of Euros 50 million at the end of the six-month period ended 30 June 2021 (Euros 6.1 million in the same period of the previous year), with an interest rate linked to existing issues of between 0% and 0.03%.

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

No loans have been signed during the six-month period ended 30 June 2021.

16. Risk management policy

The Group's risk management policies have been consistently applied in line with the policies described in the Group's consolidated annual accounts for the year ended 31 December 2020 prepared in accordance with IFRS-EU.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

17. Changes in inventories of finished goods and work in progress and raw material supplies

The breakdown of this income statement caption is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Purchases of raw and secondary materials	602,142	349,976
Changes in inventories of raw materials, finished products and work in progress and goods for resale	(45,077)	19,706
Charge to the provision for obsolescence	<u>1,872</u>	<u>691</u>
Total	<u><u>558,937</u></u>	<u><u>370,373</u></u>

18. Sales of goods and finished products

A breakdown of sales of goods and finished products by business unit in the six-month periods ended 30 June 2021 and 2020 is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Residential	910,437	557,551
Commercial	53,362	46,211
Water treatment	134,134	103,477
Fluid handling	<u>59,942</u>	<u>41,742</u>
Pool & Wellness	1,157,875	748,981
Irrigation, Industrial and Other	28,865	22,286
Total	<u><u>1,186,740</u></u>	<u><u>771,267</u></u>

In the six-month period ended 30 June 2021, the Commercial Pool revenue caption included Euros 5,322 thousand (Euros 5,079 thousand in the same period of the prior year) relating to the execution of projects where the rendering of services is recognised based on the degree of completion at the reporting date, as long as the result of the transaction can be reliably estimated.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

A breakdown of sales of goods and finished products by geographical region (country of destination) in the six-month periods ended 30 June 2021 and 2020 is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Southern Europe	390,337	274,289
Rest of Europe	237,393	162,305
North America	425,425	231,739
Rest of the world	133,585	102,934
 Total	 <u><u>1,186,740</u></u>	 <u><u>771,267</u></u>

At 30 June 2021 there is a client in the US with sales to third parties of 16.57% of total sales (13.68% at 30 June 2020).

19. Income from the rendering of services

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

20. Personnel expenses

A breakdown of personnel expenses in the six-month periods ended 30 June 2021 and 2020 is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Wages and salaries	146,649	107,236
Termination benefits	776	631
Social security expense	24,812	20,308
Other employee welfare expenses	9,271	6,270
	<u><u>181,508</u></u>	<u><u>134,445</u></u>

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

The average headcount during the six-month periods ended 30 June 2021 and 2020 by professional category is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Management	93	116
Sales, logistics and production staff	4,961	4,524
Administration and purchasing staff	<u>1,015</u>	<u>897</u>
	<u><u>6,069</u></u>	<u><u>5,537</u></u>

A breakdown of the Group's headcount at the end of the six-month periods ended 30 June 2021 and 2020, by gender, is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Male	4,184	3,715
Female	<u>2,195</u>	<u>1,838</u>
	<u><u>6,379</u></u>	<u><u>5,553</u></u>

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

21. Other operating expenses

A breakdown of Other expenses is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Leases and fees	5,907	4,554
Repairs and maintenance	12,725	9,514
Independent professional services	17,432	13,444
Temporary employment agency expenses	16,748	8,647
Commissions	6,667	2,296
Sales transportation and logistics services	52,659	37,280
Insurance premiums	3,068	2,453
Bank services	1,284	351
Advertising and publicity	12,736	12,368
Utilities	7,350	5,715
Communications	2,741	2,519
Travel expenses	4,207	5,269
Taxes	2,205	2,156
Adjustments due to impairment of receivables	229	4,163
Guarantees	11,335	6,559
Other (*)	7,028	6,033
	<u>164,321</u>	<u>123,321</u>

(*) Includes remuneration paid to the Board of Directors, research and development expenses and other expenses.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

22. Finance income and cost

A breakdown of finance income and cost is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Finance income		
Other financial income	226	3,984
Gains on the fair value of financial instruments	<u>1,708</u>	<u>2,234</u>
Total finance income	1,934	6,218
Finance cost		
Non-current interest on loans	(13,997)	(13,791)
Interest on debt (loans, policies and bills discounting)	(925)	(4,294)
Other finance costs	(1,103)	(2,286)
Losses on the fair value of financial instruments	(2,736)	(101)
Impairment losses on financial assets at amortised cost other than trade and other receivables	<u>(127)</u>	<u>(93)</u>
Total finance cost	(18,888)	(20,565)
Right-of-use finance cost	(2,540)	(2,495)
Exchange gains/(losses)		
Exchange gains	15,716	12,488
Exchange losses	<u>(14,506)</u>	<u>(16,626)</u>
Total exchange gains / (losses)	1,210	(4,138)
Net profit / (loss)	<u><u>(18,284)</u></u>	<u><u>(20,980)</u></u>

At 30 June 2021, the Losses on the fair value of financial instruments caption includes Euros 2,736 thousand relating to the estimate at fair value of the contingent liabilities derived from acquisitions in prior years.

At 30 June 2020, the Gains on the fair value of financial instruments caption includes Euros 1,369 thousand corresponding to the estimate at fair value of the contingent liabilities derived from acquisitions in the current and prior years.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

23. Deferred taxes and Income tax

In 2021 the Group has availed itself of the consolidated tax return scheme via six tax subgroups: Fluidra, S.A., Zodiac Pool Solutions LLC, Fluidra Holdings Australia PTY LTD, ZPES Holdings S.A.S., Fluidra Services Italia, S.R.L. and CMP Holdco, Inc. The parent of each subgroup is the tax consolidation parent company which is responsible for the corresponding settlements to the tax authorities. The companies comprising each tax subgroup and the applicable tax rates are as follows:

<u>Fluidra, S.A. (25%)</u>	<u>Zodiac Pool Solutions, LLC (23.31%)</u>	<u>ZPES Holdings, S.A.S. (28%)</u>
Fluidra Export, S.A.	Zodiac Pool Systems, LLC	Fluidra Commercial France, S.A.S.
Cepex, S.A.U.	Cover Pools Incorporated	Fluidra Industry France, S.A.S.
Fluidra Commercial, S.A.U.	Fluidra Latam Export LLC (*)	Fluidra Assistance, S.A.S.
Fluidra Comercial España, S.A.U.	Fluidra USA, LLC	Piscines Techniques 2000, S.A.S.
Fluidra J.V. Youli, S.L. Industrias Mecánicas Lago, S.A.U.		Poolweb, S.A.S.
Inquide, S.A.U.		Zodiac Pool Solutions, S.A.S.
Poltank, S.A.U.	Fluidra Group Australia PTY LTD	Zodiac International, S.A.S.
Fluidra Global Distribution, S.L.U.	Fluidra Australia PTY LTD	Zodiac Pool Care Europe, S.A.S.
Sacopa, S.A.U.	Price Chemicals PTY LTD	
Talleres del Agua, S.L.U.		<u>CMP Holdco, Inc (26%) (*)</u>
Togama, S.A.U.		Del Ozone Holding Company, Inc (*)
Trace Logistics, S.A.U.		Del Industries, Inc (*)
Unistral Recambios, S.A.U.		Del Agricultural, Inc (*)
Innodrip, S.L.U.	Fluidra Commerciale Italia, S.p.a.	
I.D. Electroquímica, S.L.U.	Agrisilos, S.R.L.	
Fluidra Finco, S.L.		

(*) Companies included in the tax subgroup in 2021.

The Company and the remaining subsidiaries (except for Fluidra Middle East FZE) are required to file an annual corporate income tax return.

Based on the tax reform included in the General State Budget Act of 31 December 2020, which reduces dividend exemption to 95%, deferred taxes of Euros 6,300 have been recognised in line with the profit/(loss) for the year. The Group's policy in relation to distribution of subsidiary dividends to the parent reflects a policy of maximum distribution if the profit and financial situation allow, and therefore no distribution of reserves is expected in the future.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

A breakdown of the corporate income tax expense is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Current tax		
For the year	67,496	24,010
Tax deductions	(4,405)	(284)
Prior years' adjustments	(2,233)	216
Provision for taxes	(8,266)	(81)
Other/ Withholding at source on income earned abroad	256	159
Deferred taxes		
Origination and reversal of temporary differences	(10,771)	(7,355)
Tax credit for unused tax loss carryforwards and deductions	7,746	6,092
Effect of the change in the tax rate	(158)	43
Total income tax expense	<u>49,665</u>	<u>22,800</u>

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

	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2020</u>
Current tax	63,091	45,019	23,726
Withholdings and payments made on account during the year	(41,534)	(28,719)	(8,200)
Other	(625)	(1,462)	251
Provisions as per IFRIC 23	(7,728)	10,123	5,150
Exchange gains (losses)	(15)	(718)	(167)
Additions from business combinations	(203)	183	363
Liabilities derecognised due to the sale of Group companies	-	34	-
Tax payable in 2020	21,274	-	-
Tax payable in 2019	-	(1,067)	(3,249)
	<u>34,260</u>	<u>23,393</u>	<u>17,874</u>

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

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

	<u>30.06.2021</u>	<u>30.06.2020</u>
Profit for the year before tax from continuing operations	225,902	80,240
Profit at 25%	56,475	20,060
Effect of applying different tax rates in other countries	(1,861)	(31)
Permanent differences	5,804	742
Offsetting of unrecognised loss carryforwards from prior years	(127)	(909)
Tax effect of unused loss carryforwards in current year	769	2,338
Differences in the income tax expense from prior years	(2,233)	216
Withholding at source on income earned abroad	256	159
Provision for taxes	(8,266)	(81)
Tax deductions generated in the year	(4,405)	(284)
Effect of the change in the tax rate	(158)	45
Other	<u>3,411</u>	<u>545</u>
Income tax expense	<u><u>49,665</u></u>	<u><u>22,800</u></u>

Deferred tax assets related to unused tax loss carryforwards and unused tax credits recorded in the consolidated financial statements of the Group at 30 June 2021 and 2020 are as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Deductions	40	1,818
Tax loss carryforwards	<u>29,122</u>	<u>36,844</u>
	<u><u>29,162</u></u>	<u><u>38,662</u></u>

The Group has recognised these assets since it expects to offset them against future tax profit.

Group companies are open to inspection for all applicable taxes to which they are liable for the legal tax periods open to inspection in each country. The Group does not expect that any significant additional liabilities will arise for the companies in the event of a potential tax inspection.

The companies Fluidra Commerciale Italia, S.P.A., Zodiac Pool Systems, LLC, W.I.T. Egypt, Egyptian Limited Liability Company, Zodiac Pool Care Europe, S.A.S., Zodiac Pool Care South Africa (Proprietary) Limited and Fluidra Comercial Portugal Unipessoal, Lda. are currently undergoing inspections which are not expected to result in significant liabilities for the Fluidra Group.

Fluidra, S.A. and Subsidiaries
Interim Condensed Consolidated Financial Statements
30 June 2021 and 2020
(Expressed in thousands of euros)

The Spanish companies are open to inspection for the following tax periods:

Tax	Open tax periods
Corporate income tax	From 2016 to 2020
Value added tax	From 2018 to 2021
Personal income tax	From 2018 to 2021
Tax on Economic Activities	From 2018 to 2021

In April 2019 the Spanish tax authorities notified that partial verification and investigation proceedings had started on the VAT obligations of Fluidra, S.A. The year being inspected for VAT is 2018. The certificate of acceptance with regard these inspections was signed on 27 February 2020. The Tax Authorities did not make any adjustments and have refunded the amount charged, along with the corresponding interest in arrears.

The Company's Directors consider that, if there were additional inspections to the ones already mentioned, the possibility of additional contingent liabilities arising is remote and, the additional tax payable, if any, would not have a significant impact on the interim consolidated financial statements of the Group taken as a whole.

24. Related party balances and transactions

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

	30.06.2021		31.12.2020		30.06.2020	
	Receivable balances	Payable balances	Receivable balances	Payable balances	Receivable balances	Payable balances
Trade receivables	430	-	319	-	471	-
Receivables	33	-	21	-	189	-
Suppliers	-	1,105	-	705	-	826
Payables	-	-	-	-	-	-
Total current	463	1,105	340	705	660	826

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

a) Consolidated Group transactions with related parties

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

- a. Purchases of finished products, specifically purchases of spas and accessories from Iberspa, S.L. (with ownership interest by Boyser, S.R.L., Edrem, S.L., Dispur, S.L. and Aniol, S.L.).
- b. Lease contracts on buildings between the Group and Inmobiliaria Tralsa, S.A., Constralsa, S.L. and Stick Inmobiliere (with ownership interest by Boyser, S.R.L., Edrem, S.L., Dispur, S.L. and Aniol, S.L.) included under Lease payments / expenses for services and others amounting to Euros 180 thousand in the six-month period ended 30 June 2021 (Euros 1,124 thousand in the same period in 2020).
- c. Sales of necessary components and materials produced by the Group for the manufacture of spas to Iberspa, S.L.
- d. Rendering of services by the Group to Iberspa, S.L.

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

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

	30.06.2021		30.06.2020	
	Associates	Related parties	Associates	Related parties
Sales	372	761	414	557
Income from services	55	99	51	94
Purchases	-	(3,845)	(196)	(2,064)
Expenses for services and other	-	(200)	-	(1,143)

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

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

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

	30.06.2021	30.06.2020
Total key management personnel	5,158	5,229
Total Directors of the Parent Company	2,924	2,972

The members of the Parent Company's Board of Directors have earned a total of Euros 666 thousand in the six-month period ended 30 June 2021 (Euros 568 thousand in the same period of 2020) from the consolidated companies in which they act as board members. Additionally, for their executive duties, they have received Euros 2,258 thousand in the six-month period ended 30 June 2021 (Euros 2,404 thousand in the same period of 2020). Executive duties includes payment in kind relating to vehicles, life insurance, medical insurance and income from share plans. Similarly, the members of the Board of Directors have received Euros 60 thousand compensation for travel expenses (Euros 51 thousand in 2020).

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

The Company has life insurance policies whereby the Company has recognised an expense of Euros 30 thousand in the six-month period ended 30 June 2021 (Euros 71 thousand in the same period in 2020). These life insurance policies include an income supplement in the event of total permanent invalidity.

Furthermore, the Company has made contributions to benefit plans and pension plans amounting to Euros 62 thousand (Euros 62 thousand during the same period in 2020).

During the six-month period ended 30 June 2021, civil liability insurance premiums for all the Group's directors to cover damages arising in the performance of duties during the year have been paid amounting to Euros 46 thousand (Euros 42 thousand for the same period in 2020).

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

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.

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 30 June 2021 the best estimate of the fair value of the plan's total amount comes to approximately Euros 51,881 thousand, which will be settled in full in equity instruments. At 30 June 2021, an equity increase was recorded in this respect for the amount of Euros 17,302 thousand (Euros 2,670 thousand at 30 June 2020).

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

The 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").

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

- 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.

In accordance with IFRS 3, 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 as before the transaction have been included in the price paid, whilst services counted as after the transaction date are taken to the Income Statement as 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.

The best estimate of services counted after the transaction amounts to Euros 11,479 thousand. At 30 June 2021, an equity increase was recorded in this respect for the amount of Euros 881 thousand (Euros 1,101 thousand at 30 June 2020).

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

During the six-month period ended 30 June 2021 and 2020, the Directors of the Parent Company have not carried out any transactions with the Company or with Group companies other than those conducted on an arm's length basis in the normal course of business.

d) Situations representing a conflict of interest for the Directors of the Parent Company.

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

25. Other commitments and contingencies

At 30 June 2021 and 2020 the Group has not presented any mortgage guarantees.

At 30 June 2021, the Group has guarantees with financial institutions and other companies amounting to Euros 5,317 thousand (Euros 6,953 thousand in 2020).

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

26. EBITDA

The consolidated income statement shows the amount corresponding to EBITDA, whose definition for the purpose of these financial statements is as follows:

Sales of goods and finished products + Income from services rendered + Work performed by the Group for its own non-current assets + Profit from sales of fixed assets – Change in inventories of finished products and work in progress and raw material supplies – Personnel expenses – Other operating expenses + Share in profit/(loss) for the year from associates accounted for using the equity method.

Calculation of EBITDA for 2021 and 2020

	<u>30.06.2021</u>	<u>30.06.2020</u>
Sales of goods and finished products	1,186,740	771,267
Income from services rendered	14,825	11,596
Work performed by the Group and capitalised as non-current assets	7,105	6,254
Profit/(loss) from sales of fixed assets	(309)	118
Change in inventories of finished products and work in progress and raw material supplies	(558,937)	(370,373)
Personnel expenses	(181,508)	(134,445)
Other operating expenses	(164,321)	(123,321)
Share in profit/(loss) for the year from companies accounted for using the equity method	-	-
EBITDA	<u><u>303,595</u></u>	<u><u>161,096</u></u>

27. Subsequent events

No significant events have taken place subsequent to the reporting date.

Fluidra, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements

30 June 2021 and 2020

(Expressed in thousands of euros)

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

In accordance with article 12 of Royal Decree 1362/2007, on 29 July 2021, Fluidra, S.A.'s Board of Directors approved for issue the interim condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (which comprise the interim condensed consolidated statements of financial position, the interim condensed consolidated income statements, the interim condensed consolidated statements of comprehensive income, the interim condensed consolidated statements of changes in equity, the interim condensed consolidated cash flow statements and the notes thereto) for the six-month periods ended 30 June 2021 and 2020. In witness whereof, they are hereby signed on this sheet by all the members of the Board of Directors.

Mr. Eloy Planes Corts

Mr. Bruce Walker Brooks

Mr. Martín Ariel Atlas

Ms. Esther Berrozpe Galindo

Mr. Jorge Valentín Constans Fernández

Mr. Bernardo Corbera Serra

Piumoc Inversions, S.L.U.
Mr. Bernat Garrigós Castro

Mr. Michael Steven Langman

Mr. Gabriel López Escobar

Mr. Brian McDonald

Mr. Oscar Serra Duffo

Mr. José Manuel Vargas Gómez

FLUIDRA, S.A.
AND SUBSIDIARIES

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

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

Subsidiaries, accounted for using the full consolidation method

- 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 purchase of pool materials for subsequent sale in the Russian market.
- Aqua Sun Zone, 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.
- 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 marketing of pool accessories.
- Astral India Private, Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool material.
- 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-related accessories.
- Astralpool (Thailand) Co., Ltd, domiciled in Samuthprakarn (Thailand), is mainly engaged in the marketing of pool-related accessories.
- 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.
- AYW Concept BV/SRL, with registered address in Wavre (Belgium), has the registered activities of purchase, sale, operation, development, construction, management, decoration, rental, subletting, exchange, property appraisal, purchase and sale related negotiations, brokering and sale, rental, subletting of real estate and in general all activities directly or indirectly relating to real estate development in the broadest sense. Creating and organising events and fairs. It can act as guarantor and provide any type of personal or real collateral to any person or business, associated or otherwise. It may obtain interests, by any legal means, in any company, business or corporation with the same, similar or ancillary activities or which could promote or facilitate the development of its registered activity and provide it with new products, points of sale or raw materials, or promote its sales or distribution. It may undertake all kinds of transactions, commercial, industrial, financial, movable or immovable, which are directly or indirectly related with its registered activity and which promote the achievement and development of its purpose. It may participate by contribution, subscription, sale, investment, merger, financial or other intervention in all other companies, associations and businesses, both in Belgium and abroad. The company can also act as director or liquidator in other companies.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- Bobe Water and Fire, LLC, domiciled in Phoenix, Arizona (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.
- Century Composites of Georgia, 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.
- Cepex Mexico, S.A. de C.V., domiciled in Mexico City (Mexico), is mainly engaged in the marketing of fluid handling products.
- Cepex S.A.U., domiciled in Granollers (Barcelona, Spain), is mainly engaged in the manufacture, production and distribution of plastic material by injection system and, in particular, plastic parts for armature.
- 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 Bangalore (India), is mainly engaged in the marketing of swimming-pool products.
- CMP Holdco Inc, domiciled in Newnan, Georgia (United States), is mainly 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.
- CMP Pool & Spa (Shanghai) Co, LTD, domiciled in Shanghai (China), is mainly engaged in production and processing of thermoplastic products, thermosetting plastics and related metal / support products, rubber products and electronic luminescent products supporting plastic products, cables, power devices and engines, a variety of plastic pump and valve products, control products, sales of the company's products manufactured in-house; the import and export, wholesale and other ancillary services related to the above products and their similar goods.
- Cover Pools Incorporated, domiciled in West Valley City (USA), is mainly engaged in the manufacture and distribution of automatic pool covers.
- Custom Molded Products, LLC, 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 Agricultural, 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.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- Del Industries, 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.
- 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 Assistance, S.A.S., domiciled in Perpignan (France), is mainly engaged in the installation, assembly and implementation of all products and materials relating to pools and water treatment and the provision of post-sales services and the maintenance and installation of these products and materials.
- Fluidra Australia Pty Ltd, domiciled in Melbourne (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 Hurlcon Investments 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 Courcelles (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 distribution and marketing of swimming-pool, irrigation and water treatment and purification products.
- Fluidra Colombia, S.A.S., domiciled in Funza (Colombia), is engaged in the purchase and sale, distribution, marketing, import, export of all types of machinery, equipment, components and machinery parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification in general, built with both metal materials and any type of plastic materials and plastic derivatives.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- Fluidra Comercial España, S.A.U., domiciled in Polinyà (Barcelona, Spain), is engaged in the manufacture, purchase and sale and distribution of all types of machinery, equipment, components and machinery spare parts, tools, accessories and products for swimming-pools, irrigation and water treatment and purification.
- Fluidra Comercial Portugal Unipessoal, Lda., domiciled in São Domingo da Rana (Portugal), is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.
- Fluidra Commerciale Italia, S.P.A., 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 Commerciale France, S.A.S., domiciled in Perpignan (France) is engaged in the manufacture, purchase and sale, distribution, marketing, export and import of all types of swimming-pool products.
- Fluidra Commercial, S.A.U., (merged with Fluidra Industry España, S.A.U.) domiciled in Sabadell (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.
- 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 (previously called Zodiac Pool Deutschland GmbH and merged with Fluidra Deutschland GmbH from where it takes its name) domiciled in Großostheim (Germany), is mainly engaged in the distribution and sale of pool 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 Polinyà (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., (merged with Fluidra Industry, S.A.U. and Piscine Luxembourg Holdings 3 S.A.R.L.) domiciled in Sabadell (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 Polinyà (Barcelona, Spain), is engaged in the purchase and sale of all types of swimming-pool products and their distribution.
- 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, S.A.
AND SUBSIDIARIES

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

- Fluidra Holdco North America, Inc, domiciled in Carlsbad, California (United States), is mainly 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.
- Fluidra Holdings Australia Pty Ltd, domiciled in Smithfield (Australia) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- Fluidra Holdings South Africa Pty Ltd, domiciled in Johannesburg (South Africa) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- Fluidra India Private Limited, domiciled in Chennai (India), is mainly engaged in the marketing of pool material.
- Fluidra Indonesia PT, domiciled in Jakarta (Indonesia) 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 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 JV Youli, S.L.U. domiciled in Sabadell (Barcelona, Spain), is engaged in the administration, management and operation of its interest in the share capital of the Chinese company Fluidra Youli Fluid Systems (Wenzhou) Co., LTD.
- 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 swimming-pool material.
- Fluidra Maroc, S.A.R.L., domiciled in Casablanca (Morocco), is engaged in the import, export, manufacture, marketing, sale and distribution of spare parts for swimming-pools, irrigation and water treatment.
- Fluidra México, S.A. DE CV, domiciled in Mexico City (Mexico) is engaged in the purchase and sale, import, export, storage, manufacture and, in general, marketing of all types of goods, equipment, components, machinery, accessories and chemical specialties for swimming-pools, irrigation and water treatment.
- Fluidra Middle East Fze, domiciled in Jebel Ali (Dubai), is engaged in the marketing of equipment for swimming-pools and water treatment, as well as related accessories.
- Fluidra Montenegro DOO domiciled in Podgorica (Montenegro) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- 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 directly or indirectly required for the marketing of materials for swimming-pools, water treatment equipment and related activities.
- Fluidra Nordic A/S (formerly Fluidra Danmark A/S), domiciled in Rødekro (Denmark), is engaged in the import of technical components and equipment for all types of water treatment processes.
- Fluidra Österreich GmbH "SSA", domiciled in Grödig (Austria) is mainly engaged in the marketing of swimming-pool products.
- Fluidra Polska, SP. Z.O.O., domiciled in Wroclaw (Poland) is mainly engaged in the marketing of pool accessories.
- Fluidra Romania S.A., domiciled in Bucharest (Romania) is mainly engaged in the purchase, sale and distribution of machinery, equipment, materials, accessories, products and special equipment for pool and water system and irrigation maintenance.
- Fluidra Serbica, D.O.O. Beograd, domiciled in Belgrade (Serbia) is mainly engaged in the marketing of swimming-pool material.
- Fluidra Services France, S.A.S., domiciled in Perpignan (France), is mainly engaged in the rendering of administrative services, legal, tax and financial advisory services, staff management and training, IT, logistics, marketing and financial brokering services for the benefit of the other companies in the Group to which it belongs.
- Fluidra Services Italia, S.R.L., domiciled in Brescia (Italy), is engaged in the rendering of services, including and mainly, accounting, administrative and financial.
- Fluidra Singapore, PTE LTD, domiciled in Singapore (Singapore), is mainly engaged in the marketing of pool-related accessories.
- Fluidra SI D.O.O., domiciled in Ljubljana (Slovenia) is mainly engaged in marketing pool-related goods, products and materials.
- Fluidra South Africa (Pty), Ltd, domiciled in Johannesburg (South Africa), is engaged in the manufacture, purchase and sale and distribution of all types of machinery, equipment, components and machinery spare parts, tools, accessories and products for swimming-pools, water treatment and fluid handling.
- Fluidra Switzerland, S.A., domiciled in Bedano (Switzerland) is mainly engaged in the marketing of pool material.
- Fluidra (Thailand) Co., Ltd, domiciled in Samuthprakarn (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, S.A.
AND SUBSIDIARIES

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

- 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.
- Industrias Mecánicas Lago, S.A.U., domiciled in Sant Julià de Ramis (Girona, Spain), is engaged in the manufacture and marketing of liquid and fluid transfer pumps, swimming-pools and their accessories.
- Innodrip, S.L.U., domiciled in Sabadell (Barcelona, Spain) is engaged in the rendering of services aimed at the sustainable use of water.
- Inquide, S.A.U., (merged with Metalast 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. (merged with Swimco Corp, S.L.U.), domiciled in Munguia (Vizcaya, Spain), is engaged in the manufacture and marketing of products, accessories and pool-related products.
- Me 2000, S.R.L., domiciled in Brescia (Italy), is engaged in property development and lease.
- 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.
- Pentagone APCD BV/SRL, established in Wavre (Belgium), has as its corporate purpose the production, distribution, sale, installation, maintenance and repair, as an intermediary or on its own account, of swimming pools, saunas, jacuzzis, etc., and all accessories. The purchase and sale of all products for the maintenance of swimming pools. The purchase, sale and rental of all swimming pool accessories. The company is engaged in the research and development of new applications in the field of water treatment, dehumidification, air treatment, heat pump heating and robotics. The company acts on its own account, on consignment, as a commission agent or as a representative. It may have interests in any undertaking, business or company having a similar or analogous purpose, or which may facilitate the realisation of such purpose. The company may carry out its purpose in Belgium or abroad in the manner it considers most appropriate. In general, it may carry out any type of transaction, whether commercial, industrial, financial, civil, movable or immovable, whether in Belgium or abroad, directly or indirectly related to its purpose.
- 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.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- Poltank, S.A.U., domiciled in Sant Jaume de Llierca (Girona, Spain), is engaged in the manufacture and marketing of swimming-pools filters by injection, projection and lamination.
- 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.
- Price Chemicals Pty Ltd, domiciled in Melbourne (Australia) is engaged in the production and distribution of chemical products for swimming-pools and spas. It imports and locally produces its own brands of renowned chemical products in both the residential and commercial markets.
- 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.
- Riioot Labs NV/SA, domiciled in Harzé, Aywaille (Belgium), is mainly engaged in the design, development, manufacture, marketing and operation, by any means, including via the granting of patents and licences to third parties, of objects linked to the analysis and treatment of swimming-pool water quality and IT software relating to these objects and any similar, comparable or supplementary product.
- 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.
- Saline Generating System LLC, domiciled in Tempe, Arizona (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.
- Shenandoah Manufacturing 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.
- SIBO Fluidra Netherlands B.V., domiciled in Veghel (the Netherlands), is engaged in the manufacture and distribution of natural pools and water installations.
- Talleres del Agua, S.L.U., domiciled in Polígono Industrial de Barros, Ayuntamiento de 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.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- Ten Four Industria e Serviços LTDA, established in Valinhos (Brazil), has as its corporate purpose the manufacture and marketing of cleaning and polishing products; the manufacture on behalf of third parties and trade in agricultural defensives, fertilisers and soil improvers; the supply of containers, packaging, fractioning, wrapping, repackaging, inserts, labels, packaging and bags for solid and liquid products for third parties; road transport of cargo, in general, municipal, inter-municipal and inter-state; road transport of dangerous goods, provision of freight transport logistics organisation services; warehousing of goods for third parties and other service activities provided mainly to businesses, provision of advisory and consultancy services, including registration and the like, promotional marketing.
- Togama, S.A.U., domiciled in Villareal (Castellón, Spain), is engaged in the manufacture of ceramic for electric installations.
- 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.
- 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.
- Turcat Polyester Sanayi Ve Ticaret A.S., 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 Brusque (Brazil), is engaged in the manufacture and marketing of all types of swimming-pool articles and accessories.
- 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 ungummed fabrics, as well as the manufacture and marketing of inflatables (boats or semi-rigid craft).
- Zodiac Pool Care Europe, S.A.S., domiciled in Belberaud (France), is engaged in the distribution and sale of pool-related products and accessories.
- Zodiac Pool Care South Africa (Proprietary) Limited, domiciled in Centurion (South Africa), is engaged in the manufacture, distribution and sale of pool equipment and products and chemical specialties.

FLUIDRA, S.A.
AND SUBSIDIARIES

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

- Zodiac Pool Solutions, LLC, domiciled in Carlsbad (USA) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- Zodiac Pool Solutions, 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.
- 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 Shenzhen (China), is mainly engaged in the rendering of technical services for pool and spa equipment; the distribution, sale, import and export of pool and spa products and elements and post-sales services.
- ZPES Holdings, S.A.S., domiciled in Belberaud (France) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.
- ZPNA Holdings, S.A.S., domiciled in Belberaud (France) is engaged in the holding and use of equity shares and securities, and advising, managing and administering the companies in which it holds an ownership interest.

Associates consolidated using the equity method

- Astral Nigeria, Ltd., domiciled in Surulere-Lagos (Nigeria), is engaged in the marketing of swimming-pool products.
- OCM Products Limited, domiciled in Wigan (England), is mainly engaged in the production and marketing of swimming-pool filtering products in both the residential and commercial markets.

Fluidra, S.A. and Subsidiaries

Subsidiaries
30 June 2021

% Ownership interest	
Direct	Indirect

List of subsidiaries accounted for using the full consolidation method

FLUIDRA FINCO, S.L.U.	100.00%	
AGRISILLOS, S.R.L.	90.00%	(100%) (3)
AO ASTRAL SNG	90.00%	
AQUA SUN ZONE, LLC	100.00%	(5)
ASTRAL AQUADESIGN LIMITED LIABILITY COMPANY	58.50%	
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.	100.00%	
ASTRAL INDIA PRIVATE, LIMITED	100.00%	
ASTRALPOOL CYPRUS, LTD	90.00%	
ASTRALPOOL HONGKONG, CO., LIMITED	100.00%	
ASTRALPOOL THAILAND CO., LTD	99.00%	
ASTRALPOOL UK LIMITED	100.00%	
AYW CONCEPT BV/SRL	100.00%	
BOBE WATER & FIRE LLC	100.00%	(5)
CENTURY COMPOSITES OF GEORGIA LLC	100.00%	(5)
CEPEX MEXICO, S.A. DE C.V.	100.00%	
CEPEX S.A.U.	100.00%	
CERTIKIN INTERNATIONAL (IRELAND) LIMITED	100.00%	
CERTIKIN INTERNATIONAL, LIMITED	100.00%	
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LIMITED	100.00%	
CMP HOLDCO INC	100.00%	(5)
CMP POOL & SPA (SHANGHAI) CO, LTD	100.00%	(5)
COVER - POOLS INCORPORATED	100.00%	
CUSTOM MOLDED PRODUCTS LLC	100.00%	(5)
CUSTOM MOLDED PRODUCTS SHANGHAI INC.	100.00%	(5)
DEL AGRICULTURAL INC.	100.00%	(5)
DEL INDUSTRIES INC.	100.00%	(5)
DEL OZONE HOLDING COMPANY INC.	100.00%	(5)
FABTRONICS AUSTRALIA PTY LTD	80.00%	(100%) (3)
FLUIDRA ADRIATIC D.O.O.	100.00%	
FLUIDRA AL URDOWN FZ	70.00%	
FLUIDRA ASSISTANCE SAS	100.00%	
FLUIDRA AUSTRALIA PTY LTD	100.00%	(2)
FLUIDRA BALKANS JSC	61.16%	
FLUIDRA BELGIQUE, S.R.L.	100.00%	
FLUIDRA BH D.O.O. Bijeljina	60.00%	
FLUIDRA BRASIL INDÚSTRIA E COMÉRCIO LTDA	100.00%	
FLUIDRA CHILE, S.A.	100.00%	
FLUIDRA COLOMBIA, S.A.S	100.00%	
FLUIDRA COMERCIAL ESPAÑA, S.A.U.	100.00%	
FLUIDRA COMERCIAL PORTUGAL Unipessoal, LDA	100.00%	
FLUIDRA COMMERCIAL FRANCE, S.A.S.	100.00%	
FLUIDRA COMMERCIAL, S.A.U.	100.00%	
FLUIDRA COMMERCIALE ITALIA, S.P.A.	100.00%	
FLUIDRA CYPRUS, LTD	100.00%	
FLUIDRA DEUTSCHLAND GmbH	100.00%	(8)
FLUIDRA EGYPT, Egyptian Limited Liability Company	90.00%	
FLUIDRA EXPORT, S.A.U.	100.00%	
FLUIDRA GLOBAL DISTRIBUTION, S.L.U.	100.00%	
FLUIDRA GROUP AUSTRALIA PTY LTD	100.00%	
FLUIDRA HELLAS, S.A.	86.96%	
FLUIDRA HOLDCO NORTH AMERICA INC	100.00%	(4)
FLUIDRA HOLDINGS AUSTRALIA PTY LTD	100.00%	
FLUIDRA HOLDINGS SOUTH AFRICA PTY LTD	100.00%	
FLUIDRA INDIA PRIVATE LIMITED	100.00%	
FLUIDRA INDONESIA PT.	100.00%	
FLUIDRA INDUSTRY FRANCE, S.A.S	100.00%	
FLUIDRA JV YOUJI, S.L.U.	100.00%	
FLUIDRA KAZAKHSTAN Limited Liability Company	51.00%	

Fluidra, S.A. and Subsidiaries

Subsidiaries
30 June 2021

FLUIDRA LATAM EXPORT LLC	100.00%	
FLUIDRA MAGYARORSZÁG Kft.	95.00%	
FLUIDRA MALAYSIA SDN.BHD.	100.00%	
FLUIDRA MAROC, S.A.R.L.	90.00%	
FLUIDRA MEXICO, S.A. DE C.V.	100.00%	
FLUIDRA MIDDLE EAST FZE	100.00%	
FLUIDRA MONTENEGRO DOO	60.00%	
FLUIDRA N.Z. LIMITED	100.00%	
FLUIDRA NORDIC A/S	100.00%	
FLUIDRA NORDIC AB	100.00%	
FLUIDRA ÖSTERREICH Gmbh "SSA"	98.50%	
FLUIDRA POLSKA, SP. Z.O.O.	100.00%	
FLUIDRA ROMANIA S.A.	66.66%	
FLUIDRA SERBICA, D.O.O. BEOGRAD	60.00%	
FLUIDRA SERVICES FRANCE, S.A.S.	100.00%	
FLUIDRA SERVICES ITALIA, S.R.L.	100.00%	
FLUIDRA SI D.O.O	60.00%	(4)
FLUIDRA SINGAPORE, PTE LTD	100.00%	
FLUIDRA SOUTH AFRICA (PTY) LTD	100.00%	
FLUIDRA SWITZERLAND, S.A.	100.00%	
FLUIDRA THAILAND CO, LTD	100.00%	
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS	51.00%	
FLUIDRA TUNISIE, S.A.R.L.	100.00%	
FLUIDRA USA, LLC	100.00%	
FLUIDRA VIETNAM LTD	100.00%	
FLUIDRA WATERLINX PTY, LTD	100.00%	
I.D. ELECTROQUÍMICA, S.L.U.	100.00%	
INDUSTRIAS MECANICAS LAGO, S.A.U.	100.00%	
INNODRIP, S.L.U	100.00%	
INQUIDE, S.A.U.	100.00%	(9)
LAGHETTO FRANCE, S.A.R.L.	90.00%	(90%-100%) (3)
MANUFACTURAS GRE, S.A.U.	100.00%	
ME 2000, S.R.L.	100.00%	
NINGBO DONGCHUAN SWIMMING POOL EQUIPMENT CO., LTD	70.00%	
PENTAGONE APCD BV/SRL	100.00%	
PISCINES TECHNIQUES 2000, S.A.S.	100.00%	
POLTANK, S.A.U.	100.00%	
POOLWEB SAS	100.00%	
PRICE CHEMICALS PTY LTD	100.00%	
PRODUCTES ELASTOMERS, S.A.	70.00%	
RIIOT LABS NV/SA	100.00%	
SACOPA, S.A.U.	100.00%	
SALINE GENERATING SYSTEMS LLC	100.00%	(5)
SHENANDOAH MANUFACTURING LLC	100.00%	(5)
SIBO FLUIDRA NETHERLANDS B.V.	100.00%	
TALLERES DEL AGUA, S.L.U.	100.00%	
TEN FOUR INDÚSTRIA E SERVIÇOS LTDA	100.00%	
TOGAMA, S.A.U.	100.00%	
TRACE LOGISTICS NORTH BV	100.00%	
TRACE LOGISTICS, S.A.U.	100.00%	
TURCAT POLYESTER SANAYI VE TICARET A.S.	75.50%	
UNISTRAL RECAMBIOS, S.A.U.	100.00%	
VEICO.COM.BR INDÚSTRIA E COMÉRCIO LTDA	100.00%	
W.I.T. EGYPT, Egyptian Limited Liability Company	89.99%	
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co, Ltd	100.00%	
ZODIAC INTERNATIONAL SAS	100.00%	
ZODIAC POOL CARE EUROPE SAS	100.00%	
ZODIAC POOL CARE SOUTH AFRICA (Propietary) Limited	100.00%	
ZODIAC POOL SOLUTIONS LLC	100.00%	
ZODIAC POOL SOLUTIONS SAS	100.00%	
ZODIAC POOL SYSTEMS CANADA, INC.	100.00%	

Fluidra, S.A. and Subsidiaries

Subsidiaries
30 June 2021

ZODIAC POOL SYSTEMS LLC	100.00%
ZODIAC SWIMMING POOL EQUIPMENT (SHENZHEN) CO.,LTD.	100.00%
ZPES HOLDINGS SAS	100.00%
ZPNA HOLDINGS S.A.S.	100.00%

List of associates consolidated using the equity method

ASTRAL NIGERIA, LTD.	25.00%	(1)
OCM PRODUCTS LIMITED	50.00%	(1)

List of companies consolidated at cost

DISCOVERPOOLS COM, INC.	11.00%	(1)
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(1) Companies belonging to the Fluidra Commercial, S.A. and subsidiaries subgroup.

(2) Fluidra Australia Pty Ltd fully owns the companies Astral Pool Holdings Pty Ltd, Hurlcon Staffing Pty Ltd and Hurlcon Investments Pty Ltd.

(3) Companies that have been fully integrated into the consolidated annual accounts and the book value of non-controlling interest has no longer been recognised.

(4) Newly incorporated companies from 1 January to 30 June 2021

(5) Companies acquired from 1 January to 30 June 2021.

(6) In the period from 1 January to 30 June 2021, Ningbo Linya Swimming pool & water treatment CO., LTD. has been wound up.

(7) In the period from 1 January to 30 June 2021, Fluidra Services España, S.L.U. and Fluidra Engineering Services, S.L.U have been integrated into Fluidra, S.A.

(8) Company previously called Zodiac Pool Deutschland GmbH, merged with Fluidra Deutschland GmbH, from which it has adopted its name.

(9) Company merged with Metalast, S.A.U.

Fluidra, S.A. and Subsidiaries

Details of segment results
for the six-month period ended 30 June 2021
(Expressed in thousands of euros)

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

	EMEA & LATAM	NORTH AMERICA	OPERATIONS	ASIA & AUSTRALIA	Shared services	Adjustments & eliminations	Total consolidated figures
	30.06.2021	30.06.2021	30.06.2021	30.06.2021	30.06.2021	30.06.2021	30.06.2021
Sales to third parties	645,200	415,579	49,922	76,029	10	-	1,186,740
Sales to third parties in USA	169	390,064	7,103	734	-	-	398,070
Sales to third parties in Spain	110,998	125	21,476	-	-	-	132,599
Sales to third parties in France	165,543	86	3,831	-	-	-	169,460
Inter-segment sales	75,754	3,460	312,952	16,325	-	(408,491)	-
Segment sales of goods and finished products	720,954	419,039	362,874	92,354	10	(408,491)	1,186,740
COGS	(479,859)	(196,716)	(232,486)	(48,080)	-	398,204	(558,937)
Gross margin	<u>241,095</u>	<u>222,323</u>	<u>130,388</u>	<u>44,274</u>	<u>10</u>	<u>(10,287)</u>	<u>627,803</u>
OPEX	(105,906)	(91,774)	(57,027)	(36,582)	(27,922)	(4,768)	(323,979)
Adjustments due to impairment of receivables	1,463	208	(7)	674	(7)	(2,560)	(229)
Depreciation and amortisation expenses and impairment losses	(9,112)	(5,949)	(6,634)	(4,272)	(4,473)	(28,969)	(59,409)
Operating profit/(loss) from reporting segments	<u>127,540</u>	<u>124,808</u>	<u>66,720</u>	<u>4,094</u>	<u>(32,392)</u>	<u>(46,584)</u>	<u>244,186</u>
Share in profit/(loss) of associates	-	-	-	-	-	-	-
EBITDA	<u>136,652</u>	<u>130,757</u>	<u>73,354</u>	<u>8,366</u>	<u>(27,919)</u>	<u>(17,615)</u>	<u>303,595</u>

OPEX = Employee benefit expense + Other operating costs – Income from the rendering of services – Work performed by the Group and capitalised as non-current assets – Profit/(loss) from sales of fixed assets - Adjustments due to impairment of receivables

COGS = Changes in inventories of finished goods and work in progress and raw material supplies

Fluidra, S.A. and Subsidiaries

Details of segment results
for the six-month period ended 30 June 2020
(Expressed in thousands of euros)

	EMEA & LATAM	NORTH AMERICA	OPERATIONS	ASIA & AUSTRALIA	Shared services	Adjustments & eliminations	Total consolidated figures
	30.06.2020	30.06.2020	30.06.2020	30.06.2020	30.06.2020	30.06.2020	30.06.2020
Sales to third parties	444,949	220,043	42,148	64,067	60	-	771,267
Sales to third parties in USA	81	206,966	6,767	1,464	-	-	215,278
Sales to third parties in Spain	84,080	31	16,104	-	32	-	100,247
Sales to third parties in France	112,649	-	3,305	-	-	-	115,954
Inter-segment sales	61,140	2,658	216,736	1,698	-	(282,232)	-
Segment sales of goods and finished products	506,089	222,701	258,884	65,765	60	(282,232)	771,267
COGS	(344,144)	(104,544)	(163,210)	(31,274)	-	272,799	(370,373)
Gross margin	161,945	118,157	95,674	34,491	60	(9,433)	400,894
OPEX	(79,775)	(62,611)	(47,535)	(30,707)	(15,303)	296	(235,635)
Adjustments due to impairment of receivables	(2,204)	(4)	(37)	(1,941)	23	-	(4,163)
Depreciation and amortisation expenses and impairment losses	(8,908)	(6,272)	(7,283)	(3,950)	(3,788)	(29,675)	(59,876)
Operating profit/(loss) from reporting segments	71,058	49,270	40,819	(2,107)	(19,008)	(38,812)	101,220
Share in profit/(loss) of associates	-	-	-	-	-	-	-
EBITDA	79,966	55,542	48,102	1,843	(15,220)	(9,137)	161,096

OPEX = Employee benefit expense + Other operating costs – Income from the rendering of services – Work performed by the Group and capitalised as non-current assets – Profit/(loss) from sales of fixed assets - Adjustments due to impairment of receivables

COGS = Changes in inventories of finished goods and work in progress and raw material supplies

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities
for the six-month period ended 30 June 2021
(Expressed in thousands of euros)

	<u>EMEA & LATAM</u>	<u>NORTH AMERICA</u>	<u>OPERATIONS</u>	<u>ASIA & AUSTRALIA</u>	<u>Shared services</u>	<u>Adjustments and eliminations</u>	<u>Total consolidated figures</u>
	<u>30.06.2021</u>	<u>30.06.2021</u>	<u>30.06.2021</u>	<u>30.06.2021</u>	<u>30.06.2021</u>	<u>30.06.2021</u>	<u>30.06.2021</u>
NON-CURRENT ASSETS							
Property, plant, and equipment	21,484	28,630	55,205	10,854	12,865	1,678	130,716
Property, plant and equipment in Spain	5,278	-	53,360	-	12,865	813	72,316
NWC	286,344	19,270	48,822	45,408	(93,772)	(56,190)	249,882
Inventories	124,027	93,369	117,497	56,948	-	(35,527)	356,314
Trade and other receivables	302,236	46,534	25,967	25,433	11,821	(6,585)	405,406
Trade and other payables	139,919	120,633	94,642	36,973	105,593	14,078	511,838

NWC = Inventories + Trade and other receivables – Trade and other payables

Fluidra, S.A. and Subsidiaries

Details of segment assets and liabilities
for the six-month period ended 30 June 2020
(Expressed in thousands of euros)

	<u>EMEA & LATAM</u>	<u>NORTH AMERICA</u>	<u>OPERATIONS</u>	<u>ASIA & AUSTRALIA</u>	<u>Shared services</u>	<u>Adjustments and eliminations</u>	<u>Total consolidated figures</u>
	<u>30.06.2020</u>	<u>30.06.2020</u>	<u>30.06.2020</u>	<u>30.06.2020</u>	<u>30.06.2020</u>	<u>30.06.2020</u>	<u>30.06.2020</u>
NON-CURRENT ASSETS							
Property, plant, and equipment	23,331	21,219	53,712	6,836	10,374	1,497	116,969
Property, plant and equipment in Spain	5,324	-	51,248	-	10,026	617	67,215
NWC	248,536	43,011	49,267	48,000	(5,698)	(41,128)	341,988
Inventories	100,420	62,445	96,359	44,096	-	(29,548)	273,772
Trade and other receivables	248,486	89,170	23,330	26,704	7,577	(1,876)	393,391
Trade and other payables	100,370	108,604	70,422	22,800	13,275	9,704	325,175

NWC = Inventories + Trade and other receivables – Trade and other payables

Fluidra, S.A. and Subsidiaries
Interim Consolidated Directors' Report

30 June 2021

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

General business outlook

The Fluidra Group's turnover at the June 2021 reporting date amounts to Euros 1,186.7 million, which reflects a 53.9% increase in comparison with the prior year (+57.1% at a constant exchange rate). The acquisition of CMP provides an additional turnover of Euros 42.8 million.

In terms of sales performance by geographic area, there was double-digit growth in all areas, with extraordinary growth (+83.6%) in the North American market. More moderate growth was seen in Asia (+12.5%), due mainly to fewer public swimming pool projects.

When looking at sales by business unit, the positive performance of the Pool&Wellness unit stands out (+54.6%), driven by extraordinary performance in Residential Pools (+63.3%), very positive progress in pool water treatment (+29.6%) and moderate growth in the commercial pools segment (+15.5%). The other non-core families (Irrigation, Industrial and Others) have also recorded good performance (+29.5%).

EBITDA was up by Euros 142.5 million, increasing from Euros 161.1 million last year to Euros 303.6 million this year.

The gross margin improved from 52.0% last year to 52.9% this year, mainly due to the product and market mix and prices that have increased above raw materials.

Net operating expenses (sum of personnel expenses, other operating expenses net of income from services rendered, work performed by the Group and capitalised as non-current assets, profits from the sale of fixed assets and before changes in trading provisions) have increased by 37.5%, due mainly to increased activity with an increase in industrial expenses of 40.5% and in variable expenses associated with sales of 52.4%. Net operating expenses contributed by CMP's operations amounted to Euros 14.3 million.

Changes in operating provisions are also very positive, going from 0.5% of sales in the previous year to 0.02%, due to the excellent campaign this year, which resulted in the recovery of old balances already provisioned, as well as a very low default rate in the year's sales.

The depreciation and amortisation expenses and impairment losses line remains stable, moving from 59.9 to 59.4 million, with the decreasing amortisation of intangible assets from the Zodiac acquisition being offset by the amortisation of intangible assets from the CMP acquisition (see note 6) and the impairment of Togama, S.A.U. assets (see note 11).

The finance cost decreased from Euros -21.0 million in 2020 to Euros -18.3 million in 2021, due to a better performance of exchange rate differences, which offsets the positive effect of the voluntary repayment of the EUR and USD tranche on the long-term loans on 28 January 2020.

Net profit attributed to the Parent has increased from Euros 54.9 million to Euros 174.2 million, due mainly to the improvement in operating results. In percentage terms, it rises from 7.1% to 14.7%.

With regard to the Group's consolidated balance sheet, there has been a notable drop of Euros 92.1 million in net working capital, despite the increase in sales. Inventories increased below sales by 30.1%. Changes in receivables were spectacular with a decrease of 24 days to the collection period, mainly as a result of the American market, but with the other markets where the Group operates also performing very well. Lastly, payables have increased by 57% due to increased activity and the recording of the dividend of Euros 0.40 per share (Euros 78.3 million), which will be paid out in July and November. The net working capital includes Euros 28.8 million from CMP's operations.

Investments in property, plant and equipment and other intangible assets have increased by Euros 8.8 million to Euros 25.0 million in 2021, due to the investments needed to deal with the growth in activity, as well as the move to the Group's new corporate headquarters. The comparative figure from last year is exceptionally low, motivated for the containment of investments in order to strengthen the Group's balance sheet to face the possible effects of COVID 19.

Net financial debt (including lease liabilities) has increased from Euros 738.0 million to Euros 780.7 million due to cash generation in the last 12 months, absorbing the price paid for the acquisition of CMP (Euros 156.6 million). The change in net financial debt compared to December 2020 was an increase of Euros 198.8 million, as a result of the acquisition of CMP and the payment of earn outs from acquisitions made in previous years and the increase in lease liabilities resulting from new contracts signed by the Group, as well as the seasonality of the Group.

Staff turnover has seen an increase of 826 people with respect to the corresponding prior year period. The average headcount at 30 June 2021 is 6,069 people, split into 66% male staff and 34% female.

Fluidra, S.A. and Subsidiaries

Interim Consolidated Directors' Report

30 June 2021

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

A breakdown of information on related-party transactions can be found in note 24 Related-party balances and transactions within the half-yearly financial report.

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

The members of the Board of Directors of Fluidra, S.A. (the “**Company**”), at the meeting of the Board of Directors held on 29 July 2021, state that, to the best of their knowledge, the condensed consolidated financial statements corresponding to the first half of 2021, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the companies that fall within the consolidated group taken as a whole, and that the interim management report includes a fair review of the information required.

In Sant Cugat del Vallès, 29 July 2021

Mr. Eloy Planes Corts

Mr. Bruce Walker Brooks

Mr. Martín Ariel Atlas

Ms. Esther Berrozpe Galindo

Mr. Jorge Valentín Constans Fernández

Mr. Bernardo Corbera Serra

Piumoc Inversions, S.L.U.
Mr. Bernat Garrigós Castro

Mr. Michael Steven Langman

Mr. Gabriel López Escobar

Mr. Brian McDonald

Mr. Oscar Serra Duffo

Mr. José Manuel Vargas Gómez