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FLUIDRA HELLAS SA

Annual Financial Statements prepared according to International Financial Reporting Standards (IFRS) for the year ended 31st December 2019

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"FLUIDRA HELLAS S.A."
Companies Reg. No. 57907/03/B/04/56 GEMI 121572107000
REPORT
OF THE BOARD OF DIRECTORS
OF THE COMPANY

TO THE ANNUAL ORDINARY GENERAL MEETING OF SHAREHOLDERS
ON THE BALANCE SHEET AND THE RESULTS FOR THE YEAR 2019
(PERIOD 1.1.2019 – 31.12.2019)

Dear Shareholders,

We have the honor to submit herewith for your consideration the financial statements of the Company for the year 1.1. - 31.12.2019, which were approved by the board of directors as of March 4th and are pending approval from the shareholders. These financial statements are presented on the basis of IFRS.

1. **Business evolution of the Company**

The negative economic environment of the market did not affect the operations of the company. The sales increased by 12% reaching 9.898.085 E versus 8.793.545 E in 2018, while gross margin increased to 3.187.911 E versus 2.797.361 E in 2018.

2. Financial position of the company

The company in 2019 had assets 6.676.032 E versus 6.754.470 E in 2018 and equity 5.268.373 E versus 4.945.293 E in 2018.

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Analytically the financial statements of the company are the following:

	31/12/2019	31/12/2018
Assets		
Property Plant and Equipment	40.995	37.274
Intangible Assets	0	0
Non - current assets	51.520	40.964
Inventory	878.951	604.626
Receivables	3.194.637	1.640.834
Other current assets	2.509.929	4.430.773
TOTAL ASSETS	**6.676.032**	**6.754.470**
Equity and Liabilities		
Issued Capital	3.768.050	3.768.050
Retained earnings and other other reserves	1.500.323	1.177.243
Total Shareholders Equity (a)	5.268.373	4.945.293
Minority Rights (b)		
Total Equity	5.268.373	4.945.293
Provisions and other non current liabilities	80.003	80.003
Other current liabilities	1.327.656	1.729.173
Total Liabilities	1.407.660	1.809.177
Total Equity and Liabilities	**6.676.032**	**6.754.470**

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	01.01-31.12.2019			01.01-31.12.2018		
	Continuing operations	Discontinuing operations (ix)	Total (ix)	Continuing operations	Discontinuing operations (ix)	Total (ix)
Sales	9.898.085		9.898.085	8.793.545		8.793.545
Gross Margin	3.187.911		3.187.911	2.797.361		2.797.361
Earnings (Losses) before taxes, financing and investing activities	1.846.750		1.846.750	1.553.750		1.553.750
Earnings (Losses) before taxes	1.856.434		1.856.434	1.577.791		1.577.791
Earnings (Losses) after taxes	1.378.729		1.378.729	1.055.648		1.055.648
Distributed to						
Shareholders of Parent	1.198.992		1.198.992	1.023.595		1.023.595
Shareholders of Minority	179.737		179.737	32.053		32.053
After tax earnings per share (in Euro)	2,4881		2,4881	1,9051		1,9051
Proposed Dividend per share (in Euro)	0		0	0		0
EBITDA	1.862.341		1.862.341	1.570.496		1.570.496

	31/12/2019	31/12/2018
Equity as of (1/1/2019 and 1/1/2018 respectively) (vi)	4.945.293	4.620.485
After tax earnings (losses) continuing and discontinuing operations	1.378.729	1.055.648
Increase (Decrease) of Shareholders Equity	0	0
Dividends distributed	-1.055.648	-730.840
Equity as of (31/12/2019 and 31/12/2018 respectively) (vi)	**5.268.374**	**4.945.293**

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	01.01-31.12.2019	01.01-31.12.2018
Cash flow from operating activities		
Collections from customers	8.392.088	9.641.566
Payments to suppliers, employees, etc	-8.413.529	-6.758.785
Tax Payments	-712.864	-340.177
Interest paid	0	0
Total cash flow from operations	-734.305	2.542.604
Cash flow from investing activities		
Payments to buy non current assets	-31.551	-13.444
Proceeds from selling non current assets	10.000	0
Interest collected	9.855	5.458
Total cash flow from investing activities	-11.696	-7.987
Cash flow from financing activities		
Payment of dividends	-1.055.648	-730.841
Total cash flow from financing activities	-1.055.649	-730.841
Net increase (decrease) in cash and cash equivalents	**-1.801.650**	**1.803.776**
Cash and cash equivalent at January 1st	**3.783.579**	**1.979.803**
Cash and cash equivalent at December 31st	**1.981.930**	**3.783.579**

4. Forecasted course of the company, risks

The market contains political and economic risk. In order to minimize this risk, the Management has decided to continue enforcing the credit control policy and the control of operating expenses which were in effect during the past years producing positive effects.

5. Activities in the sector of research and development of new products

There are none. The Company has no production facility.

6. Foreign Currency available

The company had 39.562,11 USD in bank accounts.

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7. Financial instruments

There are none.

8. Property Assets of the Company

The company does not own property assets.

9. Branches of the Company

The company has no branches.

10. Proposal for Appropriation of Results

The Board of Directors will propose to the Annual General Shareholders Meeting to distribute dividends.

11. Owned Shares

Fluidra Hellas SA did not hold any shares of the company neither as of 31/12/2019 nor as of 31/12/2018. The company did not make any transactions regarding the purchase or sales of company's shares.

12. Risk Management

Fluidra Hellas SA being a subsidiary of Fluidra SA implements a policy covering risks. The main risks are the following :
Supply Chain and Inventory Risk
Fluidra Hellas SA is a subsidiary of Fluidra SA thus following the policies of the Group. According to these policies, purchases the merchandise from the Group factories, utilizing the supply chain thus minimizing the risk of not having enough inventory. Concurrently Fluidra Hellas SA frequently controls the inventory in order to minimize the risk of having slow moving inventory. Moreover, the company is included in a worldwide insurance policy implemented by the Group covering inventory.
Regulations and Business expectations

Fluidra Hellas SA complies with the regulation applicable in the business. If the regulation changes, then Fluidra Hellas SA makes the necessary actions in order to comply.

Fluidra Hellas SA applies the commercial policy of the Group in order to compensate for the unstable economy of Greece.

Other risks

There are no other risks applicable to the industry that Fluidra Hellas SA operates, other than the ones for the total of the market.

13.Environmental Issues

Fluidra Hellas SA being a subsidiary of Fluidra SA respects the environment. The nature of business is such that has no impact on the environment. Nevertheless, the management of the company has taken the necessary steps in order to recycle the waste produced in the offices of the company. Moreover, the management has informed the employees in making proper use of water and energy resources.

14.Employment Policies

Fluidra Hellas SA being a subsidiary of Fluidra SA follows the Code of Ethics which is applicable for the employees throughout the group. According to the Code of Ethics the main principles governing employment relations are the following :

Respect towards the employees and colleagues

Equal opportunities towards all employees

Right towards development and advancement of employees

Respect towards employees privacy and confidentiality of private data

Respect towards health and safety measures at workplace

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15.Financial Ratios

Profitability Ratios	2019		2018	
Gross Margin	3.187.911	32%	2.797.361	32%
Sales	9.898.085		8.793.545	
Earnings after tax	1.378.729	14%	1.055.648	12%
Sales	9.898.085		8.793.545	
Earnings after tax	1.378.729	26%	1.055.648	21%
Total Shareholders Equity	5.268.373		4.945.293	
Leverage Ratios				
Total Assets	6.676.032	127%	6.754.470	137%
Total Shareholders Equity	5.268.373		4.945.293	
Interest expense	12.797	1%	8.544	1%
EBITDA	1.862.341		1.570.496	
Liquidity Ratios				
Current Assets	6.583.517	99%	6.676.232	99%
Total Assets	6.676.032		6.754.470	
Current Assets	6.583.517	496%	6.676.232	386%
Current Liabilities	1.327.656		1.729.173	

16.Significant events occurred from the balance sheet date to the date of the present report.

Until the date of submission of this Report no other event except from the covid-19 pandemy has occurred that could significantly affect the financial position and the overall course of the company.

The company is closely monitoring developments regarding the spread of covid-19, and has a plan for the smooth operation of its activities in compliance with applicable law. The company takes precautionary measures for the safety of employees, is ready to implement a plan to continue its activities, as it monitors and complies with the regulations imposed by the official authorities at the national level. As the pandemy is in full activity, its quantitative and qualitative effects on the operation of the Company are being evaluated. Finally, the company identifies and assesses financial risks and provides guidelines for managing them.

Dear Shareholders,

By virtue of the above, you are kindly invited to approve the financial statements for the year 2019 as well as the Notes to the financial statements and the above Report of the Board of Directors.

The Board of Directors

The Chairman	The Managing Director	The Member
Carlos Franquesa Castrillo	Xeni Nicos	Juan Fort Viader
Passport AAG997116	ID0000647842	Passport AAB295171

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BALANCE SHEET

	Note	31/12/2019	31/12/2018
Assets			
Property Plant and Equipment	3	40.995	37.274
Intangible Assets	4	0	0
Non - current assets	5	51.520	40.964
Inventory	6	878.951	604.626
Receivables	7	3.194.637	1.640.834
Other current assets	8	2.509.929	4.430.773
TOTAL ASSETS		**6.676.032**	**6.754.470**
Equity and Liabilities			
Issued Capital	9	3.768.050	3.768.050
Retained earnings and other other reserves	10	1.500.323	1.177.243
Total Shareholders Equity (a)	**(iv)**	5.268.373	4.945.293
Minority Rights (b)	**(iv)**		
Total Equity		5.268.373	4.945.293
Provisions and other non current liabilities	12	80.003	80.003
Other current liabilities	14	1.327.656	1.729.173
Total Liabilities		1.407.660	1.809.177
Total Equity and Liabilities		**6.676.032**	**6.754.470**

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COMPREHENSIVE INCOME STATEMENT

	Note	01.01-31.12.2019			01.01-31.12.2018		
		Continuing operations	Discontinuing operations (ix)	Total (ix)	Continuing operations	Discontinuing operations (ix)	Total (ix)
Sales	**17**	9.898.085		9.898.085	8.793.545		8.793.545
Gross Margin	**16**	3.187.911		3.187.911	2.797.361		2.797.361
Earnings (Losses) before taxes, financing and investing activities	**18, 19, 20**	1.846.750		1.846.750	1.553.750		1.553.750
Earnings (Losses) before taxes	22	1.856.434		1.856.434	1.577.791		1.577.791
Earnings (Losses) after taxes	23	1.378.729		1.378.729	1.055.648		1.055.648
Distributed to							
Shareholders of Parent	**(iv)**	1.198.992		1.198.992	1.023.595		1.023.595
Shareholders of Minority	**(iv)**	179.737		179.737	32.053		32.053
After tax earnings per share (in Euro)	**(v)**	2,4881		2,4881	1,9051		1,9051
Proposed Dividend per share (in Euro)		0		0	0		0
EBITDA		1.862.341		1.862.341	1.570.496		1.570.496

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CHANGES IN EQUITY STATEMENT

	31/12/2019	31/12/2018
Equity as of (1/1/2019 and 1/1/2018 respectively) (vi)	4.945.293	4.620.485
After tax earnings (losses) continuing and discontinuing operations	1.378.729	1.055.648
Increase (Decrease) of Shareholders Equity	0	0
Dividends distributed	-1.055.648	-730.840
Equity as of (31/12/2019 and 31/12/2018 respectively) (vi)	**5.268.374**	**4.945.293**

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CASH FLOW STATEMENT

	01.01-31.12.2019	01.01-31.12.2018
Cash flow from operating activities		
Collections from customers	8.392.088	9.641.566
Payments to suppliers, employees, etc	-8.413.529	-6.758.785
Tax Payments	-712.864	-340.177
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Cash and cash equivalent at January 1st	**3.783.579**	**1.979.803**
Cash and cash equivalent at December 31st	**1.981.930**	**3.783.579**

The accompanying notes form an integral part of the annual accounts of Fluidra Hellas S.A. for the year ended 31 December 2019 prepared in conformity with EU-IFRS.

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Independent Auditor's Report

To the Shareholders of FLUIDRA HELLAS S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of FLUIDRA HELLAS S.A. (the Company), which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FLUIDRA HELLAS S.A. as at 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B'), we note that:

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a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2019.

b) Based on the knowledge we obtained during our audit of FLUIDRA HELLAS S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 29 May 2020

Nikolaos Ath. Sykas
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 27541

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Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

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NOTES

1. Nature, Principal Activities of FLUIDRA HELLAS SA

Fluidra Hellas SA was established at 2004 and is located at Thesi Lakko Katsari Aspropirgos Attika, Greece. The activity of the company is trading pool equipment, it is a subsidiary of Fluidra Commercial SAU located at Spain. The latter is a subsidiary of Fluidra SA, located at Spain and is the company controlling the subsidiaries of Fluidra Group.

The Group's activity consists of the manufacture and commercialisation of accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.

The financial statements of the company were approved by the Board of Directors as of 4/3/2020.

The company has not been audited for the year 2010, therefore the taxes payable are not definite.

For the year 2019 the company is under tax audit from Auditors according to article 82 par. 5 L 2238/1994. The tax audit is not completed at this point, the relevant tax certificate is going to be granted after publishing the financial statements for 2019. However, we estimate that if arise any differences, they will be insignificant value and will not affect the financial statements.

2. Basis of Presentation

FLUIDRA HELLAS SA follows the accounting principles of Fluidra Group of Companies applies IFRS, as adopted by the European Union (EU-IFRS), in order to present fairly the equity and financial position of Fluidra Hellas S.A. at 31 December 2019, as well as the comprehensive income, the cash flows and changes in equity for the year then ended.

All accounts are prepared on the historical cost basis, except for inventory and receivables which are recognized at their fair value.

The preparation of annual accounts in conformity with EU-IFRS requires the company management to make judgments, estimates and assumptions that affect the application of standards and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The company's annual accounts for 2019 include estimates on the value of assets, liabilities, income, expenses and commitments recognized. These estimates mainly comprise:

- The useful life and fair value of customer portfolios and other intangible assets .
- Evaluation of the recoverability of deferred tax assets.
- Estimate of the provisions for bad debts and inventory obsolescence.

Although estimates were based on the best information available at 31 December 2019, future events may require these estimates to be modified (increased or decreased) in subsequent periods or years. Any change in accounting estimates would be recognized prospectively in the corresponding consolidated income statement.

The currency used to present the financial statements is Euro € which is the national currency of Greece, where Fluidra Hellas SA is located and operates.

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2.1 New standards, amendments of current standards and interpretations

New standards, amendments of standards and interpretations have been issued which are mandatory for periods starting during the current year or later. The company makes estimations regarding the effect from the application of the new standards, amendments and interpretations. The estimates are stated below.

Standards and Interpretations mandatory for the current year

IFRS 7 (Amendment) Financial Instruments: Disclosures

The current amendment details the disclosures for transferred financial assets which are not totally depreciated as well for transferred financial assets not totally depreciated, for which the company has some control. This amendment does not apply for FLUIDRA HELLAS SA.

Standards and Interpretations mandatory for periods starting at 1/1/13 or afterwards

IFRS 9 Financial Instruments (applied for periods starting at 1/1/15 or afterwards)

The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement. The company is assessing the impact of IFRS 9 on annual accounts. After the adoption of the IFRS 9 from EU, then the company will decide upon its implementation prior to 1/1/15.

IAS 12 (Amendment) Income Taxes (applicable to the annual accounts starting at or after 1/1/2013)

The amendment of IAS 12 provides a practical method for counting the deffered tax assets and liabilities when investment assets are counted with the method of fair value according to IAS 40. This amendment does not apply for FLUIDRA HELLAS SA.

IFRS 13 – Fair Value Measurement (applicable on financial statements from 1/1/2013 onwards)

IFRS 13 provides new instructions regarding measuring the fair value and the necessary disclosures. The requirements of the standard do not widen the use of fair values but provide explanations for their implementation in the case their application is mandatory by other standards.

IAS 1 (Amendment) – Presentation of Financial Statements (applicable to financial statements starting from 1/7/12 onwards)

This amendment requires from the entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. i.e. those that might be reclassified and those that will not be reclassified.

IFRS 7 — Financial Instruments: Disclosures (applicable on financial statements from 1/1/2013 onwards)

The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also

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require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

IAS 32 — Financial Instruments: Presentation (amendment applicable on financial statements from 1/1/14 onwards)

The amendments to the disclosure requirements in IFRS 7 Financial Instruments: Disclosure require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position

IFRS 10, IFRS 11, IFRS 12, IAS 27, IAS 28 are applicable in cases of consolidation, joint arrangements and disclosure of interests in other entities. These standards are applicable from 1/1/14 onwards and they do not apply for FLUIDRA HELLAS SA.

2.2. Currency translation

ɑ) Operating currency and presentation currency

The financial statements are presented in Euro, which is the operating currency.

b) Transactions and balances

Transactions in foreign currencies are converted into the operating currency at rates applicable at the time of transactions. Exchange rate differences, gains or losses, emerging from the settlement of these transactions, or from the conversion of the balances into operating currency are booked in comprehensive income statement. Exchange rate differences from non-current assets valued at their fair values are considered as part of this fair value and are booked along with the differences in fair value.

2.3. Assets devaluation

i) Non-financial assets

Book values of non-current assets are restated when there are indications that their book value might not be recoverable. Recoverable value is the value that is greater between net sales price and using value. If recoverable value is less than the book value, then the loss is booked in comprehensive income statement. Fair value minus sales expenses is the amount that can be received from selling the asset in a transaction where both parties are equally informed have equal control. Using value is the net present value of the expected future cash inflows expected to be received from using this asset.

The company did not hold any non-financial assets.

ii) Financial assets

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The company assesses the fair value of each financial asset at every balance sheet date. Such assets are valued at cost and are presented at net book value.

The recoverable value is determined based on the net present value of the expected future cash inflows. Any losses are presented in the comprehensive income statement.

2.4. Financial assets

Financial assets enter into the following categories based on the purpose for which they were acquired. The management determines the cateogory of such on the initial recognition and restates the classification annually at every balance sheet date.

a) Financial assets valued at their fair value

This category includes financial assets acquired in order to be sold in the short term or they have classified as such from the management. Such assets are classified as current assets held in order to be sold in the coming 12 months.

The company does not hold such investments

b) Receivables and loans

This category includes non derivatives financial assets with fixed or determined payments which are not negotiated in any market and there is no intention to sell them. They are included in current assets except for the ones maturing in more than 12 months, which are included in non-current assets.

Receivables and loans are presented in net book value, based on the method of real interest rate.

c) Investments held until maturity

This category includes non-derivatives financial assets with fixed or determined payments and a specified expiry date, at which the company has the intention and the right to hold them.

The company did not hold such investments.

d) Financial assets available for sale

This category includes non-derivatives financial assets which are either classified in this category or they cannot be classified under any of the above categories. They are included in non-current assets given that the management does not have the intention to sell them within 12 months from the balance sheet date.

The company did not hold such investments.

2.5. Trade receivables

Trade receivables are booked initially at their fair value and later on at their net book value using the method of real interest rate deducting impairment losses. Impairment losses are booked when there is evidence that he company is not in a position to collect the amount receivable under the initial

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terms. The loss is calculated as the difference between the book value of receivables and the present value of future cash flows discounted with the real interest rate. The loss is booked as expense.

2.6 Share capital

Share capital refers to common registered shares of the company. These shares are included in equity.

2.7 Income tax

Income tax is calculated according to the local tax legislation. The income tax expense is calculated on the basis of earnings reformed according to local tax legislation and with the effective and legal tax rate applied.

2.8 Deferred tax

Deferred tax asset is determined with the method of liability in the differences between the tax base and the accounting base of the assets and liabilities. No deferred tax is booked if it comes from the initial recognition of an asset or liability, which did not affect neither the accounting nor the tax result.

Deferred tax assets are booked up to the amount they are expected to produce a future tax profit for using the temporary difference creating the deferred tax asset. Deferred taxes are calculated using the applicable tax rate at the balance sheet date.

2.9 Trade payables

Trade payables are booked initially at the fair value and they are later valued according to the unamortized cost method using the real interest rate.

2.10 Provisions

Provisions are booked in the event that a legal or other commitment currently exists, based from past events, for which commitment it is probable that resources will be required and the amount of these resources can be measured. They are booked at the best estimate regarding the cost that will arise in order to settle the commitment.

2.11 Leasing

A leasing contract that transfers all risks and benefits associated with using an asset is determined to be a financial leasing, therefore the asset is considered to be acquired via debt.

The company has no contracts as of 31.12.2019.

2.12 Revenue recognition

Revenues include sales of goods and services rendered, booked at fair value net of VAT, discounts and returns. Revenues also include income from interest. The following policy applies:

Interest income

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Interest income is booked based on remaining timeframe and using applicable interest rate. In case of receivables devaluation, their book value is decreased to the amount they are recoverable, which is the present value of the expected future cash flows discounted at the initial discount rate.

2.13 Dividends payment

Dividends are booked as a liability after dividend distribution is approved by the Shareholders Meeting.

3. Management of risk

FLUIDRA HELLAS SA despite the fact that is a subsidiary of Fluidra Group of Companies has all the functions of a separate legal entity. The company sells the merchandise of the Group, produced throughout the world, mainly to the Greek market.

Given the current crisis, the main risk is the credit risk. In order to control the exposure to the risk, the company as of the beginning of 2012 has set in place a strict credit policy, which has the following main features:

Thorough control of the financials of new and current customers, reassessing credit terms where necessary

Decreasing credit days

Requesting collateral from the customers in order to grant credit

4. Accounting estimations and management judgments

Accounting estimations and management judgments are constantly reassessed and are based on historical facts and expectations for future events assumed to be rational.

5. Tangible non-current assets

Property, plant and equipment is recognised at cost, less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises the purchase price, less any trade discounts and rebates, plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors, and where applicable, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs as a consequence of having used the item for purposes other than to produce inventories. The same principles apply in the case an asset is acquired via financial leasing.

Depreciation of items of property, plant and equipment is calculated using the straight-line basis to allocate their cost or deemed cost to their residual values over their estimated useful lives. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Land is not depreciated. The estimated useful lives of other items of property, plant and equipment are as follows:

Type of asset	Estimated useful life (years)
Buildings	33
Plant and machinery	3-10
Other installations, equipment and furniture	3-10
Information technology equipment	2-5
Motor vehicles	3-8
Other assets	4-10

The Group reassesses the residual value, periods and depreciation method at least at the end of each financial year. Changes to the initially established criteria are recognised as a change in estimations.

6. Intangible non-current assets

Intangible non-current assets are amortized using the straight line method. FLUIDRA HELLAS SA has software which is estimated to have a useful life of 3-5 years.

7. Long term leasing contracts

The Company has the right to use certain assets through lease contracts. Leases in terms of which the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases, otherwise they are classified as operating leases.

At the commencement of the lease term the Group recognises finance leases as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Initial direct costs are included as an increase in the value of the leased asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Financial expenses are registered in the consolidated profit and loss account using the effective interest rate method. Contingent rents are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease, net of any incentives received, are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Contingent rents are recognised as expenses in the periods in which they are incurred.

8. Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

9. Inventory

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in the conversion process. The allocation of fixed production overheads is based on the higher of normal capacity of the production facilities or the actual level of production. The cost of raw materials and other supplies, the cost of merchandise and costs of conversion are assigned to the different inventory units based on the weighted average price method. The company uses the same cost formula for all inventories of the same nature and similar use. Volume discounts extended by suppliers are recognized when it is probable that the discount conditions, such as a reduction in the cost of the inventories, will be met. Purchase discounts for prompt payment are recognized as a reduction in the cost of the inventories acquired.

The cost of inventories is subject to adjustments against profit or loss in cases where cost exceeds net realizable value. For this purpose, net realizable value is as follows:

- Raw materials and other supplies at replacement cost. Nevertheless, the Group does not make any adjustment in those cases where it is expected that the finished goods, which include raw materials and other supplies, will be sold at or above cost of production.
- Goods for resale and finished goods: at estimated selling cost, less costs to sell;
- Work in progress: at estimated selling price of related finished goods, less the estimated costs of completion and the estimated costs necessary to make the sale;

10. Cash and cash equivalent

Cash and cash equivalents include cash on hand and demand deposits in credit entities. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which have a short maturity of three months or less from the date of acquisition.

The Group classifies cash flows relating to interest received and paid as operating activities, except for interest collected relating to loans received for reasons other than the normal activity of the Group. Dividends received from associates are classified as investment activities and dividends paid by the Company are recognized as financing activities.

11. Employee benefits

Long term benefits

Retirement premium obligations are booked as provision only when it is certain that it will be paid in the coming year.

Short term benefits

Obligations to employees for bonuses are booked only if there is enough evidence stating that the provision must take place.

12. Provisions

The company recognizes provisions when it has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The amounts recognized as a provision are the best estimate of the expenditure required to settle the present obligation at the consolidated reporting date, taking into account the risks and uncertainties related with the provision and, where significant, the financial effect of the discount, provided that the expenditures required in each period can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The financial effect of provisions is recognized under finance expenses in the consolidated income statement. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed against the income statement item where the corresponding expense was recognized, and any excess is recognized as other income.

13. Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable for the sale of assets or services. Volume rebates or other types of trade discounts for prompt payment are recognized as a reduction in revenues if considered probable at the date of recognition of revenue.

i) Sale of goods

Revenue from the sale of goods is recognized when the Group:

- Has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The incurred costs or to be incurred related with the transaction could be reasonably measured.

The Group sells certain goods which can be returned by the purchasers. In these cases, the sale of goods is recognized when the above terms are complied with and it is possible to make a reliable estimate of returns based on previous experience and other relevant factors. Estimated returns are recognized under revenues and charged to the provision for sales returns, recognizing the estimated cost value relating to the goods returned, net of the effect of any impairment, as inventory on deposit.

ii) Services rendered

Revenues associated with the rendering of service transactions are recognized by reference to the stage of completion at the reporting date when the outcome of the transaction can be estimated reliably.

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14. Income tax

Tax expense or tax income on profit for the period comprises both current and deferred tax. Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for a period. Current tax assets or liabilities are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the closing date. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences, whereas deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses, and unused tax credits. Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Current and deferred tax is recognized as income or an expense, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different year, directly in consolidated equity or from a business combination. Income tax deductions granted by public entities as a reduction in this tax are recognized as a lower income tax expenses when there exists reasonable assurance that the terms associated with the entitlement to deduction are met.

The company is not tax audited for the year 2010, therefore the tax liabilities for that year are not definite.

For the year 2019 the company is under tax audit from auditors according to article 82 par 5 L 2238/1994. This tax audit is in progress and the respective tax certificate is expected to be issued after the publication of the financial statements for the year 2019. If tax differences arise, we do not expect to have any impact on the financial statements.

15. Offsetting assets and liabilities, income and expenses

Liabilities cannot be offset by assets, nor expenses by income, unless permitted by a relevant standard or interpretation.

The company presents the consolidated statement of financial position classifying assets and liabilities as current and non-current. For this purpose assets and liabilities are classified as current when they satisfy the following criteria:

- Assets are classified as current where they are expected to be realized in, or are intended for sale or consumption in the company's normal operating cycle, within twelve months after the reporting date or when they are held primarily for the purpose of being traded. Cash and cash equivalents are also classified as current, unless they are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the company's normal operating cycle, are held primarily for the purpose of being traded, are due to be settled within twelve months after the reporting date or where the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- The company classifies financial liabilities as current when they are due to be settled within twelve months after the reporting date, even if the original term was for a period longer than twelve months and an agreement to refinance or to reschedule payments, on a long-term

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basis is completed after the reporting date and before the consolidated annual accounts are authorized.

- Deferred tax assets and liabilities are recognized in the consolidated statement of financial position under non-current assets or liabilities, irrespective of the expected date of realization or settlement.

3. Tangible fixed assets

The movements of tangible fixed assets are depicted in the following tables:

	Book Value 1/1/19	Additions	Depreciation	Other changes	Book Value 31/12/19
Office equipment	746	0	713	-0	33
Furniture	3.127	327	1.642	0	1.812
Information technology equipment	17.378	3.693	5.492	-1.464	14.115
Buildings	0	2.705	166	0	2.539
Other equipment	0	0	0	0	0
Motor vehicles	1.728	11.900	4.121	-218	9.289
Motor vehicles for internal use	11.176	0	3.023	0	8.153
Tools	11	290	38	0	263
Other installations	3.107	2.080	397	0	4.790
Total	37.273	20.995	15.591	-1.682	40.995

	Book Value 1/1/18	Additions	Depreciation	Book Value 31/12/18
Office equipment	1.873	0	1.127	746
Furniture	5.065	0	1.938	3.127
Information technology equipment	6.710	13.444	2.776	17.378
Buildings	0	0	0	0
Other equipment	0	0	0	0
Motor vehicles	7.391	0	5.663	1.728
Motor vehicles for internal use	15.972	0	4.796	11.176
Tools	56	0	45	11
Other installations	3.402	0	296	3.107
Total	40.470	13.444	16.640	37.273

There are no restrains and no stamps on the fixed assets. None fixed asset was constructed.

As of 31/12/19 and as of 31/12/18 no fixed assets were held using the financial leasing.

FLUIDRA HELLAS SA is a member of a global insurance policy that the Group applies. This policy covers for the value of fixed assets.

4. Intangible non-current assets

The company uses software, the movement of which is depicted in the following tables:

Intangible non-current asset	Book Value 1/1/19	Additions	Depreciation	Book Value 31/12/19
Software	0	0	0	0

The acquisition value of the software amounts to € 41,917 and has been fully depreciated in previous year.

Intangible non-current asset	Book Value 1/1/18	Depreciation	Book Value 31/12/18
Software	107	107	0

There are no restrains on the intangible non-current assets. No intangible fixed assets were constructed.

5. Other non-current assets

The analysis of the non-current assets is the following:

Other Non Current Assets	31/12/2019	31/12/2018
Guarantees	26.037	15.480
Deferred Tax Assets	25.483	25.483
	51.520	40.964

6. Inventory

The analysis of inventory is the following:

	31/12/2019	31/12/2018
Finished goods and merchandise	1.050.250	767.303
Provisions	171.299	162.677
	878.951	604.626

There are no relevant commitments to purchase or sell goods.

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7. Trade receivables

The analysis of trade receivables is the following:

	31/12/2019	31/12/2018
Customers	2.705.401	1.051.491
Notes	0	183.699
Cheques	1.661.095	1.542.021
Bad debt provision	-1.171.859	-1.136.377
	3.194.637	1.640.834

8. Other current assets

The analysis of other current assets is the following:

	31/12/2019	31/12/2018
Short term receivables	547	0
Tax Receivables	488.675	517.529
Other assets	38.776	129.664
Cash and cash equivalent	1.981.930	3.783.580
	2.509.929	4.430.773

9. Share Capital

The company's share capital amounts to 3.768.050 Euro, divided into 554.125 common registered shares 6,8 Euro nominal value each.

10. Retained earnings and other reserves

The analysis of retained earnings and other reserves is the following

	31/12/2019	31/12/2018
Legal reserves	-73.087	-73.087
Differences non-current assets revaluation	-48.508	-48.508
Losses (earnings) carried forward	-1.378.728	-1.055.648
Total	-1.500.323	-1.177.243

11. Capital Management

The Company's objective when managing capital is to ensure its capacity to continue as a going concern, so that it can continue to provide yield to its shareholders and benefits to other groups of interest and maintain an optimum capital structure to reduce the capital cost. In order to maintain and adjust its capital structure, the Company can adjust the dividends payable to shareholders, issue shares or sell assets to reduce its debt. Fluidra Hellas, S.A. controls the capital structure based on total leverage ratios and net financial debt as a percentage of EBITDA.

- The total leverage ratio is calculated as total assets divided by total equity.

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- The net financial debt ratio as a percentage of EBITDA is calculated as the quotient between the net financial debt and EBITDA. Net financial debt is determined based on the sum of current and non-current financial liabilities with financial institutions and derivative liability instruments less non-current financial assets, less cash and other cash equivalents, less other current financial assets and less derivative financial asset instruments.

	2019	2018
Assets	6.676.032	6.754.470
Equity	5.268.373	4.945.293
Leverage	1,27	1,37

	2019	2018
Bank lending	0	0
less cash and cash equivalent	-1.981.930	-3.783.580
less non current financial assets	0	0
less current financial assets	-547	-0
Net financial loans	-1.982.477	-3.783.580
EBITDA	1.862.341	1.570.496
Net financial loans / EBITDA	-1,06	-2,41

12. Provisions

The analysis of provisions is the following:

Provisions	**2019**	**2018**
Provisions for employee litigation	-59.886	-59.886
Prvisions for bad debt	-1.171.859	-1.136.377
Provisions for slow moving inventory	-171.299	-162.678
	-1.403.044	-1.358.941

Per year the provisions have the following course:

Provisions	**1/1/2019**	**additional provisions**	**reversal of provisions**	**31/12/2019**
Provisions for employee litigation	59.886	0		59.886
Provisions for bad debt	1.136.377	35.482		1.171.859
Provisions for slow moving inventory	162.678	8.621		171.299

Provisions	**1/1/2018**	**Additional provisions**	**Reversal of provisions**	**31/12/2018**
Provisions for employee litigation	47.462	12.424		59.886
Provisions for bad debt	1.210.123		73.746	1.136.377
Provisions for slow moving inventory	166.473		3.795	162.678

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13. Bank borrowing and leasing

The company had no bank borrowing neither as of 31/12/2019 nor as 31/12/2018. The company had no credit facility neither as of 31/12/2019 nor as 31/12/2018. No cash was used as collateral, or committed by any other way. All cash were available for use.

14. Other short term liabilities

Other short term liabilities are analyzed as follows:

	2019	2018
Suppliers	-149.183	-379.891
Creditors	-609.244	-514.960
Short term provisions	-277	0
Public entities	-123.877	-122.344
Tax payable	-445.076	-711.978
	- 1.327.656	- 1.729.173

15. Risk management

Given the current crisis, the main risk is the credit risk. In order to control the exposure to the risk, the company as of the beginning of 2012 has set in place a strict credit policy, which has the following main features:

Thorough control of the financials of new and current customers, reassessing credit terms where necessary

Decreasing credit days

Requesting collateral from the customers in order to grant credit

According to Group policy, whatever receivable is not paid for more than 120 days from maturity is booked as bad debt. The receivables are analysed as follows:

Trade receivables (excluding intragroup)		
	31/12/2019	31/12/2018
Non overdue	1.142.183	710.435
Overdue up to 90 days	1.304.888	625.217
Overdue from 90 up to 120 days	370.959	28.157
Overdue over 120 days	1.486.428	1.352.439

16. Cost of goods sold

Cost of goods sold is analysed as following:

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	31/12/2019	31/12/2018
Merchandise	6.394.887	5.640.889
Other materials	0	0
Packing materials	2.411	1.699
Other expenses	30.354	24.179
Third parties fees	18.560	18.845
Expenses	265.547	268.617
Provisions	-1.584	41.953
Total	6.710.174	5.996.183

The company has no contractual or other obligation on the inventory.

17.Sales

Sales are analyzes as follows:

	31/12/2019	31/12/2018
Goods sold	9.887.496	8.778.253
Services rendered	10.589	15.291
	9.898.085	8.793.545

18.Other revenues

The analysis of other revenues is the following:

Other revenues	31/12/2019	31/12/2018
Compensation	0	844
Expenses invoiced	12.289	20.421
Total	12.289	21.265

19.Personnel expenses

Personnel expenses are analyzed as follows:

Personnel expenses	2019	2018
Wages and salaries	505.138	723.474
Social contributions	120.857	169.217
Other benefits	11.468	11.366
Provisions	224.860	12.423
	862.323	916.481

Average number of personnel is the following:

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	2019	2018
Management	1	1
Sales, Purchases, Logistics	11	12
Administration	4	4
	16	17

20. Operating expenses

The analysis of operating expenses is the following:

	01.01-31.12.2019	01.01-31.12.2018
Personnel expenses	862.323	916.481
Rental expenses	56.438	52.773
Maintenance expenses	11.904	7.895
Independent professional services	197.945	157.965
Sales commissions	0	0
Transport of sales	72.719	75.156
Insurance	1.837	1.729
Banking fees	16.020	13.234
Advertising expenses	10.878	22.852
Communication expenses	10.884	9.750
Travel expenses	21.839	24.866
Other taxes	11.223	14.670
Provisions	35.482	-73.746
Other expenses	28.367	24.505
	1.337.859	1.248.130

Other expenses include office suppliers, logistics and other expenses.

21. Operating leasing

FLUIDRA HELLAS SA has no operating leasing contracts for fixed assets.

22. Financial income and expenses

Financial Expenses	**31/12/2019**	**31/12/2018**
Foreign exchange rate losses	12.797	8.544
Interest expense	0	0
	12.797	8.544
Financial Income	31/12/2019	31/12/2018
Foreign exchange rate profit	12.626	27.127
Interest income	9.855	5.458
	22.481	32.585

23. Deferred tax assets and income tax

Deferred taxes are the following:

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	31/12/2019	31/12/2018
Deferred tax assets	25.483	25.483
Deferred tax liabilities	20.118	20.118
Deferred tax revenues	0	0
Deferred tax expenses	0	2.854

Income tax is analyzed as follows:

	31/12/2019	31/12/2018
Accounting earnings (losses)	1.856.434	1.577.791
Tax rate	24%	29%
Applicable tax	445.544	457.559
Tax earnings	0	394.262
Tax reform and adjustments	129.840	-184.851
Tax earnings to be applied	1.986.275	1.787.202
Income tax expense	476.706	518.288

	31/12/2019	31/12/2018
Income tax expenses	476.706	518.288
Annual fees	1.000	1.000
Προσαρμογές προηγούμενων περιόδων		
Deferred tax (revenues) expenses	0	2.854
Total income tax expense	477.706	522.143

24. Intergroup transactions

The balances between group companies are the following:

	31/12/2019		31/12/2018	
	Receivables	Payables	Receivables	Payables
Trade receivable	61.079	0	60.004	
Other receivable	959	0	959	
Trade payable	0	169.556		415.532
Other payable	0	4.172		34.820
	62.038	173.728	60.964	450.352

The intergroup transactions are the following:

	31/12/2019	31/12/2018
Goods sold and services rendered	22.454	239.479
Other revenues	3.667	0
Purchases of merchandise and services received	4.327.538	4.038.447

Intragroup transactions take place under standard trade terms. The vast majority of the transactions refer to purchases of merchandise from the factories and the services rendered by the Group.

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25.Probable commitments

FLUIDRA HELLAS SA has no knowledge of probable commitments whose settlement might require the outflow of resources.

26.Events after closing date

No events took place after the balance sheet date other than the pandemic of covid-19.

The company is closely monitoring developments regarding the spread of Coronation, and has a plan for the smooth operation of its activities in compliance with applicable law. In this context, it takes precautionary measures for the safety of employees, is ready to implement a plan to continue its work, as it monitors and complies with the obligations imposed by the official instructions of the competent authorities at the national level. As the phenomenon is in full swing, its quantitative and qualitative effects on the operation of the Company are being evaluated. Finally, the company identifies and assesses financial risks and provides guidelines for managing that particular emergency.

27.Overview of the course of the Company

FLUIDRA HELLAS SA sells the goods of Fluidra Group of Companies, which are of top quality, recognized globally. With a proper management of its capital it is most certain that the company will remain profitable, ensuring its long run prosperity.

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Aspropirgos, 4/3/2020

The Chairman	The Managing Director	The Member	The Head of the Accounts
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