

**THE SECOND SUPPLEMENT DOCUMENT TO PROJECT GRAND BIDCO (UK) LIMITED'S TENDER OFFER DOCUMENT DATED MAY 16, 2024, RELATING TO THE VOLUNTARY PUBLIC CASH TENDER OFFER FOR ALL ISSUED AND OUTSTANDING SHARES IN PURMO GROUP PLC**

June 20, 2024

**THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THE TENDER OFFER DOCUMENT, RELATED ACCEPTANCE FORMS AND SUPPLEMENT DOCUMENTS ARE NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW BY ANY MEANS WHATSOEVER INCLUDING, WITHOUT LIMITATION, MAIL, FACSIMILE TRANSMISSION, E-MAIL OR TELEPHONE. IN PARTICULAR, THE TENDER OFFER IS NOT MADE IN AND THE TENDER OFFER DOCUMENT AND THIS SUPPLEMENT DOCUMENT MUST UNDER NO CIRCUMSTANCES BE DISTRIBUTED INTO AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG"), JAPAN, NEW ZEALAND OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW. SHAREHOLDERS IN THE UNITED STATES SHOULD ALSO REFER TO THE SECTION TITLED "INFORMATION FOR SHAREHOLDERS IN THE UNITED STATES" BELOW.**

Project Grand Bidco (UK) Limited (the "**Offeror**") and Purmo Group Plc (the "**Company**" or "**Purmo**") have on April 26, 2024 entered into a combination agreement pursuant to which the Offeror has made a voluntary public cash tender offer, recommended by the Board of Directors of Purmo, to acquire (i) all of the issued and outstanding class C shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**C Shares**" or, individually, a "**C Share**") and (ii) all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**F Shares**" or, individually, an "**F Share**", and together with the C Shares, the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**"). The Offeror has on May 16, 2024 published a tender offer document, dated May 16, 2024, and published the first supplement document to the tender offer document on May 31, 2024, concerning the Tender Offer (the tender offer document, as supplemented from time to time, the "**Tender Offer Document**"). The offer period for the Tender Offer commenced on May 17, 2024, at 9:30 a.m. (Finnish time).

Certain affiliated funds (the "**Apollo Funds**") of Apollo Global Management, Inc. and its subsidiaries (together, "**Apollo**") and Rettig Oy Ab ("**Rettig**") form a consortium (the "**Consortium**") for the purposes of the Tender Offer.

### **Supplements to the Tender Offer Document**

The Offeror supplements the Tender Offer Document in accordance with Chapter 11, Section 11, Subsection 4 of the Finnish Securities Markets Act (746/2012, as amended) with the following information included in this document (the "**Supplement Document**"), and by adding the Offeror's stock exchange release of June 13, 2024, as Annex E to the Tender Offer Document, the Offeror's stock exchange release of June 14, 2024, as Annex F to the Tender Offer Document and the updated statement of the Board of Directors of Purmo published by Purmo on June 19, 2024 as Annex G to the Tender Offer Document.

#### ***Supplements relating to the offer period***

As announced on June 13, 2024, the Offeror has extended the offer period of the Tender Offer to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the offer period is extended further or any extended offer period is discontinued in accordance with the terms and conditions of the Tender Offer (the "**Offeror's First Stock Exchange Release**"). Consequently, the Offeror supplements the Tender Offer Document as follows:

The fifth paragraph of the cover page shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

“The offer period for the Tender Offer ~~will commenced~~ on May 17, 2024 at 9:30 a.m. (Finnish time) and ~~will~~ expire on ~~June 20, 2024~~ **July 15, 2024** at 4:00 p.m. (Finnish time), unless the offer period is extended **further** or any extended offer period is discontinued (the “**Offer Period**”). For details, please see “*Terms and Conditions of the Tender Offer*”.”

The first paragraph of the section “*Summary of the Combination Agreement – Offer Period and Offer Price*” shall be amended by adding the passage that is underlined and set in bold:

“Under the Combination Agreement, the initial expiration date of the Tender Offer shall be the date which is six (6) weeks after the date on which the Offer Period for the Tender Offer commences (as it may be extended from time to time until such time when all of the Conditions to Completion as defined and set forth in Section “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*” shall have been satisfied (or waived by the Offeror)). For the sake of clarity, the Parties to the Combination Agreement have, after the date of the Combination Agreement, concluded that the Offer Period may be shorter than as set out in the Combination Agreement and will expire on June 20, 2024, unless it is extended or discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations. **As announced on June 13, 2024, the Offeror has extended the Offer Period of the Tender Offer to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer.**”

The first paragraph of the section “*Certain Key Dates*” shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

“The following timetable sets forth certain key dates relating to the Tender Offer, provided that the Offer Period has not been extended **further** or discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations:

Announcement of the Tender Offer .....	April 26, 2024
Offer Period commences.....	May 17, 2024
<b><u>Announcement of the Offeror’s decision to improve the considerations of the Tender Offer and other amendments made to the Combination Agreement and the terms and conditions of the Tender Offer .....</u></b>	<b><u>June 14, 2024</u></b>
Offer Period expires at the earliest, unless extended <b>further</b> or discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations; any possible extension of the Offer Period will be announced by way of a stock exchange release as soon as practically possible .....	<del>June 20, 2024</del> <b><u>July 15, 2024</u></b>
Announcement of the preliminary result of the Tender Offer (preliminary).....	<del>June 24, 2024</del> <b><u>July 16, 2024</u></b>
Announcement of the final result of the Tender Offer (preliminary).....	<del>June 26, 2024</del> <b><u>July 18, 2024</u></b>
Payment of the Offer Prices (at the latest) (preliminary) .....	<del>July 18, 2024</del> <b><u>August 9, 2024</u></b>

The first paragraph under the section “*Terms and Conditions of the Tender Offer – Offer Period*” shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

“The offer period for the Tender Offer ~~commences~~ **commenced** on May 17, 2024, at 9:30 a.m. (Finnish time) and expires on ~~June 20, 2024~~ **July 15, 2024**, at 4:00 p.m. (Finnish time), unless the offer period is extended **further** or any extended offer period is discontinued as described below (the “**Offer Period**”).”

### *Supplements relating to the Combination Agreement*

The Offeror and Purmo have on June 14, 2024 entered into an amendment to the Combination Agreement between them, according to which the Offeror has, among other things, agreed to improve the offer prices for each Share validly tendered in the Tender Offer and to lower the acceptance threshold in the Tender Offer. The holders of C Shares, and F Shares that are eligible for conversion into C Shares in accordance with the articles of association of the Company, will be offered a cash consideration of EUR 11.15 for each such C Share or F Share validly tendered in the Tender Offer, and the holders of F Shares that are ineligible for conversion into C Shares will be offered a cash consideration of EUR 6.75 for each such F Share validly tendered in the Tender Offer. The Offeror has also agreed to lower the minimum acceptance threshold of the Tender Offer from more than 90 per cent to more than 80 per cent of all Shares.

References to the combination agreement (the “**Combination Agreement**”) entered into among the Offeror and Purmo on April 26, 2024 shall include the amendment entered into on June 14, 2024, as the same may be further amended or supplemented. Supplements to the Tender Offer Document resulting from the June 14, 2024 amendment to the Combination Agreement are set out below in this Supplement Document.

### *Supplements relating to the offer price*

The Offeror announced on June 14, 2024 that it has decided to improve the offer prices for each Share validly tendered in the Tender Offer (the “**Offeror’s Second Stock Exchange Release**”). Consequently, the Offeror supplements the Tender Offer Document as follows:

The fourth paragraph of the cover page shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

“The Tender Offer was announced by the Offeror on April 26, 2024 (the “**Announcement**”) and amendments to its terms and conditions were announced on June 14, 2024. The price offered for each C Share and each F Share eligible for conversion into C Shares in accordance with the articles of association of the Company validly tendered in the Tender Offer is ~~EUR 9.94~~ **EUR 11.15** in cash (the “**C Share Offer Price**”) and the price offered for each F Share ineligible for conversion into C Shares validly tendered in the Tender Offer is ~~EUR 6.00~~ **EUR 6.75** in cash (the “**F Share Offer Price**”, and together with the C Share Offer Price, the “**Offer Prices**”).”

The first paragraph under the section “*Information on the Pricing of The Tender Offer – Grounds for Determining the Offer Prices*” shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

“The Tender Offer was announced by the Offeror on April 26, 2024 and amendments to its terms and conditions were announced on June 14, 2024. The C Share Offer Price is ~~EUR 9.94~~ **EUR 11.15** in cash for each C Share and F Share eligible for conversion into C Shares in accordance with the articles of association of the Company validly tendered in the Tender Offer, subject to certain adjustments as described below. The F Share Offer Price is ~~EUR 6.00~~ **EUR 6.75** in cash for each F Share ineligible for conversion into C Shares validly tendered in the Tender Offer, subject to certain adjustments as described below. The amount of the C Share Offer Price and the F Share Offer Price have been agreed on in commercial negotiations among the parties to the Combination Agreement and, in respect of the F Share Offer Price, also with Virala Corporation as the sole shareholder of the F Shares to ensure that the F Share Offer Price is fair from a financial point of view both on a stand-alone basis and in relation to the C Share Offer Price.”

The fourth paragraph under the section “*Information on the Pricing of The Tender Offer – Grounds for Determining the Offer Prices*” shall be amended by replacing the following strikethrough passage with the passage that is underlined and set in bold:

“On April 9, 2024, the Company’s annual general meeting resolved on a capital return in four separate instalments. The record date of the first instalment, EUR 0.09 for each C Share (and EUR 0.02 for each F Share) was on April 19, 2024, as a result of which the C Share Offer Price has been set taking this

into account, resulting in C Share Offer Price of ~~EUR 9.94~~**EUR 11.15**, for both the C Shares and F Shares eligible for conversion into C Shares.”

The paragraph under the section “*Information on the Pricing of The Tender Offer – C Share Offer Price*” shall be amended by replacing the following strikethrough passages with the passages that are underlined and set in bold:

“The C Share Offer Price represents a premium of approximately:

- (i) ~~32.148.7~~**41.359.0** per cent compared to EUR 7.50, i.e. the closing price of the C Shares on the official list of Nasdaq Helsinki on April 25, 2024, the last trading day immediately preceding the Announcement;
- (ii) ~~41.359.0~~**47.666.1** per cent compared to EUR 7.01, i.e. the three-month volume-weighted average trading price of the C Shares on the official list of Nasdaq Helsinki immediately preceding the Announcement; and
- (iii) ~~47.666.1~~**47.666.1** per cent compared to EUR 6.71, i.e. the six-month volume-weighted average trading price of the C Shares on the official list of Nasdaq Helsinki immediately preceding the Announcement.”

The second paragraph under the section “*Summary of the Combination Agreement – Offer Period and Offer Price*” shall be amended by replacing the following strikethrough passages with the passages that are underlined and set in bold:

“The Combination Agreement provides that the Offeror shall offer to acquire all the C Shares (that are not held by Rettig) and all the F Shares eligible for conversion into C Shares in accordance with the articles of association of the Company for a consideration of ~~EUR 9.94~~**EUR 11.15** in cash for each such Share subject to the terms and conditions of the Tender Offer and all the F Shares not eligible for conversion into C Shares in accordance with the articles of association of the Company for a consideration of ~~EUR 6.00~~**EUR 6.75** in cash for each such Share subject to the terms and conditions of the Tender Offer.”

The first paragraph under the section “*Terms and Conditions of the Tender Offer – Offer Price*” shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

“The Tender Offer was announced by the Offeror on April 26, 2024 (the “**Announcement**”) **and amendments to its terms and conditions were announced on June 14, 2024**. The price offered for each C Share and each F Share, eligible for conversion into C Shares in accordance with the articles of association of the Company, validly tendered in the Tender Offer is ~~EUR 9.94~~**EUR 11.15** in cash (the “**C Share Offer Price**”) and the price offered for each F Share, ineligible for conversion into C Shares in accordance with the articles of association of the Company, validly tendered in the Tender Offer is ~~EUR 6.00~~**EUR 6.75** in cash (the “**F Share Offer Price**” and, together with the C Share Offer Price, the “**Offer Prices**”), subject to any adjustments as set out below.”

The second paragraph under the section “*Terms and Conditions of the Tender Offer – Offer Price*” shall be amended by replacing the following strikethrough passage with the passage that is underlined and set in bold:

“The C Share Offer Price has been determined based on 41,112,713 issued and outstanding C Shares as well as 293,478 issued and outstanding F Shares eligible for conversion into C Shares in accordance with the articles of association of the Company, as at the date of this Tender Offer Document. The F Share Offer Price has been determined based on 1,271,739 issued and outstanding F Shares ineligible for conversion into C Shares in accordance with the articles of association of the Company, as at the date of this Tender Offer Document. Should the Company change the number of the Shares as a result of a new issue, reclassification, stock split or any other similar measure (“**Dilutive Measure**”), or should the Company distribute any dividends or otherwise distribute funds or any other assets to its shareholders, or if a record date with respect to any of the foregoing occurs prior to any of the settlements

of the completion trades (whether after the expiry of the Offer Period (as defined below) or any Subsequent Offer Period (as defined below)), the Offer Prices shall be reduced accordingly to account for such distribution or Dilutive Measure. Any reduction on account of a distribution of funds or assets on the C Shares or F Shares shall be applied in respect of the C Share Offer Price on a euro-for-euro basis for the distribution made for each share class, and any reduction on account of a Dilutive Measure shall be applied proportionally among the Offer Prices provided, however, that a directed share issue to Apollo Management Holdings, L.P. and Rettig, or the Offeror (or to legal entities that are Controlled (as defined below) by or are under common control with either of Apollo Management Holdings, L.P. and Rettig or the Offeror), shall not result in a reduction of the Offer Prices. For the avoidance of doubt, the C Share Offer Price of ~~EUR 9.94~~**EUR 11.15** already takes into account the first instalment of the capital return with a record date on April 19, 2024 resolved by the Company's 2024 annual general meeting and will not be adjusted for that first instalment of the capital return, but a euro-for-euro reduction of the C Share Offer Price will be applied with respect to any further instalments of the capital return resolved by the Company's 2024 annual general meeting (or any other distribution of funds) to the extent that the record dates for the capital return instalments (or any other distribution of funds) occur prior to any of the settlements of the completion trades (whether after the expiry of the Offer Period (as defined below) or any Subsequent Offer Period (as defined below)). For the avoidance of doubt, should the Company carry out a reverse stock split prior to any of the settlements of the completion trades, the Offer Prices shall be adjusted accordingly to account also for such measure."

The second paragraph under the section "*Presentation of the Offeror – Persons Related to the Offeror as Stipulated in Chapter 11, Section 5 of the Finnish Securities Markets Act*" shall be amended by replacing the following strikethrough passage with the passage that is underlined and set in bold:

"Neither the Offeror nor any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has during the period of six (6) months preceding the Announcement acquired any Shares in Purmo in public trading or otherwise. Rettig has irrevocably undertaken to sell all its C Shares in connection with, and subject to the completion of, the Tender Offer for cash consideration of ~~EUR 8.94~~**EUR 10.62** for each such C Share, subject to certain customary conditions."

The fifth paragraph under the section "*Presentation of the Offeror – The Consortium*" shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

"The Consortium members are pursuing the Tender Offer in accordance with its terms and conditions, including the fulfilment of the Conditions to Completion (see "*Terms and Conditions of the Tender Offer*"). The Conditions to Completion may be waived either subject to the approval of each of the Consortium members or, in certain cases, at the sole discretion of Apollo Funds, for the Tender Offer to be completed. The members of the Consortium have a right to terminate their participation in the Consortium if (but only if) (a) a competing offer is announced by a third party, provided that such competing offer ~~(i) has a consideration that is at least 10 per cent higher than the Offer Prices based on the average offer price weighted based on the price and number of Shares across the share classes, i.e. the offer price taking into account all the share classes is on average equal to or exceeds EUR 10.09 per Share,~~ **(i) has a consideration that is more than (A) EUR 13.52 for each C Share and F Share that is eligible for conversion into C Share in the Company pursuant to the Articles of Association of the Company, and (B) EUR 8.19 for each F Share that is ineligible for conversion into C Share in the Company pursuant to the Articles of Association of the Company,** (ii) has been approved by the FIN-FSA, as applicable, (iii) benefits from secured financing on a certain funds basis, (iv) is not subject to any outstanding due diligence, (v) is recommended or publicly supported by the Board of Directors of Purmo (or the Board of Directors of Purmo has confirmed that it will recommend the competing offer) and ~~that~~ (vi) the previously issued Recommendation by the Board of Directors of Purmo has been withdrawn (or the Board of Directors of Purmo has confirmed that it will withdraw its Recommendation), (b) the Tender Offer lapses or is withdrawn in accordance with the terms of the Tender Offer, (c) the Consortium parties agree in writing to terminate the consortium agreement or (d) the Offeror ~~or Purmo on behalf of the Offeror~~ makes any public written announcement of the Offeror's intention not to pursue the Tender Offer, provided such announcement has been approved as set forth in the consortium agreement. Rettig's right to terminate its participation in the Consortium is further conditional upon Rettig complying with the terms of its exclusivity obligations set forth in the

consortium agreement and giving its consent to increase the Offer Prices **(as they may have been increased)** to match or exceed the competing offer and the Apollo Funds not having given their consent to increase the Offer Prices within seven (7) business days from having been requested to. In connection with such termination Rettig has agreed to bear in excess of its pro rata share the costs and expenses for preparing and pursuing the Tender Offer. The termination rights of the Consortium members are not dependent in any way upon the termination rights of Purmo under the Combination Agreement. The termination rights of the Consortium members do not, however, apply in case all Conditions to Completion are fulfilled and the Offeror has an obligation to complete the Tender Offer. The consequences of termination, including the reimbursement of certain expenses, costs and fees incurred in connection with the Combination Agreement and the transactions contemplated in the Combination Agreement, are described more in detail in section “*Summary of the Combination Agreement – Termination*”.

### ***Supplements relating to the lowering of the minimum acceptance condition under the Tender Offer***

As announced in the Offeror’s Second Stock Exchange Release, the Offeror has decided to lower the minimum acceptance threshold under the Tender Offer from more than 90 per cent of all Shares to more than 80 per cent of all Shares. The completion of the Tender Offer is thus conditional on, among others, the Tender Offer having been validly accepted with respect to Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the offer period, more than eighty (80) per cent of the Shares and voting rights in Purmo. Consequently, the Offeror amends the section “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*” of the Tender Offer Document as follows:

Subsection (a) of the first paragraph under the section “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*” shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

- “(a) the Tender Offer has been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than ~~ninety (90)~~ **eighty (80)** per cent of the Shares and voting rights in the Company calculated in accordance with Chapter 18 Section 1 of the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”);”

### ***Supplements relating to the irrevocable undertakings***

As announced in the Offeror’s Second Stock Exchange Release, Purmo’s largest shareholder, Rettig, has renewed its irrevocable undertaking, subject to certain amended termination rights, to sell all its C Shares, which represent approximately 61.8 per cent of all Shares in the Company, to the Offeror for a cash consideration of EUR 10.62 for each such C Share in connection with, and subject to the completion of, the Tender Offer. Virala Corporation, Ahlström Invest B.V., Belgrano Inversiones Oy, Chilla Capital S.A. and Oy G.W. Sohlberg Ab have renewed their irrevocable undertakings to accept the Tender Offer, subject to certain amended termination rights. Consequently, the Offeror amends the following sections of the Tender Offer Document as follows:

The seventh paragraph of the cover page shall be amended by adding the passage that is underlined and set in bold:

“Shareholders representing approximately 90.34 per cent of all the Shares, have irrevocably undertaken, **or renewed their irrevocable undertakings,** to accept the Tender Offer, subject to certain customary conditions. See “*Background and Objectives – Undertakings by Shareholders*”.

The twelfth paragraph under the section “*Background and Objectives – Background to the Tender Offer and Offeror’s Strategic Plans*” shall be amended by adding the passage that is underlined and set in bold:

“Rettig, Virala Corporation, Ahlström Invest B.V., Svenska Litteratursällskapet i Finland r.f., Föreningen Konstsamfundet r.f., Turret Oy Ab, Oy Julius Tallberg Ab, Oy G.W. Sohlberg Ab, Oy Hammarén & Co Ab, Aipa Invesco AB, Chilla Capital S.A., Binx Management Ab, Belgrano Inversiones Oy, Varma Mutual Pension Insurance Company, Fennia Mutual Insurance Company, Merimieseläkekassa (Seafarers’ Pension Fund), Tannergård Invest AB, John Peter Leesi, CEO of the

Company, Jan-Elof Cavander, CFO of the Company, Erik Hedin, COO of the Company, Linda Currie, Chief People Officer of the Company, Mike Conlon, President, Climate Solutions Division of the Company and Barry Lynch, President, Climate Products & Systems Division of the Company, together representing approximately 90.34 per cent of all the Shares, have irrevocably undertaken, **or renewed their irrevocable undertakings**, to accept the Tender Offer or otherwise sell their Shares to the Offeror in connection with the completion thereof, subject to certain customary conditions. See “– *Undertakings by Shareholders*”.”

The first and second paragraphs under the section “*Background and Objectives – Undertakings by Shareholders*” shall be amended by adding the following passages that are underlined and set in bold, and deleting the words marked with strikethrough:

~~“Rettig, Virala Corporation, Ahlström Invest B.V., Svenska Litteratursällskapet i Finland r.f., Föreningen Konstsamfundet r.f., Turret Oy Ab, Oy Julius Tallberg Ab, Oy G.W. Sohlberg Ab, Oy Hammarén & Co Ab, Aipa Invesco AB, Chilla Capital S.A. and , Binx Management Ab, Belgrano Inversiones Oy, Varma Mutual Pension Insurance Company, Fennia Mutual Insurance Company, Merimieseläkekassa (Seafarers’ Pension Fund), Tannergård Invest AB, John Peter Leesi, CEO of the Company, Jan-Elof Cavander, CFO of the Company, Erik Hedin, COO of the Company, Linda Currie, Chief People Officer of the Company, Mike Conlon, President, Climate Solutions Division of the Company and Barry Lynch, President, Climate Products & Systems Division of the Company, together representing approximately 90.34~~**18.6** ~~per cent of all Shares in Purmo, have irrevocably undertaken to accept the Tender Offer or otherwise sell their Shares to the Offeror in connection with the completion thereof~~**have renewed their irrevocable undertakings to accept the Tender Offer or otherwise undertaken to sell their Shares to the Offeror in connection with the completion thereof.** Virala Corporation’s undertaking covers, in addition to ~~the~~ C Shares held by it, the irrevocable undertaking to accept the Tender Offer for the F Shares held by it, representing 100 per cent of all F Shares in Purmo, or ~~to~~ otherwise sell its F Shares to the Offeror in connection with the completion of the Tender Offer. ~~These irrevocable undertakings may be terminated among other terms in the event that the Offeror withdraws the Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is at least 10 per cent higher than the Offer Prices based on the average offer price weighted based on the price and number of shares in the Company across the share classes, i.e., the offer price taking into account all the share classes is on average equal to or exceeds EUR 10.09 per Share (subject to possible additional adjustments as set out in section “Information on the Pricing of the Tender Offer – Grounds for Determining the Offer Prices”), the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company’s Board of Directors has recommended such competing offer.~~ **These irrevocable undertakings may be terminated, among other terms, in the event that the Offeror withdraws the Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is more than (a) EUR 13.52 for each C Share and F Share that is eligible for conversion into a C Share pursuant to the Articles of Association of the Company, and (b) EUR 8.19 for each F Share that is ineligible for conversion into a C Share, and the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company’s Board of Directors has recommended such competing offer.**

**Rettig has renewed its irrevocable undertaking to sell all its C Shares in connection with, and subject to the completion of, the Tender Offer for a cash consideration of EUR 10.62 for each such C Share to support the Tender Offer.** Rettig has irrevocably undertaken to sell all its C Shares in connection with, and subject to the completion of, the Tender Offer for cash consideration of EUR 8.91 for each such C Share to support the Tender Offer. The C Shares held by Rettig represent approximately 61.8 per cent of all the Shares in aggregate. Rettig’s undertaking may be terminated, among other terms, in the event that the Offeror withdraws the Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is ~~at least 10 per cent higher than the Offer Prices based on the average offer price weighted based on the price and number of shares in the Company across the share classes, i.e., the offer price taking into account all the share classes is on average equal to or exceeds EUR 10.09 per Share (subject to possible additional adjustments as set out in section “Information on the Pricing of the Tender Offer – Grounds for Determining the Offer Prices”)~~ and that such competing offer is not subject to any outstanding due diligence, and the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the

~~Company's Board of Directors has recommended, publicly supported, or confirmed that it will recommend such competing offer. **more than (a) EUR 13.52 for each C Share and F Share that is eligible for conversion into C Share in the Company pursuant to the Articles of Association of the Company, and (b) EUR 8.19 for each F Share that is ineligible for conversion into C Share in the Company pursuant to the Articles of Association of the Company provided, among others, that such competing offer is not subject to any outstanding due diligence, the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company's Board of Directors has recommended, publicly supported, or confirmed that it will recommend such competing offer.**~~ In addition, in connection with such termination Rettig has agreed to bear in excess of its pro rata share the costs and expenses for preparing and pursuing the Tender Offer."

The following paragraph is to be added as third paragraph under the section "*Background and Objectives – Undertakings by Shareholders*":

**"In addition, Svenska Litteratursällskapet i Finland r.f., Föreningen Konstsamfundet r.f., Turret Oy Ab, Oy Julius Tallberg Ab, Oy Hammarén & Co Ab, Aipa Invesco AB, Binx Management Ab, Varma Mutual Pension Insurance Company, Fennia Mutual Insurance Company, Merimieseläkekassa (Seafarers' Pension Fund), Tannergård Invest AB, John Peter Leesi, CEO of the Company, Jan-Elof Cavander, CFO of the Company, Erik Hedin, COO of the Company, Linda Currie, Chief People Officer of the Company, Mike Conlon, President, Climate Solutions Division of the Company and Barry Lynch, President, Climate Products & Systems Division of the Company, together representing approximately 10.4 per cent of all C Shares in Purmo, have irrevocably undertaken to accept the Tender Offer or otherwise sell their Shares to the Offeror in connection with the completion thereof. These irrevocable undertakings remain in force and may be terminated, among other terms, in the event that the Offeror withdraws the Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is at least 10 per cent higher than the Offer Prices based on the average offer price weighted based on the price and number of shares in the Company across the share classes, i.e., the offer price taking into account all the share classes is on average equal to or exceeds EUR 11.76 per Share (subject to possible additional adjustments as set out in section "*Information on the Pricing of the Tender Offer – Grounds for Determining the Offer Prices*"), the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company's Board of Directors has recommended such competing offer."**

The third paragraph under the section "*Background and Objectives – Undertakings by Shareholders*" shall be moved as fourth paragraph and shall be amended by adding the following passage that is underlined and set in bold, and deleting the word marked with strikethrough:

"In total, Rettig's undertaking and ~~all~~ the other irrevocable undertakings represent approximately 90.34 per cent of all the Shares and votes in Purmo."

#### ***Supplements relating to the statement by the Board of Directors of Purmo***

Purmo has on June 19, 2024 published an update to its statement issued on May 10, 2024 in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act (746/2012, as amended) concerning the Tender Offer (the "**Updated Statement**"). Consequently, the Offeror supplements the Tender Offer Document as follows:

The tenth paragraph of the section "*Background and Objectives – Background to the Tender Offer and Offeror's Strategic Plans*" shall be amended by adding the passage that is underlined and set in bold:

**"The Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Purmo accept the Tender Offer (see "*– Statement by the Board of Directors of Purmo*" and Annex C below). The Board of Directors of Purmo has received a fairness opinion, dated April 26, 2024, from Purmo's exclusive financial adviser, Danske Bank A/S, Finland Branch, to the effect that, as of the date of such fairness opinion, the C Share Offer Price to be paid to holders of C Shares (other than those held by Rettig) pursuant to the Tender Offer, was fair from a financial point of view, to such holders, which**



fairness opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such fairness opinion. The complete fairness opinion is attached to the statement by the Board of Directors of Purmo, issued on May 10, 2024, and attached as Annex C to this Tender Offer Document. **Based on the amendments to the Combination Agreement and to the terms and conditions of the Tender Offer made on June 14, 2024, the Board of Directors of Purmo has on June 19, 2024 supplemented its statement issued on May 10, 2024 (the statement published on June 19, 2024 is hereinafter referred to as the “Updated Statement”). The Updated Statement has been attached as Annex G to this Tender Offer Document.**

The first paragraph of the section “*Background and Objectives – Statement by the Board of Directors of Purmo*” shall be amended by adding the passage that is underlined and set in bold:

“The Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Purmo accept the Tender Offer. The statement of the Board of Directors of Purmo in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act, is attached to this Tender Offer Document as Annex C. The Board of Directors of Purmo received a fairness opinion, dated April 26, 2024, from Purmo’s exclusive financial adviser, Danske Bank A/S, Finland Branch, to the effect that, as of the date of such fairness opinion, the C Share Offer Price to be paid to holders of C Shares (other than those held by Rettig) pursuant to the Tender Offer, was fair from a financial point of view, to such holders, which fairness opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such fairness opinion. The complete fairness opinion is attached to the statement of the Board of Directors of Purmo, issued on May 10, 2024, and attached as Annex C to this Tender Offer Document. **Based on the amendments to the Combination Agreement and to the terms and conditions of the Tender Offer made on June 14, 2024, the Board of Directors of Purmo has on June 19, 2024 published the Updated Statement in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act. According to the Updated Statement, the Board of Directors of Purmo represented by a quorum comprising the non-conflicted members of the Board of Directors, continues to unanimously recommend that the shareholders of Purmo accept the Tender Offer. The Updated Statement is attached to this Tender Offer Document as Annex G. The Board of Directors of Purmo has received an updated fairness opinion, dated June 19, 2024 from Purmo’s exclusive financial adviser, Danske Bank A/S, Finland Branch, to the effect that, as of the date of such fairness opinion, the increased C Share Offer Price to be paid to holders of C Shares (other than those held by Rettig) pursuant to the Tender Offer (under its improved terms announced on June 14, 2024), was fair from a financial point of view, to such holders, which fairness opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such fairness opinion. The updated fairness opinion of Danske Bank A/S, Finland Branch is attached as Appendix 1 to the Updated Statement issued by the Board of Directors of Purmo.**”

Subsection (a) of the first paragraph of the section “*Summary of the Combination Agreement – Recommendation by the Board of Directors of Purmo*” shall be amended by adding the passage that is underlined and set in bold:

- (a) “The Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, has resolved unanimously, subject to the terms and conditions of the Combination Agreement, to recommend that the holders of Shares accept the Tender Offer and tender their Shares in the Tender Offer (the “**Recommendation**”). In the Combination Agreement, the Board of Directors of Purmo has undertaken to issue a formal statement to this effect. The statement of the Board of Directors of Purmo containing the Recommendation has been included as Annex C to this Tender Offer Document **and the Updated Statement has been included as Annex G to this Tender Offer Document.**”

### *Supplements relating to financing*

As announced in the Offeror's Second Stock Exchange Release, the Offeror has received amended equity commitment letters from Apollo Funds and Rettig Investment AB. Consequently, the Offeror amends the following section of the Tender Offer Document as follows:

The first paragraph of the section "*Background and Objectives – Financing of the Tender Offer*" shall be amended by adding the passage that is underlined and set in bold:

"The Offeror has received **amended** equity commitment letters from the Apollo Funds and Rettig Investment AB. The Offeror has also been addressed debt commitments (and interim debt commitments) in connection with the Tender Offer. In each case, the equity and debt commitment letters are to finance the Tender Offer at completion and compulsory redemption proceedings, the refinancing of certain debt of Purmo, and (in the case of the equity commitment letters) the payment of certain agreed termination fee by the Offeror, if any. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the Conditions to Completion (as defined below) of the Tender Offer are satisfied or waived by the Offeror). The debt commitments for debt financing have been committed by certain banks on a customary European "certain funds" basis."

### **Availability of Documents**

The Finnish language version of this Supplement Document is available on the internet at <https://purmogroup.tenderoffer.fi/> and [www.nordea.fi/purmo-ostotarjous](http://www.nordea.fi/purmo-ostotarjous) as of June 20, 2024. The English language translation of this Supplement Document is available on the internet at <https://purmogroup.tenderoffer.fi/en> and [www.nordea.fi/purmo-offer](http://www.nordea.fi/purmo-offer) as of June 20, 2024.

The Finnish Financial Supervisory Authority (the "FIN-FSA") has approved the Finnish language version of this Supplement Document but the FIN-FSA assumes no responsibility for the accuracy of the information presented therein. The decision number of the approval of the FIN-FSA is FIVA/2024/1120. This Supplement Document has been translated into the English language. In the event of any discrepancy between the two language versions of the Supplement Document, the Finnish language version shall prevail.

**The Tender Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa and the Tender Offer Document and this Supplement Document and any and all materials related thereto should not be sent in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa (including by use of, or by any means or instrumentality, for example, e-mail, post, facsimile transmission, telephone or internet, of interstate or foreign commerce, or any facilities of a national securities exchange), and the Tender Offer cannot be accepted directly or indirectly or by any such use, means or instrumentality, in or from within Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Accordingly, copies of the Tender Offer Document and this Supplement Document and any related materials are not being, and must not be, mailed, forwarded, transmitted or otherwise distributed or sent in or into or from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or, in their capacities as such, to custodians, trustees, agents or nominees holding Shares for Australian, Canadian, Hong Kong, Japanese, New Zealander or South African persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute, forward, mail, transmit or send them in, into or from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Any person accepting the Tender Offer shall be deemed to represent to the Offeror such person's compliance with these restrictions and any purported acceptance of the Tender Offer that is a direct or indirect consequence of a breach or violation of these restrictions shall be null and void.**

### **Information for Shareholders in the United States**

Shareholders of Purmo in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Purmo is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "**SEC**") thereunder.

The Tender Offer is made for the issued and outstanding shares of Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act for a Tier II tender offer (the “**Tier II Exemption**”), and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in the Tender Offer Document and this Supplement Document has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Purmo’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Purmo to whom an offer is made. Any informational documents, including the Tender Offer Document and this Supplement Document, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Purmo’s other shareholders.

As permitted under the Tier II Exemption, the settlement of the Tender Offer is based on the applicable Finnish law provisions, which differ from the settlement procedures customary in the United States, particularly as regards to the time when payment of the consideration is rendered. The Tender Offer, which is subject to Finnish law, is being made to the U.S. shareholders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder, in particular the Tier II Exemption. To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. shareholders and will not give rise to claims on the part of any other person. U.S. shareholders should consider that the offer prices for the Tender Offer are being paid in EUR and that no adjustment will be made to the offer prices based on any changes in the exchange rate.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of the Tender Offer Document and this Supplement Document and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Purmo of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Purmo, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

The receipt of cash pursuant to the Tender Offer by a U.S. shareholder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult its independent professional adviser immediately regarding the tax and other consequences of accepting the Tender Offer.

It may be difficult for Purmo’s shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Purmo are located in a non-U.S. jurisdiction and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Purmo shareholders may not be able to sue the Offeror or Purmo or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Purmo and their respective affiliates to subject themselves to a U.S. court’s judgment.

**NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE TENDER OFFER, PASSED ANY COMMENTS UPON THE MERITS OR FAIRNESS OF THE TENDER OFFER, PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THE TENDER OFFER DOCUMENT OR THIS SUPPLEMENT DOCUMENT OR PASSED ANY COMMENT ON WHETHER THE CONTENT IN THE TENDER OFFER DOCUMENT OR IN THIS SUPPLEMENT DOCUMENT IS CORRECT OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

## **Forward-looking Statements**

This Supplement Document includes “forward-looking statements”. Generally, words such as may, should, could, aim, will, would, expect, intend, estimate, anticipate, believe, plan, seek, contemplate, envisage, continue or similar expressions identify forward-looking statements.

These statements are subject to risks, uncertainties, assumptions and other important factors, many of which may be beyond the control of the Offeror and could cause actual results to differ materially from those expressed or implied in these forward-looking statements.

Factors that could cause actual results to differ from such statements include: the occurrence of any event, change or other circumstances that could give rise to the termination of the Tender Offer, the failure to receive, on a timely basis or otherwise, the required approvals by government or regulatory agencies, the risk that a condition to consummating the Tender Offer may not be satisfied, the ability of Purmo to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners pending the completion of the Tender Offer, and other factors.

Although the Offeror believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The Offeror undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws or by any appropriate regulatory authority. Any forward-looking statements contained in this Supplement Document speak only as at the date of this Supplement Document.

**THE STOCK EXCHANGE RELEASE OF THE OFFEROR PUBLISHED ON JUNE 13, 2024**

## **Project Grand Bidco (UK) Limited extends the offer period of its tender offer for all the shares in Purmo Group Plc**

PROJECT GRAND BIDCO (UK) LIMITED      Stock Exchange Release      June 13, 2024 at 9:30 a.m. EEST

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA OR IN OR INTO ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW. FOR FURTHER INFORMATION, PLEASE SEE SECTION ENTITLED "IMPORTANT INFORMATION" BELOW.

### **Project Grand Bidco (UK) Limited extends the offer period of its tender offer for all the shares in Purmo Group Plc**

As previously announced, Project Grand Bidco (UK) Limited (the "**Offeror**") and Purmo Group Plc (the "**Company**" or "**Purmo**") have on April 26, 2024 entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror has made a voluntary public cash tender offer, recommended by the Board of Directors of Purmo, to acquire all of the issued and outstanding class C shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**C Shares**" or, individually, a "**C Share**") and all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**F Shares**" or, individually, an "**F Share**", and together with the C Shares, the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**"). The Offeror has on May 16, 2024, published a tender offer document, dated May 16, 2024, and on May 31, 2024 published a supplement document to the tender offer document, concerning the Tender Offer (the tender offer document, as supplemented from time to time, the "**Tender Offer Document**"). The offer period for the Tender Offer commenced on May 17, 2024, at 9:30 a.m. (Finnish time).

Certain affiliated funds (the "**Apollo Funds**") of Apollo Global Management, Inc. and its subsidiaries, (together, "**Apollo**") and Rettig Oy Ab ("**Rettig**") have formed a consortium (the "**Consortium**") for the purposes of the Tender Offer.

As described in the Tender Offer Document, the completion of the Tender Offer is, in accordance with the terms and conditions of the Tender Offer, subject to the fulfilment or waiver by the Offeror of certain customary conditions on or prior to the date of the Offeror's announcement of the final result of the Tender Offer. These include, among others, the receipt of all necessary regulatory approvals as specified in the Combination Agreement. The processes for obtaining the necessary regulatory approvals for the completion of the Tender Offer are progressing as planned. However, as the processes remain pending and will not be completed within the initial offer period, the Offeror has decided to extend the offer period of the Tender Offer to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the offer period is extended further or any extended offer period is discontinued in accordance with the terms and conditions of the Tender Offer. Based on currently available information, the Offeror expects to obtain such necessary regulatory approvals and to complete the Tender Offer in the beginning of the third quarter of 2024.

Shareholders who have already tendered their Shares in the Tender Offer do not have to re-tender their Shares or take any other action as a result of the extension of the offer period.

#### **Investor and Media enquiries:**

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**Distribution:**

Nasdaq Helsinki Ltd  
Principal media  
[investors.purmogroup.com](https://investors.purmogroup.com)

**ABOUT THE CONSORTIUM**

Apollo Funds and Rettig form the Consortium for the purposes of the Tender Offer. As at the date of this announcement, the Offeror is indirectly owned by Project Grand Topco (UK) Limited, which is a private limited company incorporated under the laws of England and Wales. Project Grand Topco (UK) Limited was incorporated to be the holding company in the acquisition structure and is currently indirectly owned by Apollo Funds. It is expected that immediately prior to the completion of the Tender Offer and the cash investments to be made by the Consortium members, Apollo Funds will own 80.00 per cent and Rettig, through its subsidiary Rettig Investment AB, 20.00 per cent of the shares in Project Grand Topco (UK) Limited.

**ABOUT PURMO**

Purmo is a public limited liability company incorporated under the laws of Finland with its C Shares listed on the official list of Nasdaq Helsinki. Purmo is at the centre of the global sustainability journey by offering full solutions and sustainable ways of heating and cooling homes to mitigate global warming. Purmo provides complete heating and cooling solutions to residential and non-residential buildings, including underfloor heating and cooling systems, a broad range of radiators, heat pumps, flow control and hydronic distribution systems, as well as smart products. Purmo's mission is to be the global leader in sustainable indoor climate comfort solutions. Purmo's approximately 3,090 employees operate in 23 countries, manufacturing and distributing top-quality products and solutions to its over 100,000 customers in more than 100 countries. Purmo's shares are listed on Nasdaq Helsinki with the ticker symbol PURMO. More information: [www.purmogroup.com](https://www.purmogroup.com).

**IMPORTANT INFORMATION**

THIS STOCK EXCHANGE RELEASE MAY NOT BE RELEASED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA OR IN OR INTO ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW.

THIS STOCK EXCHANGE RELEASE IS NOT A TENDER OFFER DOCUMENT OR A SUPPLEMENT DOCUMENT TO A TENDER OFFER DOCUMENT AND AS SUCH DOES NOT CONSTITUTE AN OFFER OR INVITATION TO MAKE A SALES OFFER. IN PARTICULAR, THIS STOCK EXCHANGE RELEASE IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES DESCRIBED HEREIN, AND IS NOT AN EXTENSION OF THE TENDER OFFER, INTO, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA. INVESTORS SHALL ACCEPT THE TENDER OFFER FOR THE SHARES ONLY ON THE BASIS OF THE INFORMATION PROVIDED IN THE TENDER OFFER DOCUMENT AND THE POSSIBLE SUPPLEMENT DOCUMENTS TO THE TENDER OFFER DOCUMENT. OFFERS WILL NOT BE MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE EITHER AN OFFER OR PARTICIPATION THEREIN IS PROHIBITED BY APPLICABLE LAW OR WHERE ANY REQUIREMENT TO PUBLISH A TENDER OFFER DOCUMENT OR REGISTRATION OR OTHER REQUIREMENTS WOULD APPLY IN ADDITION TO THOSE UNDERTAKEN IN FINLAND.

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THE TENDER OFFER DOCUMENT, THE SUPPLEMENT DOCUMENT AND RELATED ACCEPTANCE FORMS WILL NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAWS OR REGULATIONS. IN PARTICULAR, THE TENDER OFFER IS NOT BEING MADE, DIRECTLY OR INDIRECTLY, IN OR INTO, OR BY USE OF THE POSTAL SERVICE OF, OR BY ANY MEANS OR INSTRUMENTALITY (INCLUDING, WITHOUT LIMITATION, FACSIMILE TRANSMISSION, TELEX, TELEPHONE OR THE INTERNET) OF INTERSTATE OR FOREIGN COMMERCE OF, OR ANY FACILITIES OF A NATIONAL SECURITIES EXCHANGE OF, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA. THE TENDER OFFER CANNOT BE ACCEPTED, DIRECTLY OR INDIRECTLY, BY ANY

SUCH USE, MEANS OR INSTRUMENTALITY OR FROM WITHIN, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA AND ANY PURPORTED ACCEPTANCE OF THE TENDER OFFER RESULTING DIRECTLY OR INDIRECTLY FROM A VIOLATION OF THESE RESTRICTIONS WILL BE INVALID.

THIS STOCK EXCHANGE RELEASE HAS BEEN PREPARED IN COMPLIANCE WITH FINNISH LAW, THE RULES OF NASDAQ HELSINKI LTD AND THE HELSINKI TAKEOVER CODE AND THE INFORMATION DISCLOSED HERE MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS STOCK EXCHANGE RELEASE HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND.

### **Information for shareholders of Purmo in the United States**

Shareholders of Purmo in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Purmo is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer is being made for the issued and outstanding shares of Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, for a Tier II tender offer (the “**Tier II Exemption**”), and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this stock exchange release has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Purmo’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Purmo to whom an offer is made. Any informational documents, including this stock exchange release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Purmo’s other shareholders.

As permitted under the Tier II Exemption, the settlement of the Tender Offer is based on the applicable Finnish law provisions, which differ from the settlement procedures customary in the United States, particularly as regards to the time when payment of the consideration is rendered. The Tender Offer, which is subject to Finnish law, is being made to the U.S. shareholders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder, in particular the Tier II Exemption. To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. shareholders and will not give rise to claims on the part of any other person. U.S. shareholders should consider that the offer prices for the Tender Offer are being paid in EUR and that no adjustment will be made to the offer prices based on any changes in the exchange rate.

To the extent permissible under applicable laws or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Purmo of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Purmo, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult an independent professional adviser immediately regarding the tax and other consequences of accepting the Tender Offer.

To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. holders of Shares and will not give rise to claims on the part of any other person. It may be difficult for Purmo’s shareholders to enforce their rights



and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Purmo are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Purmo shareholders may not be able to sue the Offeror or Purmo or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Purmo and their respective affiliates to subject themselves to a U.S. court's judgment.

NEITHER THE SEC NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE TENDER OFFER, PASSED ANY COMMENTS UPON THE MERITS OR FAIRNESS OF THE TENDER OFFER, PASSED ANY COMMENTS UPON THE ADEQUACY OR COMPLETENESS OF THE TENDER OFFER DOCUMENT OR THE SUPPLEMENT DOCUMENT OR PASSED ANY COMMENTS ON WHETHER THE CONTENT IN THE TENDER OFFER DOCUMENT OR THE SUPPLEMENT DOCUMENT IS CORRECT OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

### **Forward-looking statements**

This release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release.

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Danske Bank A/S (acting via its Finland Branch) is acting as financial adviser to Purmo and no other person in connection with these materials or their contents. Danske Bank A/S will not be responsible to any person other than Purmo for providing any of the protections afforded to clients of Danske Bank A/S, nor for providing any advice in relation to any matter referred to in these materials. Without limiting a person's liability for fraud, Danske Bank A/S nor any of its affiliates nor any of its respective directors, officers, representatives, employees, advisers or agents shall have any liability to any other person (including, without limitation, any recipient) in connection with the Tender Offer.

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Offer and will not be responsible to anyone other than the Offeror for providing the protection afforded to clients of Nordea, nor for providing advice in relation to the Tender Offer.

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**THE STOCK EXCHANGE RELEASE OF THE OFFEROR PUBLISHED ON JUNE 14, 2024**

## **Inside information: Project Grand Bidco (UK) Limited improves offer prices and lowers the acceptance threshold of its tender offer; Purmo board maintains its recommendation**

PROJECT GRAND BIDCO (UK) LIMITED

Stock Exchange Release

June 14, 2024 at 5:30 p.m. EEST

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### **Inside information: Project Grand Bidco (UK) Limited improves offer prices and lowers the acceptance threshold of its tender offer; Purmo board maintains its recommendation**

Project Grand Bidco (UK) Limited (the "**Offeror**"), a special purpose vehicle incorporated and existing under the laws of England and Wales, that will be indirectly owned by a consortium formed for purposes of the Tender Offer (as defined below) of certain affiliated funds (the "**Apollo Funds**") of Apollo Global Management, Inc. and its subsidiaries (together, "**Apollo**") and Rettig Oy Ab ("**Rettig**", and together with the Apollo Funds, the "**Consortium**"), announced on April 26, 2024, a voluntary recommended public cash tender offer for all of the issued and outstanding class C shares in Purmo Group Plc (the "**Company**" or "**Purmo**") that are not held by Purmo or any of its subsidiaries (the "**C Shares**" or, individually, a "**C Share**") and all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**F Shares**" or, individually, an "**F Share**", and together with the C Shares, the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**"). The Offeror has published a tender offer document, dated May 16, 2024, concerning the Tender Offer and a supplement to the tender offer document, dated May 31, 2024 (the tender offer document, as supplemented from time to time, the "**Tender Offer Document**").

The Offeror has today proposed to the Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, certain amendments to the terms and conditions of the Tender Offer. As a consequence, the Offeror and Purmo have today entered into an addendum to the combination agreement initially entered into by the Offeror and Purmo on April 26, 2024 (as amended, the "**Combination Agreement**"), according to which the Offeror has, among other things, agreed to improve the offer prices for each Share validly tendered in the Tender Offer and to lower the acceptance threshold in the Tender Offer (the "**Improved Tender Offer**"). The Improved Tender Offer aims to create an independent European sustainable indoor climate comfort solutions champion with management and its employees supporting the EU's Green Deal objectives. These objectives are exemplified among other things by the Net-Zero Industry Act, which aims to scale up the manufacturing of clean technologies in the EU, boost the competitiveness of EU industry, create quality jobs, and support the EU's efforts to become energy independent. The Improved Tender Offer has a high degree of deal certainty with a timeline capable of being completed in July 2024.

### **KEY HIGHLIGHTS AND SUMMARY OF THE IMPROVED TENDER OFFER**

- The holders of C Shares, and F Shares that are eligible for conversion into C Shares in accordance with the articles of association of the Company, will be offered a cash consideration of EUR 11.15 for each such C Share or F Share validly tendered in the Improved Tender Offer (the "**Improved C Share Offer Price**") and the holders of F Shares that are ineligible for conversion into C Shares, will be offered a cash consideration of EUR 6.75 for each such F Share validly tendered in the Improved Tender Offer (the "**Improved F Share Offer Price**", and together with the Improved C Share Offer Price, the "**Improved Offer Prices**").
- The Offeror has decided to lower the minimum acceptance threshold of the Improved Tender Offer from more than 90 percent to more than 80 percent of all Shares.
- The Offeror will supplement the Tender Offer Document with detailed information on the terms and conditions of the Improved Tender Offer as soon as practically possible and will publish the supplement following its approval by the Finnish Financial Supervisory Authority.
- As announced on June 13, 2024, the Offeror has extended the offer period of the Tender Offer to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the offer period is extended further or any extended offer period is discontinued in accordance with the terms and conditions of the Tender Offer.
- The Offeror believes that the recommended Improved Tender Offer holds significant advantages, particularly in terms of pricing, transaction certainty and timeline, compared to the non-binding preliminary indication of interest (the "**Indication of Interest**") received by the Company from Haier Smart Home Co., Ltd. ("**Haier**") referenced in the Company's stock exchange release published on May 30, 2024. According to the Indication of

Interest, launching of a binding offer by Haier is subject to a number of conditions, including conducting a due diligence investigation, recommendation of the offer by the Board of Directors of the Company and other customary conditions. If announced, the completion of any such offer would in turn be subject to further conditions, including approval by shareholders holding at least 90 percent of the shares of the Company and receipt of all necessary regulatory approvals, according to the Indication of Interest.

- The Improved C Share Offer Price represents a premium of approximately 1.4 percent compared to the cash consideration of EUR 11.00 of the Indication of Interest for the holders of C Shares and F Shares that are eligible for conversion into C Shares. The Improved F Share Offer Price represents a premium of approximately 1.4 percent compared to the cash consideration of EUR 6.66 of the Indication of Interest for the holders of F Shares that are ineligible for conversion into C Shares.
- Purmo's largest shareholder, Rettig, has renewed its irrevocable undertaking, subject to certain amended termination rights which are described below, to sell all its C Shares, which represent approximately 61.8 percent of all Shares in the Company, to the Offeror for a cash consideration of EUR 10.62 for each such C Share in connection with, and subject to the completion of, the Improved Tender Offer.
- Virala Oy Ab, Ahlström Invest B.V., Belgrano Inversiones Oy, Chilla Capital S.A., and Oy G.W. Sohlberg Ab have renewed their irrevocable undertakings to accept the Improved Tender Offer subject to certain amended termination rights which are described below. These irrevocable undertakings represent in aggregate approximately 15.5 percent of all C Shares, 100 percent of all F Shares and 18.6 percent of all Shares in Purmo. In aggregate, Rettig's renewed undertaking, and the renewed irrevocable undertakings received for the C Shares in connection with the Improved Tender Offer represent approximately 79.6 percent of all C Shares in the Company, and 80.4 percent of all Shares in the Company.
- In addition, the other irrevocable undertakings referenced in the Tender Offer Document, representing in aggregate approximately 10.4 percent of all C Shares in Purmo, remain in force in accordance with their terms.
- In total, Rettig's undertaking, and all the irrevocable undertakings represent approximately 90.34 percent of all Shares in the Company.
- The Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, maintains its recommendation that the shareholders of Purmo accept the Tender Offer on the improved terms announced today and intends to update its statement issued on May 10, 2024 to reflect the Improved Tender Offer in accordance with the Finnish Securities Markets Act (746/2012, as amended, the "Finnish Securities Markets Act").

**Waleed Elgohary, Apollo Partner, comments on the Improved Tender Offer:**

*"The management team and the employees at Purmo Group have built an impressive business that we believe can play an important role in the clean transition and reach its full potential under a period of private ownership and strategic sponsorship from the Consortium. Apollo, together with Rettig, believes Purmo Group can become one of Europe's leading independent providers of sustainable indoor climate comfort solutions, supporting the decarbonization of the built environment in Europe through material emissions reductions and energy savings."*

**Matts Rosenberg, CEO, Rettig Oy Ab, comments on the Improved Tender Offer:**

*"In its current setting, Purmo's capacity to grow and transform has been restrained, and we see it as a unique opportunity to be able to partner with the highly experienced and professional team at Apollo to bring the required resources and ambition to accelerate Purmo's growth and clean transition journey, benefitting both the Company and its employees. We at Rettig firmly believe that the Improved Tender Offer represents an attractive opportunity for both Purmo and all of its shareholders."*

**Jyri Luomakoski, Chair of the Independent Ad Hoc Committee of the Board, Purmo Group:**

*"The independent members of the Board of Directors of Purmo Group have assessed the newly received Improved Tender Offer and compared it to the earlier received Indication of Interest from Haier from the perspective of the Company and its shareholders. As a result of our assessment, we have concluded that entering into an addendum to the Combination Agreement that reflects the terms of the Improved Tender Offer is in the best interests of the shareholders of Purmo Group. We note that shareholders representing a total of approximately 79.6 percent of all C Shares in the Company have renewed their undertakings to accept the Tender Offer, subject to certain amended termination rights in respect of said undertakings, and that further irrevocable undertakings representing in aggregate approximately 10.4 percent of all C Shares in the Company remain in force in accordance with their prior terms."*

## **THE IMPROVED TENDER OFFER IN BRIEF**

The Offeror and Purmo have today entered into an addendum to the Combination Agreement, according to which the Offeror has, among other things, agreed to lower the acceptance threshold of the Tender Offer and to improve the offer prices for each Share validly tendered in the Tender Offer, subject to any adjustments as set out in the section “The Offer Price” below. The Improved Tender Offer aims to create an independent European sustainable indoor climate comfort solutions champion with management and its employees supporting the EU’s Green Deal objectives, exemplified among other things by the Net-Zero Industry Act. The Improved Tender Offer has a high degree of deal certainty with a timeline capable of being completed in July 2024.

### **The Offer Price**

The Improved C Share Offer Price is EUR 11.15 in cash for each C Share and each F Share eligible for conversion into C Share validly tendered in the Improved Tender Offer, subject to any adjustments as set out below.

The Improved F Share Offer Price is EUR 6.75 in cash for each F Share ineligible for conversion into C Share validly tendered in the Improved Tender Offer, subject to any adjustments as set out below.

In addition, in connection with, and subject to the completion of, the Improved Tender Offer, Rettig has undertaken to sell all its C Shares to the Offeror for a cash consideration of EUR 10.62 for each such C Share, subject to any adjustments as set out below.

The Improved C Share Offer Price represents a premium of approximately 48.7 percent compared to the closing price (EUR 7.50) of the C Share on Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) on April 25, 2024, the last trading day immediately preceding the announcement of the Tender Offer, and a premium of approximately 59.0 percent compared to the volume-weighted average price (EUR 7.01) of the C Share on Nasdaq Helsinki during the three-month period prior to and up to April 25, 2024.

The Improved C Share Offer Price represents a premium of approximately 1.4 percent compared to the cash consideration of EUR 11.00 of the Indication of Interest for the holders of C Shares and F Shares, eligible for conversion into C Shares. The Improved F Share Offer Price represents a premium of approximately 1.4 percent compared to the cash consideration of EUR 6.66 of the non-binding Indication of Interest for the holders of F Shares ineligible for conversion into C Shares.

The Improved C Share Offer Price has been determined based on 41,112,713 issued and outstanding C Shares as well as 293,478 issued and outstanding F Shares eligible for conversion into C Shares, and the Improved F Share Offer Price has been determined based on 1,271,739 issued and outstanding F Shares ineligible for conversion into C Shares.

Should the Company change the number of the Shares as a result of a new issue, reclassification, stock split or any other similar measure (“**Dilutive Measure**”), or should the Company distribute any dividends or otherwise distribute funds or any other assets to its shareholders, or if a record date with respect to any of the foregoing occurs prior to the settlements of the completion trades in the Tender Offer, the Improved Offer Prices shall be reduced accordingly to account for such distribution or Dilutive Measure. Any reduction on account of a distribution of funds or assets on the C Shares or F Shares shall be applied in respect of the Improved C Share Offer Price on a euro-for-euro basis for the distribution made for each share class, as set out in more detail in the Tender Offer Document, and any reduction on account of a Dilutive Measure shall be applied proportionally among the Improved Offer Prices. For the avoidance of doubt, should the Company carry out a reverse stock split prior to any of the settlements of the completion trades in the Tender Offer, the Improved Offer Prices shall be adjusted accordingly to account also for such measure.

### **The Offer Period**

The offer period for the Tender Offer (the “**Offer Period**”) commenced on May 17, 2024, and is currently ongoing. The Offeror announced on June 13, 2024 that it has decided to extend the Offer Period to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer as the processes for obtaining the necessary regulatory approvals for the completion of the Tender Offer are still pending. The processes for obtaining the necessary regulatory approvals for the completion of the Tender Offer are progressing as planned and the Offeror expects to obtain such necessary regulatory approvals and to complete the Improved Tender Offer in July 2024.

## **Conditions to Completion of the Tender Offer**

In connection with the Improved Tender Offer, the Offeror has decided to lower the condition to completion of the Tender Offer concerning the minimum acceptance threshold from more than 90 percent to more than 80 percent of all Shares. Therefore, the completion of the Improved Tender Offer is subject to the Improved Tender Offer having been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than eighty (80) percent of the Shares and voting rights in the Company calculated in accordance with Chapter 18 Section 1 of the Finnish Companies Act (624/2006, as amended).

Other conditions to completion (as set out in the terms and conditions of the Tender Offer) remain unchanged.

The Offeror reserves the right to waive any of the conditions to completion that have not been fulfilled. If all conditions to completion have been fulfilled or the Offeror has waived the requirements for the fulfilment of all or some of them no later than at the time of announcement of the final results of the Improved Tender Offer, the Offeror will consummate the Improved Tender Offer in accordance with its terms and conditions after the expiration of the Offer Period by purchasing the Shares validly tendered in the Improved Tender Offer and paying the Improved C Share Offer Price and/or the Improved F Share Offer Price, as applicable, to the holders of Shares that have validly accepted the Improved Tender Offer in accordance with its the terms and conditions.

## **Recommendation by the Board of Directors of Purmo**

As described in the Tender Offer Document, the Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Purmo accept the Tender Offer. The statement of the Board of Directors of Purmo in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act (746/2012, as amended), is attached to the Tender Offer Document as Annex C. The Board of Directors of Purmo intends to update its statement issued on May 10, 2024 to reflect the Improved Tender Offer in accordance with the Finnish Securities Markets Act.

Purmo's Chair of the Board of Directors, Tomas von Rettig, Vice Chair of the Board of Directors, Matts Rosenberg, who is the CEO of Rettig, and a member of the Board of Directors, Alexander Ehrnrooth, who is the President and CEO of Virala Corporation, have not participated in any assessment or review of the implications of the Tender Offer by Purmo's Board of Directors or in any decision-making concerning the recommendation of Purmo's Board of Directors or the Combination Agreement.

## **Support by certain shareholders of Purmo**

Virala Corporation, Ahlström Invest B.V., Belgrano Inversiones Oy, Chilla Capital S.A., and Oy G.W. Sohlberg Ab, together representing approximately 15.5 percent of all C Shares, 100 percent of all F Shares, and 18.6 percent of all Shares in Purmo, have renewed their irrevocable undertakings to accept the Improved Tender Offer or otherwise undertaken to sell their Shares to the Offeror in connection with the completion thereof. Virala Corporation's undertaking covers, in addition to the C Shares held by it, the irrevocable undertaking to accept the Improved Tender Offer for the F Shares held by it, representing 100 percent of all F Shares in Purmo, or to otherwise sell its F Shares to the Offeror in connection with the completion of the Improved Tender Offer. These irrevocable undertakings may be terminated, among other terms, in the event that the Offeror withdraws the Improved Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is more than (a) EUR 13.52 for each C Share and F Share that is eligible for conversion into C Share pursuant to the Articles of Association of the Company, and (b) EUR 8.19 for each F Share that is ineligible for conversion into C Share, and the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company's Board of Directors has recommended such competing offer.

Rettig has renewed its irrevocable undertaking to sell all its C Shares in connection with, and subject to the completion of, the Improved Tender Offer for a cash consideration of EUR 10.62 for each such C Share to support the Improved Tender Offer. The C Shares held by Rettig represent approximately 61.8 percent of all the Shares in aggregate. Rettig's undertaking may be terminated, among other terms, in the event that the Offeror withdraws the Improved Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is more than (a) EUR 13.52 for each C Share and F Share that is eligible for conversion into C Share in the Company pursuant to the Articles of Association of the Company, and (b) EUR 8.19 for each F Share that is ineligible for conversion into C Share provided, among others, that such competing offer is not subject to any outstanding due diligence, the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company's Board of

Directors has recommended, publicly supported, or confirmed that it will recommend such competing offer. In addition, in connection with such termination Rettig has agreed to bear in excess of its pro rata share the costs and expenses up to an agreed amount for preparing and pursuing the Improved Tender Offer.

In total, Rettig's renewed undertaking and the other renewed irrevocable undertakings to support the Improved Tender Offer represent approximately 79.6 percent of all the C Shares and votes in Purmo, and 80.4 percent of all Shares in Purmo.

In addition, and as described in the Tender Offer Document, Svenska Litteratursällskapet i Finland r.f., Föreningen Konstsamfundet r.f., Turret Oy Ab, Oy Julius Tallberg Ab, Oy Hammarén & Co Ab, Aipa Invesco AB, Binx Management Ab, Varma Mutual Pension Insurance Company, Fennia Mutual Insurance Company, Merimieseläkekassa (Seafarers Pension Fund), Tannegård Invest BA, John Peter Leesi, CEO of the Company, Jan-Elof Cavander, CFO of the Company, Erik Hedin, COO of the Company, Linda Currie, Chief People Officer of the Company, Mike Conlon, President, Climate Solutions Division of the Company and Barry Lynch, President, Climate Products & Systems Division of the Company, together representing approximately 10.4 percent of all Shares in Purmo, have irrevocably undertaken to accept the Tender Offer or otherwise sell their Shares to the Offeror in connection with the completion thereof. These irrevocable undertakings remain in force and may be terminated, among other terms, in the event that the Offeror withdraws the Improved Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is at least 10 percent higher than the Improved Offer Prices based on the average offer price weighted based on the price and number of shares in the Company across the share classes, i.e., the offer price taking into account all the share classes is on average equal to or exceeds EUR 11.76 for each Share (subject to possible additional adjustments as set out in the section "The Offer Price" above), and the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Company's Board of Directors has recommended such competing offer.

## **Financing**

The Offeror has received amended equity commitment letters from the Apollo Funds and Rettig Investment AB in connection with the Improved Tender Offer. The Offeror has also been addressed debt commitments (and interim debt commitments) in connection with the Improved Tender Offer.

The Offeror's obligation to complete the Improved Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion of the Improved Tender Offer are satisfied or waived by the Offeror). The debt commitments for debt financing have been committed by certain banks on a customary European "certain funds" basis.

## **FURTHER INFORMATION**

The Offeror will supplement the Tender Offer Document with detailed information on the terms and conditions of the Improved Tender Offer and will publish the supplement to the Tender Offer Document once it has been approved by the Finnish Financial Supervisory Authority.

Each shareholder of Purmo who has already accepted the Tender Offer or accepts the Tender Offer before the supplement regarding the Improved Tender Offer is published will, after such supplement is published, be deemed to have accepted the Tender Offer with the Improved Offer Prices. Therefore, shareholders of Purmo who have already tendered their Shares in the Tender Offer or tenders before such supplement is made public, do not have to re-tender their Shares or take any other action as a result of the Improved Tender Offer before or after the publication of the supplement regarding the Improved Tender Offer. All such shareholders will then receive the Improved C Share Offer Price and/or the Improved F Share Offer Price, as applicable, if the Improved Tender Offer is completed.

The Finnish language version of the supplement to the Tender Offer Document will be made available after its publication at <https://purmogroup.tenderoffer.fi/> and [www.nordea.fi/purmo-ostotarjous](http://www.nordea.fi/purmo-ostotarjous) and the English language translation of the supplement to the Tender Offer Document will be made available after its publication at <https://purmogroup.tenderoffer.fi/en> and [www.nordea.fi/purmo-offer](http://www.nordea.fi/purmo-offer).

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#### **Distribution:**

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#### **ABOUT THE CONSORTIUM**

Apollo Funds and Rettig form the Consortium for the purposes of the Tender Offer. As at the date of this announcement, the Offeror is indirectly owned by Project Grand Topco (UK) Limited, which is a private limited company incorporated under the laws of England and Wales. Project Grand Topco (UK) Limited was incorporated to be the holding company in the acquisition structure and is currently indirectly owned by Apollo Funds. It is expected that immediately prior to the completion of the Tender Offer and the cash investments to be made by the Consortium members, Apollo Funds will own 80.00 percent and Rettig, through its subsidiary Rettig Investment AB, 20.00 percent of the shares in Project Grand Topco (UK) Limited.

#### **ABOUT PURMO**

Purmo is a public limited liability company incorporated under the laws of Finland with its C Shares listed on the official list of Nasdaq Helsinki. Purmo is at the centre of the global sustainability journey by offering full solutions and sustainable ways of heating and cooling homes to mitigate global warming. Purmo provides complete heating and cooling solutions to residential and non-residential buildings, including underfloor heating and cooling systems, a broad range of radiators, heat pumps, flow control and hydronic distribution systems, as well as smart products. Purmo's mission is to be the global leader in sustainable indoor climate comfort solutions. Purmo's approximately 3,090 employees operate in 23 countries, manufacturing and distributing top-quality products and solutions to its over 100,000 customers in more than 100 countries. Purmo's shares are listed on Nasdaq Helsinki with the ticker symbol PURMO. More information: [www.purmogroup.com](http://www.purmogroup.com).

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THIS STOCK EXCHANGE RELEASE HAS BEEN PREPARED IN COMPLIANCE WITH FINNISH LAW, THE RULES OF NASDAQ HELSINKI LTD AND THE HELSINKI TAKEOVER CODE AND THE INFORMATION DISCLOSED HERE MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS STOCK EXCHANGE RELEASE HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND.

#### **Information for shareholders of Purmo in the United States**

Shareholders of Purmo in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Purmo is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer is being made for the issued and outstanding shares of Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, for a Tier II tender offer (the “**Tier II Exemption**”), and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this stock exchange release has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Purmo’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Purmo to whom an offer is made. Any informational documents, including this stock exchange release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Purmo’s other shareholders.

As permitted under the Tier II Exemption, the settlement of the Tender Offer is based on the applicable Finnish law provisions, which differ from the settlement procedures customary in the United States, particularly as regards to the time when payment of the consideration is rendered. The Tender Offer, which is subject to Finnish law, is being made to the U.S. shareholders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder, in particular the Tier II Exemption. To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. shareholders and will not give rise to claims on the part of any other person. U.S. shareholders should consider that the offer prices for the Tender Offer are being paid in EUR and that no adjustment will be made to the offer prices based on any changes in the exchange rate.

To the extent permissible under applicable laws or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Purmo of such information. In addition, the financial advisers to the Offeror may also engage in

ordinary course trading activities in securities of Purmo, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult an independent professional adviser immediately regarding the tax and other consequences of accepting the Tender Offer.

To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. holders of Shares and will not give rise to claims on the part of any other person. It may be difficult for Purmo's shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Purmo are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Purmo shareholders may not be able to sue the Offeror or Purmo or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Purmo and their respective affiliates to subject themselves to a U.S. court's judgment.

NEITHER THE SEC NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE TENDER OFFER, PASSED ANY COMMENTS UPON THE MERITS OR FAIRNESS OF THE TENDER OFFER, PASSED ANY COMMENTS UPON THE ADEQUACY OR COMPLETENESS OF THE TENDER OFFER DOCUMENT OR THE SUPPLEMENT DOCUMENT OR PASSED ANY COMMENTS ON WHETHER THE CONTENT IN THE TENDER OFFER DOCUMENT OR THE SUPPLEMENT DOCUMENT IS CORRECT OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

#### **Forward-looking statements**

This release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release.

#### **Disclaimer**

Advium Corporate Finance Ltd is acting exclusively on behalf of the Offeror and no one else in connection with the Tender Offer or other matters referred to in this document, does not consider any other person (whether the recipient of this release or not) as a client in connection to the Tender Offer, and is not responsible to anyone other than the Offeror for providing protection or providing advice in connection with the Tender Offer or any other transaction or arrangement referred to in this document.

Danske Bank A/S is authorized under Danish banking law. It is subject to supervision by the Danish Financial Supervisory Authority. Danske Bank A/S is a private, limited liability company incorporated in Denmark with its head office in Copenhagen where it is registered in the Danish Commercial Register under number 61126228.

Danske Bank A/S (acting via its Finland Branch) is acting as financial adviser to Purmo and no other person in connection with these materials or their contents. Danske Bank A/S will not be responsible to any person other than Purmo for providing any of the protections afforded to clients of Danske Bank A/S, nor for providing any advice in relation to any matter referred to in these materials. Without limiting a person's liability for fraud, Danske Bank A/S nor any of its affiliates nor any of its respective directors, officers, representatives, employees, advisers or agents shall have any liability to any other person (including, without limitation, any recipient) in connection with the Tender Offer.

Jefferies International Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Offeror and no one else in connection with the Tender Offer or other matters referred to in this document, and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of Jefferies International Limited nor for providing advice in relation to any matter referred to in this document. Neither Jefferies nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies International Limited in connection with this document or any statement contained herein or otherwise.

Nordea Bank Abp, which is supervised by the European Central Bank and the Finnish Financial Supervisory Authority, is acting as financial adviser to the Offeror and arranger of the Tender Offer. Nordea is only acting for the Offeror and no one else in connection with the Tender Offer and will not regard any other person as its client in relation to the Tender Offer and will not be responsible to anyone other than the Offeror for providing the protection afforded to clients of Nordea, nor for providing advice in relation to the Tender Offer.

RBC Capital Markets (“**RBC**”) is the business name used by Royal Bank of Canada and its subsidiaries including, RBC Capital Markets (Europe) GmbH which is authorised and regulated in Germany by the Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority), and RBC Europe Limited, which is authorised in the United Kingdom by the Prudential Regulation Authority (“**PRA**”) and regulated by the Financial Conduct Authority and the PRA. RBC is acting solely for the Offeror and no one else in connection with the Tender Offer and will not regard any other person as its client in relation to the Tender Offer and will not be responsible to anyone other than the Offeror for providing the protection afforded to clients of RBC, nor for providing advice in relation to the Tender Offer or in connection with any other matter referred to in connection with the Tender Offer.

**UPDATED STATEMENT BY THE BOARD OF DIRECTORS OF PURMO**

## Updated statement of the Board of Directors of Purmo Group Plc regarding the voluntary recommended public cash tender offer by Project Grand Bidco (UK) Limited

PURMO GROUP PLC | Stock Exchange Release | June 19, 2024 at 16:00 EEST

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW. FOR FURTHER INFORMATION, PLEASE SEE SECTION ENTITLED "IMPORTANT INFORMATION" BELOW.

On April 26, 2024, Project Grand Bidco (UK) Limited (the "**Offeror**") and Purmo Group Plc ("**Purmo**" or the "**Company**") announced that they have entered into a combination agreement (the "**Combination Agreement**"), pursuant to which the Offeror has made a voluntary recommended public cash tender offer (the "**Tender Offer**") for all of the issued and outstanding class C shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**C Shares**" or, individually, a "**C Share**") and all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**F Shares**" or, individually, an "**F Share**"), and together with the C Shares, the "**Shares**" or, individually, a "**Share**"). The Offeror has published a tender offer document, dated May 16, 2024, concerning the Tender Offer and a supplement to the tender offer document, dated May 31, 2024 (the tender offer document, as supplemented from time to time, the "**Tender Offer Document**").

On May 30, 2024, the Company announced that it had received a non-binding preliminary indication of interest (the "**Indication of Interest**") from Haier Smart Home Co., Ltd. ("**Haier**") to acquire the entire share capital of the Company for cash consideration. Pursuant to the Indication of Interest, the holders of C Shares and F Shares eligible for conversion into C Shares would be offered a cash consideration of EUR 11.00 per share and the holders of F Shares ineligible for conversion into C Shares a cash consideration of EUR 6.66 per share. According to the Indication of Interest, launching of a binding offer would be subject to a number of conditions, including conducting a due diligence investigation, the recommendation of the offer by the board of directors of the Company and other customary conditions. If announced, completion of any such offer would in turn be subject to further conditions, including approval by shareholders holding at least ninety (90) per cent of the Shares of the Company and receipt of all necessary regulatory approvals. Upon assessing the Indication of Interest to be of a serious nature, the board of directors of Purmo (the "**Purmo Board**"), represented by a quorum comprising the non-conflicted members of the Purmo Board, acting in accordance with their fiduciary duties, allowed Haier and its advisors to conduct due diligence materially in the same scope as was allowed to the Offeror and engaged in discussions with Haier and its advisors with regard to a potential competing offer.

On June 14, 2024 the Offeror proposed to the Purmo Board, represented by a quorum comprising the non-conflicted members of the Purmo Board, certain improvements to the terms and conditions of the Tender Offer. As a consequence, the Offeror and Purmo announced on the same day that they have entered into an addendum to the Combination Agreement (the "**Addendum**"), according to which the Offeror has, among other things, agreed to improve the offer prices for each Share validly tendered in the Tender Offer and to lower the acceptance threshold in the Tender Offer (the "**Improved Tender Offer**").

In order to comply with the requirements set out in Chapter 11, Section 15 of the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**") regarding the obligation to supplement its earlier statement on the Tender Offer after the terms of the Improved Tender Offer have been communicated to the Purmo Board, the Purmo Board has now decided to issue this statement on the Improved Tender Offer (the "**Update**") in order to supplement its previous statement on the Tender Offer issued on May 10, 2024 (the "**Statement**") to reflect the terms of the Improved Tender Offer. The Purmo Board, represented by a quorum comprising the non-conflicted members of the Purmo Board, recommends that the shareholders of Purmo accept the Improved Tender Offer.

### Improved Tender Offer in brief

The Offeror is a special purpose vehicle incorporated and existing under the laws of England and Wales that will be indirectly owned by a consortium formed for purposes of the Tender Offer of (i) certain affiliated funds

(the “**Apollo Funds**”) of Apollo Global Management, Inc. and its subsidiaries, (together, “**Apollo**”) and (ii) Rettig Oy Ab (“**Rettig**”, and together with Apollo Funds, the “**Consortium**”). As at the date of this Update, the Offeror is indirectly owned by Project Grand Topco (UK) Limited, which is a private limited company incorporated under the laws of England and Wales. Project Grand Topco (UK) Limited was incorporated to be the holding company in the acquisition structure and is currently indirectly owned by Apollo Funds. It is expected that immediately prior to the completion of the Improved Tender Offer and the cash investments to be made by the Consortium members, Apollo Funds will own 80.00 per cent and Rettig indirectly 20.00 per cent of the shares in Project Grand Topco (UK) Limited.

The Offeror and Purmo entered into a Combination Agreement on April 26, 2024 and, the Addendum on June 14, 2024, pursuant to which the Offeror has made the Improved Tender Offer for all of the issued and outstanding Shares in Purmo.

As at the date of this Update: (i) 41,112,713 of the Shares are class C Shares and 1,565,217 are class F Shares; and (ii) Purmo has 42,677,930 issued Shares, all of which are outstanding and none of which are held by the Company. As at the date of this Update, Rettig holds 26,373,971 C Shares, representing approximately 61.80 per cent of all Shares and votes in Purmo. As at the date of this Update, neither the Offeror nor Apollo holds any Shares. All of the F Shares are held directly by Virala Corporation (“**Virala**”), the founder of the special purpose acquisition company (SPAC), Virala Acquisition Company Plc, which was listed on the official list of Nasdaq Helsinki Ltd. (“**Nasdaq Helsinki**”) and which merged with Purmo on December 31, 2021. In total, Virala, which is not a member of the Consortium, but has subject to certain amended conditions undertaken to sell its Shares in the Improved Tender Offer (as described in more detail below), holds directly 6,471,739 Shares, representing approximately 15.16 per cent of all Shares and votes in Purmo; including 100 per cent of all the F Shares in Purmo.

The Offeror has reserved the right to acquire, or enter into arrangements to acquire, C Shares during and/or after the offer period (including any extension thereof and any subsequent offer period) in public trading on Nasdaq Helsinki or otherwise outside the Improved Tender Offer, to the extent permitted by applicable laws and regulations.

The Improved Tender Offer will be made in accordance with the improved terms and conditions to be included in the Tender Offer Document, which the Offeror will supplement with detailed information on the terms and conditions of the Improved Tender Offer as soon as practically possible and will publish the supplement following its approval by the Finnish Financial Supervisory Authority.

### ***The Improved Offer Prices***

The Improved Tender Offer was announced with an offer price of:

- EUR 11.15 in cash for each C Share not held by Rettig (14,738,742 Shares),
- EUR 10.62 in cash for each C Share held by Rettig (26,373,971 Shares),
- EUR 11.15 in cash for each F Share currently eligible for conversion into C Share in accordance with the articles of association of the Company (293,478 Shares); and
- EUR 6.75 for each F Share currently ineligible for conversion into C Share (1,271,739 Shares)

validly tendered in the Improved Tender Offer (each an “**Improved Offer Price**” and all “**Improved Offer Prices**”), subject to any adjustments as set out below.

All C Shares are traded on the official list of Nasdaq Helsinki, while F Shares are not subject to public trading. The EUR 11.15 Improved Offer Price in cash for each C Share not held by Rettig represents a premium of approximately:

- 48.7 per cent compared to EUR 7.50, i.e. the closing price of the Purmo C Share on Nasdaq Helsinki on April 25, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
- 59.0 per cent compared to EUR 7.01, i.e. the three-month volume-weighted average trading price of the Purmo C Share on Nasdaq Helsinki prior to and up to April 25, 2024; and

- 66.1 per cent compared to EUR 6.71, i.e. the six-month volume-weighted average trading price of the Purmo C Share on Nasdaq Helsinki prior to and up to April 25, 2024.

Further, the Improved Offer Price of EUR 11.15 represents a premium of approximately 1.4 percent compared to the cash consideration of EUR 11.00 included in the Indication of Interest for the holders of C Shares and F Shares that are eligible for conversion into C Shares. The Improved Offer Price of EUR 6.75 represents a premium of approximately 1.4 percent compared to the cash consideration of EUR 6.66 included in the Indication of Interest for the holders of F Shares that are ineligible for conversion into C Shares.

The Improved Tender Offer values Purmo's total equity at approximately EUR 456 million.

The Improved Offer Prices have been determined based on 42,677,930 issued Shares, of which 41,112,713 are C Shares and 1,565,217 are F Shares. Should the Company change the number of its Shares on the date hereof as a result of a new issue, reclassification, stock split (including a reverse split) or any other similar measure ("**Dilutive Measure**"), or should the Company distribute any dividends or otherwise distribute funds or any other assets to its shareholders, or if a record date with respect to any of the foregoing occurs after the date hereof and prior to the settlements of the completion trades in the Improved Tender Offer, the Improved Offer Prices shall be reduced accordingly to account for such distribution or Dilutive Measure. Any reduction on account of a distribution of funds or assets on the C Shares or F Shares shall be applied in respect of the C Share Offer Price on a euro-for-euro basis for the distribution made for each share class, as set out in more detail in the Tender Offer Document, and any reduction on account of a Dilutive Measure shall be applied proportionally among the Improved Offer Prices. For the avoidance of doubt, should the Company carry out a reverse stock split prior to any of the settlements of the completion trades in the Tender Offer, the Improved Offer Prices shall be adjusted accordingly to account also for such measure.

The Purmo Board notes that the Annual General Meeting of Purmo held on April 9, 2024 resolved that a return of capital of EUR 0.36 per C Share and EUR 0.07 per F Share will be paid for the financial year 2023 and that the return of capital will be paid in four instalments. The second instalment of the return of capital of EUR 0.09 per C Share and EUR 0.02 per F Share will be paid to the shareholders on 26 July 2024 who are registered in the shareholders' register maintained by Euroclear Finland Oy on the record date of the return of capital, i.e., 19 July 2024. The return of capital will constitute a Dilutive Measure, if the completion of the Improved Tender Offer will take place after the record date.

### ***Irrevocable undertakings***

Virala Corporation, Ahlström Invest B.V., Belgrano Inversiones Oy, Chilla Capital S.A., and Oy G.W. Sohlberg Ab, together representing approximately 15.5 percent of all C Shares, 100 percent of all F Shares, and 18.6 percent of all Shares in Purmo, have renewed their irrevocable undertakings to accept the Improved Tender Offer or otherwise undertaken to sell their Shares to the Offeror in connection with the completion thereof. Virala Corporation's undertaking covers, in addition to the C Shares held by it, the irrevocable undertaking to accept the Improved Tender Offer for the F Shares held by it, representing 100 percent of all F Shares in Purmo, or to otherwise sell its F Shares to the Offeror in connection with the completion of the Improved Tender Offer. These irrevocable undertakings may be terminated, among other terms, in the event that the Offeror withdraws the Improved Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is more than (a) EUR 13.52 for each C Share and F Share that is eligible for conversion into C Share pursuant to the Articles of Association of the Company, and (b) EUR 8.19 for each F Share that is ineligible for conversion into C Share, and the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Purmo Board has recommended such competing offer.

Rettig, which is part of the Consortium, has renewed its irrevocable undertaking to sell all of its C Shares to the Offeror in connection with, and subject to the completion of, the Improved Tender Offer for a cash consideration of EUR 10.62 for each such C Share to support the Improved Tender Offer, subject to certain customary conditions. Rettig's undertaking may be terminated among other terms in the event that the Offeror withdraws the Improved Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is more than (a) EUR 13.52 for each C Share and F Share that is eligible for conversion into C Share in the Company pursuant to the Articles of Association of the Company, and (b) EUR 8.19 for each F Share that is ineligible for conversion into C Share provided, among others, that such competing offer



is not subject to any outstanding due diligence, the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Purmo Board has recommended, publicly supported, or confirmed that it will recommend such competing offer. In addition, in connection with such termination Rettig has agreed to bear in excess of its pro rata share the costs and expenses up to an agreed amount for preparing and pursuing the Improved Tender Offer.

In total, Rettig's renewed undertaking and the other renewed irrevocable undertakings to support the Improved Tender Offer represent approximately 79.6 percent of all the C Shares and votes in Purmo, and 80.4 percent of all Shares in Purmo.

In addition, and as described in the Tender Offer Document, Svenska Litteratursällskapet i Finland r.f., Föreningen Konstsamfundet r.f., Turret Oy Ab, Oy Julius Tallberg Ab, Oy Hammarén & Co Ab, Aipa Invesco AB, Binx Management Ab, Varma Mutual Pension Insurance Company, Fennia Mutual Insurance Company, Merimieseläkekassa (Seafarers Pension Fund), Tannergård Invest AB, John Peter Leesi, CEO of the Company, Jan-Elof Cavander, CFO of the Company, Erik Hedin, COO of the Company, Linda Currie, Chief People Officer of the Company, Mike Conlon, President, Climate Solutions Division of the Company and Barry Lynch, President, Climate Products & Systems Division of the Company, together representing approximately 10.4 percent of all C Shares in Purmo, have irrevocably undertaken to accept the Tender Offer or otherwise sell their Shares to the Offeror in connection with the completion thereof. These irrevocable undertakings remain in force and may be terminated, among other terms, in the event that the Offeror withdraws the Improved Tender Offer, or in the event that a competing offer is announced by a third party with a consideration that is at least 10 percent higher than the Improved Offer Prices based on the average offer price weighted based on the price and number of shares in the Company across the share classes, i.e., the offer price taking into account all the share classes is on average equal to or exceeds EUR 11.76 for each Share (subject to possible additional adjustments as set out in the section "*The Improved Offer Prices*" above), and the Offeror does not match or exceed the consideration offered in such competing offer within a certain period of time, and the Purmo Board has recommended such competing offer.

### ***Conditions to completion***

The completion of the Improved Tender Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror's announcement of the final results of the Improved Tender Offer including, among others, that approvals by all necessary authorities have been received (or where applicable, the waiting periods have expired) and the Offeror having gained control to more than eighty (80) per cent of the Shares and voting rights in the Company calculated in accordance with Chapter 18 Section 1 of the Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**").

The Offeror reserves the right to waive any of the conditions to completion that have not been fulfilled. If all conditions to completion have been fulfilled or the Offeror has waived the requirements for the fulfilment of all or some of them no later than at the time of announcement of the final results of the Improved Tender Offer, the Offeror will consummate the Improved Tender Offer in accordance with its terms and conditions after the expiration of the offer period by purchasing the Shares validly tendered in the Improved Tender Offer and paying the Improved Offer Prices, as applicable, to the holders of Shares that have validly accepted the Improved Tender Offer in accordance with its terms and conditions.

The offer period under the Improved Tender Offer commenced on May 17, 2024, at 9:30 a.m. (Finnish time), and is expected to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Improved Tender Offer, including, among others, receipt of all necessary regulatory approvals (or expiry of regulatory waiting periods, as the case may be). The Improved Tender Offer is currently expected to be completed in July 2024.

As announced in connection with the publication of the Tender Offer, the Combination Agreement (together with the Addendum) includes customary provisions whereby the Purmo Board retains the right to withdraw, modify, cancel or amend and take actions contradictory to its recommendation to shareholders to accept the Improved Tender Offer in order to comply with its mandatory fiduciary duties in case of receipt of a competing offer or a competing proposal, which the Purmo Board has determined in good faith, after receiving written advice from reputable external legal counsel and financial advisor(s) and after consultation with the Offeror (but without any obligation to adhere to the views of the Offeror), to constitute a superior proposal or offer

when considered as a whole (including from financial and deliverability points of view) to the Offeror's Improved Tender Offer, provided that the Purmo Board has (i) complied with its obligations in the Combination Agreement (together with the Addendum) to not solicit or pursue competing transactions concerning the Company or that would otherwise compete or frustrate the Improved Tender Offer, (ii) ceased and caused termination of any possible discussions or negotiations related to a competing proposal by the Company prior to entering into the Combination Agreement (together with the Addendum), (iii) notified the Offeror of the Company's receipt of the competing offer or competing proposal, (iv) in good faith provided the Offeror with an opportunity to negotiate with the Purmo Board about matters arising from the competing offer or competing proposal, and (v) given the Offeror at least seven (7) business days from the date of publishing the competing offer or from the date of the Offeror having been informed in writing of a serious competing proposal and its material terms to enhance its Improved Tender Offer as contemplated by the Combination Agreement (together with the Addendum). If the Offeror has been afforded a matching right in connection with a competing proposal, it will not be afforded a new matching right if the competing proposal leads to a competing offer without any revisions to its material terms and conditions.

The Purmo Board has seen it appropriate to agree to the non-solicitation undertaking, based on its assessment of the terms and conditions of the Improved Tender Offer (both from financial and deliverability points of view), the irrevocable undertakings provided by the Company's significant shareholders to the Offeror, and also considering that the non-solicitation undertaking does not prevent the Purmo Board from complying with its fiduciary duties in a situation in which the Purmo Board has received a competing proposal or competing offer, or from complying with the applicable regulation otherwise.

### **Background for the Update**

Pursuant to the Finnish Securities Markets Act and the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**"), the Purmo Board must issue a public supplement to its previous Statement to reflect the improved terms of the Improved Tender Offer as soon as possible after the revised terms have been communicated to the Purmo Board and at the latest five banking days prior to the earliest possible expiration date of the offer period of the Improved Tender Offer.

The Update includes a well-founded assessment of the Improved Tender Offer from the perspective of Purmo and its shareholders as well as of the strategic plans presented by the Offeror in the Tender Offer Document and their likely effects on the operations of, and employment at, Purmo.

For the purposes of issuing this Update, the Offeror has submitted to the Purmo Board a draft version of the supplement to Finnish language Tender Offer Document including the revised terms and conditions in the form in which the Offeror has on June 18, 2024 filed it with the Finnish Financial Supervisory Authority (the "**Draft Supplement**").

In preparing its statement, the Purmo Board has relied on information provided in the Draft Supplement by the Offeror and certain other information provided by the Offeror and has not independently verified this information. Accordingly, the Purmo Board's assessment of the consequences of the Improved Tender Offer on Purmo's business and employees should be treated with caution.

### **Assessment regarding strategic plans presented by the Offeror in the Tender Offer Document and their likely effects on the operations of, and employment at, Purmo**

#### ***Information given by the Offeror***

The Purmo Board has assessed the Offeror's strategic plans based on the statements made in the Company's and the Offeror's announcement regarding the Improved Tender Offer announced on April 26, 2024 and June 14, 2024, the Tender Offer Document and the Draft Supplement.

Apollo has actively been following Purmo's development during the last 18 months, and while the products, market position and transformation executed to date are highly impressive, the Consortium believes that the Company's ownership structure and balance sheet in combination with the public company setting hold Purmo back from realising its full potential including the ability to execute on targeted M&A opportunities. The

Consortium believes that a period of private ownership can expedite the execution of Purmo's strategy to become a leader in European indoor comfort solutions, supported by secular tailwinds from clean energy transition and focus on energy efficiency. Under the Consortium's ownership, Purmo's management would be able to focus their full attention on delivering long-term growth and value creation without the distraction imposed by being a public reporting company with a quarterly reporting cycle, supported by sufficient balance sheet strength and the capabilities of a reputable global private equity sponsor.

According to information provided by the Offeror, the Consortium is well-positioned to support the future development of the Company due to Apollo's patient, creative and knowledgeable approach to investing while aligning the interests of its clients, the businesses its funds invest in, their employees and the communities they impact, to expand opportunity and achieve positive outcomes. As a long-term builder of businesses, looking to partner with management teams and long-term shareholders for multiple years and invest in M&A and organic growth in its companies, the Apollo Funds have a history of investing globally in relevant end-markets and can thus bring industry expertise, relationships, as well as operational expertise and resources to the Company's business and development. The prominent participation of Rettig, the Company's largest and long-term shareholder, in the Consortium will add to industry expertise and ensure continuity with the Company's culture and history. Together, this investor partnership, in good co-operation with Purmo's employees, is, according to information provided by the Offeror, expected to bring along to the Company the appropriate long-term investment horizon, relationships and industrial expertise.

According to information provided by the Offeror, the completion of the Improved Tender Offer is not expected to have any immediate material effects on the operations or assets, the position of the management or employees, or the business locations, of Purmo. However, as is customary, the Offeror intends to change the composition of the Purmo Board after the completion of the Improved Tender Offer.

#### ***Board assessment***

The Purmo Board believes that the Consortium is well positioned to expedite the execution of Purmo's strategy supported by the green transition and support the long-term growth and value creation due to Apollo's considerable experience, current and past investments in the sector and its continued assessment of the Company. The Purmo Board believes that Rettig's participation in the Consortium as minority shareholder and its long-term ownership in Purmo will ensure continuity with the Company's culture and history. Consequently, the Purmo Board believes that the Consortium is equipped with relevant industrial expertise, local knowledge and adequate capital resources to expedite the execution of Purmo's strategy and support the long-term growth and value creation of the Company.

The Purmo Board considers that the information on the Offeror's strategic plans concerning Purmo included in the Tender Offer Document is of a general nature. However, based on the information presented to Purmo and the Purmo Board, the Purmo Board believes that the completion of the Improved Tender Offer is not expected to have any immediate material effects on the operations or assets, the position of the management or employees, or the business locations, of Purmo. However, as is customary, the Offeror intends to change the composition of the Purmo Board after the completion of the Improved Tender Offer.

On the date of this Update, the Purmo Board has not received from Purmo's employees any formal statements as to the effects of the Improved Tender Offer to the employment at Purmo.

#### **Assessment regarding financing presented by the Offeror in the Tender Offer Document and the Draft Supplement**

##### ***Information given by the Offeror***

The Purmo Board has assessed the Offeror's updated financing based on the below statements made in the Company's and the Offeror's announcement regarding the Improved Tender Offer published on June 14, 2024, the Tender Offer Document and the Draft Supplement. Furthermore, the Company's legal adviser Castrén & Snellman Attorneys Ltd ("**Castrén & Snellman**") has reviewed the Offeror's principal financing documents including amendments to them made in connection with the Improved Tender Offer.

Pursuant to the announcement regarding the Improved Tender Offer published on and June 14, 2024 and the Draft Supplement, the Offeror has received amended equity commitment letters from the Apollo Funds and Rettig Investment AB in connection with the Improved Tender Offer. The Offeror has also been addressed debt commitments (and interim debt commitments) in connection with the Improved Tender Offer.

The Offeror's obligation to complete the Improved Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion of the Improved Tender Offer are satisfied or waived by the Offeror). The debt financing has been committed by certain banks on a customary European "certain funds" basis.

### ***The Offeror's representations and warranties in the Combination Agreement and the Addendum***

In the Combination Agreement and again in the Addendum, the Offeror represents and warrants to Purmo that the Offeror has access to capital in a sufficient amount, as evidenced in, together, (i) the equity commitment letters and amendments to them and (ii) the debt commitment letter and amendment to it, in each case, delivered to the Company prior to the execution of the Combination Agreement, to finance the payment of the aggregate Improved Offer Price for all of the Shares in connection with the Improved Tender Offer and in connection with the subsequent compulsory redemption proceedings thereafter and (with respect to the equity commitment letters) the possible payment of the termination fee by the Offeror. The Offeror's obligation to complete the Improved Tender Offer is not conditional upon availability of financing (assuming that all the conditions for the completion of the Improved Tender Offer are otherwise satisfied (or waived by the Offeror)).

### ***Board assessment on the Offerors financing***

Based on the information made available by the Offeror to the Company, the Offeror's obligation to complete the Improved Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion of the Improved Tender Offer are otherwise satisfied or waived by the Offeror). The Purmo Board believes that the Offeror has secured necessary and adequate financing in sufficient amounts in the form of cash available under the equity and debt commitment letters with external financier on a customary European "certain funds" basis in order to finance the Improved Tender Offer at completion and compulsory redemption proceedings, if any, in accordance with the requirement set out in Chapter 11, Section 9 of the Finnish Securities Markets Act and the possible payment of a termination fee by the Offeror pursuant to the Combination Agreement (together with the Addendum).

### **Assessment of the Improved Tender Offer from the perspective of Purmo and its shareholders**

When evaluating the Improved Tender Offer, analysing alternative opportunities available to Purmo and concluding on its statement in the Update, the Purmo Board has considered several factors, including, but not limited to, Purmo's recent financial performance, current position and future prospects, the historical performance of the trading price of Purmo's share and the conditions for the Offeror to complete the Improved Tender Offer.

The Purmo Board's assessment of continuing the business operations of Purmo as an independent company has been based on reasonable future-oriented estimates, which include various uncertainties, whereas the Improved Offer Prices and the premiums included therein are not subject to any uncertainty other than the fulfilment of the conditions to completion of the Improved Tender Offer.

Prior to entering into the Combination Agreement, the Purmo Board has together with its exclusive financial adviser, Danske Bank A/S, Finland Branch ("**Danske Bank**") confidentially approached multiple other parties to explore their interest in Purmo and, prior to entering into the Addendum, the Purmo Board has together with Danske Bank and Castrén & Snellman evaluated the Indication of Interest made by Haier as well as assessed the potential for alternative options that could be superior to the Improved Tender Offer. Based on this analysis, and after considering other factors, including that the Improved Tender Offer represents a material improvement on the terms of the Tender Offer, the Purmo Board has concluded that there is no alternative transaction superior to the Improved Tender Offer on the date of this Update. The Purmo Board notes that Rettig and other shareholders may still under certain circumstances terminate their undertakings to sell all their C Shares and F shares to the Offeror if a competing offer is announced by a third party (see section "*Irrevocable undertakings*" above).

### ***Updated Fairness Opinion***

The Purmo Board received an updated fairness opinion, dated June 19, 2024, from Purmo's exclusive financial adviser, Danske Bank, (the "**Updated Fairness Opinion**") to the effect that, as of the date of such Updated Fairness Opinion, the Improved Offer Price to be paid to holders of C Shares (other than those held by Rettig) pursuant to the Improved Tender Offer, was fair, from a financial point of view, to such holders, which the Updated Fairness Opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such Updated Fairness Opinion. The complete Updated Fairness Opinion is attached as Appendix 1 to this statement.

Having carefully assessed the terms and conditions of the Improved Tender Offer, including but not limited to, the conditions to completion set by the Offeror for the Improved Tender Offer and the terms and conditions entitling Rettig to terminate the Consortium Agreement and other shareholders to terminate their irrevocable undertakings, the Purmo Board has concluded that entering into the Addendum enables the proposed material improvements to the terms of the Tender Offer and that the Improved Tender Offer is and continues to be in the best interests of the shareholders of Purmo. Purmo's non-solicitation undertaking does not prevent the Purmo Board from complying with its fiduciary duties in a situation in which the Purmo Board has received a non-solicited competing proposal or competing offer, or from complying with applicable regulation otherwise.

### ***Board assessment***

The Purmo Board believes that the EUR 11.15 in cash for each C Share not held by Rettig and for each F Share currently eligible for conversion into C Shares and EUR 6.75 for each F Share currently ineligible for conversion into C Shares offered as consideration by the Offeror to the shareholders are fair to the shareholders based on its assessment of the matters and factors, which the Purmo Board has concluded to be material in evaluating the Improved Tender Offer. These matters and factors include, but are not limited to:

- the information and assumptions on the business operations and financial condition of Purmo as at the date of this Update and their expected future development, including an assessment of expected risks and opportunities related to the implementation and execution of Purmo's current strategy;
- the Improved Offer Prices for the C Shares (other than those held by Rettig) and F Shares and premiums offered for the C Shares (other than those held by Rettig);
- the Indication of Interest made by Haier;
- the irrevocable undertakings listed in section "*Irrevocable undertakings*" above and their terms (including the terms relating to the minimum offer prices and termination of the irrevocable undertakings);
- the liquidity and historical trading price of Purmo's C Shares;
- transaction certainty, and that the conditions of the Improved Tender Offer are reasonable and customary;
- valuation multiples of Purmo's share compared to the industry multiples before the announcement of the Improved Tender Offer;
- valuations and analysis made and commissioned by the Purmo Board as well as discussions with an external financial adviser;
- the views expressed by certain shareholders of Purmo on the Improved Tender Offer and the option of Purmo remaining as an independent listed company; and
- the Updated Fairness Opinion issued by Danske Bank.

In addition, the Purmo Board considers the level of the Improved Offer Prices, participation of Purmo's long-term main shareholder in the Consortium and the shareholder support for the Improved Tender Offer in the form of irrevocable undertakings to positively affect the ability of the Offeror to gain control of more than eighty (80) percent of the Shares and, thereby, help successfully complete the Improved Tender Offer.

The Purmo Board has concluded that the relevant business prospects of Purmo would provide opportunities for Purmo to develop its business as an independent company for the benefit of Purmo and its shareholders. However, taking into consideration the risks and uncertainties associated with such stand-alone approach as well as the terms and conditions of the Improved Tender Offer included in the Draft Supplement to the Tender

Offer Document, the Purmo Board has concluded that the Improved Tender Offer is an attractive and favourable alternative for the shareholders.

### **Recommendation of the Purmo Board**

The Purmo Board has carefully assessed the Improved Tender Offer and its terms and conditions based on the Tender Offer Document, the Draft Supplement, the Updated Fairness Opinion and other available information.

Based on the foregoing, the Purmo Board considers that the Improved Tender Offer and the amount of the Improved Offer Prices are, under the prevailing circumstances, fair to Purmo's shareholders.

Given the above-mentioned viewpoints, the members of the Purmo Board that participated in the consideration and decision-making concerning the implications of the Improved Tender Offer and this Update, the Purmo Board unanimously recommend that the shareholders of Purmo accept the Improved Tender Offer.

In evaluating the Improved Tender Offer, the Purmo Board has taken into account that the Chair of the Purmo Board, Tomas von Rettig, and Vice Chair of the Purmo Board, Matts Rosenberg are closely associated with the member of the Consortium, Rettig. Further, the Purmo Board has taken into account that the member of the Purmo Board, Alexander Ehrnrooth, is closely associated with Virala. Upon receipt of a non-binding indicative proposal from the Consortium including also information on the irrevocable undertaking of Virala, the Purmo Board resolved to establish a special ad hoc committee consisting of the non-conflicted members of the Purmo Board, being Carina Edblad, Carlo Grossi, Jyri Luomakoski and Catharina von Stackelberg-Hammarén to assess the Tender Offer. The members of the ad hoc committee have held twenty (20) formally scheduled meetings up to the issuance of this Update and have communicated actively with each other and the Company's legal and financial advisers also outside formal meetings in order to carefully assess the Improved Tender Offer from the perspective of Purmo and its shareholders.

In accordance with the disqualification provisions of the Finnish Companies Act and the Helsinki Takeover Code, Tomas von Rettig, Matts Rosenberg and Alexander Ehrnrooth did not participate in any assessment or review of the implications of the Improved Tender Offer by the Purmo Board or in any decision-making concerning the recommendation of the Purmo Board or the Combination Agreement or the Update or the Addendum. In line with the resolution of the Purmo Board, Tomas von Rettig and Matts Rosenberg have not participated in and have refrained from the work of the Purmo Board concerning the Improved Tender Offer due to their material connections to and interests in the Offeror and Alexander Ehrnrooth has not participated in and has refrained from the work of the Purmo Board concerning the Improved Tender Offer due to his material connections to and interests in Virala after the establishment of the independent ad-hoc committee.

### **Certain other matters**

The Purmo Board notes that the transaction may, as is common in such processes, involve unforeseeable risks.

The Purmo Board notes that the shareholders of Purmo should also take into account the potential risks related to non-acceptance of the Improved Tender Offer. If the threshold of ninety (90) per cent of the Shares and votes is not reached, the completion of the Improved Tender Offer would reduce the number of Purmo's shareholders and the number of Shares, which would otherwise be traded on Nasdaq Helsinki. Depending on the number of Shares validly tendered in the Improved Tender Offer, this could have an adverse effect on the liquidity and value of the Shares in Purmo. Furthermore, pursuant to the Finnish Companies Act, a shareholder that holds more than two-thirds of the shares and voting rights carried by the shares in a company has sufficient voting rights to decide upon certain corporate transactions, including, but not limited to, a merger of the company into another company, an amendment of the articles of association of the company, a change of domicile of the company and an issue of shares in the company in deviation from the shareholders' pre-emptive subscription rights.

Pursuant to Chapter 18 of the Finnish Companies Act, a shareholder that holds more than ninety (90) per cent of all shares and votes in a company shall have the right to acquire and, subject to a demand by other shareholders, also be obligated to redeem the shares owned by the other shareholders. In such case, the Shares

held by Purmo's shareholders, who have not accepted the Improved Tender Offer, may be redeemed through redemption proceedings under the Finnish Companies Act in accordance with the conditions set out therein.

Purmo has undertaken to comply with the Helsinki Takeover Code referred to in Chapter 11, Section 28 of the Finnish Securities Markets Act.

This Update of the Purmo Board does not constitute investment or tax advice, and the Purmo Board does not specifically evaluate herein the general price development or the risks relating to the Shares in general. Shareholders must independently decide whether to accept the Improved Tender Offer, and they should take into account all the relevant information available to them, including information presented in the Tender Offer Document as supplemented, and this Update as well as any other factors affecting the value of the Shares.

Purmo has appointed Danske Bank as its financial adviser and Castrén & Snellman as its legal adviser in connection with the Improved Tender Offer.

### **The Board of Directors of Purmo**

Appendix 1: Updated Fairness Opinion

### **Investor and Media enquiries:**

Purmo Group

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For further information, please visit the dedicated website at: <https://purmogroup.tenderoffer.fi/en>.

### **IMPORTANT INFORMATION**

THIS RELEASE MAY NOT BE RELEASED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION IN WHICH THE IMPROVED TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW.

THIS RELEASE IS NOT A TENDER OFFER DOCUMENT AND AS SUCH DOES NOT CONSTITUTE AN OFFER OR INVITATION TO MAKE A SALES OFFER. IN PARTICULAR, THIS RELEASE IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES DESCRIBED HEREIN, AND IS NOT AN EXTENSION OF THE IMPROVED TENDER OFFER, IN, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA. INVESTORS SHALL ACCEPT THE IMPROVED TENDER OFFER FOR THE SHARES ONLY ON THE BASIS OF THE INFORMATION PROVIDED IN A TENDER OFFER DOCUMENT. OFFERS WILL NOT BE MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE EITHER AN OFFER OR PARTICIPATION THEREIN IS PROHIBITED BY APPLICABLE LAW OR WHERE ANY TENDER OFFER DOCUMENT OR REGISTRATION OR OTHER REQUIREMENTS WOULD APPLY IN ADDITION TO THOSE UNDERTAKEN IN FINLAND.

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INTERSTATE OR FOREIGN COMMERCE OF, OR ANY FACILITIES OF A NATIONAL SECURITIES EXCHANGE OF, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA. THE IMPROVED TENDER OFFER CANNOT BE ACCEPTED, DIRECTLY OR INDIRECTLY, BY ANY SUCH USE, MEANS OR INSTRUMENTALITY OR FROM WITHIN, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA AND ANY PURPORTED ACCEPTANCE OF THE IMPROVED TENDER OFFER RESULTING DIRECTLY OR INDIRECTLY FROM A VIOLATION OF THESE RESTRICTIONS WILL BE INVALID.

THIS STOCK EXCHANGE RELEASE HAS BEEN PREPARED IN COMPLIANCE WITH FINNISH LAW, THE RULES OF NASDAQ HELSINKI AND THE HELSINKI TAKEOVER CODE AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS ANNOUNCEMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND.

### **Information for shareholders of Purmo in the United States**

Shareholders of Purmo in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Purmo is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Improved Tender Offer will be made for the issued and outstanding shares of Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Improved Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Improved Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this announcement has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Improved Tender Offer is made to Purmo’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Purmo to whom an offer is made. Any informational documents, including this announcement, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Purmo’s other shareholders.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Improved Tender Offer, and other than pursuant to the Improved Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Purmo of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Purmo, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Improved Tender Offer, passed upon the merits or fairness of the Improved Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Improved Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Improved Tender Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult its independent professional advisers immediately regarding the tax and other consequences of accepting the Improved Tender Offer.



To the extent the Improved Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. holders of Shares and will not give rise to claims on the part of any other person. It may be difficult for Purmo's shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Purmo are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Purmo shareholders may not be able to sue the Offeror or Purmo or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Purmo and their respective affiliates to subject themselves to a U.S. court's judgment.

### **Forward-looking statements**

This release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release.

### **Disclaimer**

Advium Corporate Finance Ltd is acting exclusively on behalf of the Offeror and no one else in connection with the Improved Tender Offer or other matters referred to in this document, does not consider any other person (whether the recipient of this release or not) as a client in connection to the Improved Tender Offer, and is not responsible to anyone other than the Offeror for providing protection or providing advice in connection with the Improved Tender Offer or any other transaction or arrangement referred to in this document.

Danske Bank A/S is authorized under Danish banking law. It is subject to supervision by the Danish Financial Supervisory Authority. Danske Bank A/S is a private, limited liability company incorporated in Denmark with its head office in Copenhagen where it is registered in the Danish Commercial Register under number 61126228.

Danske Bank A/S (acting via its Finland Branch) is acting as financial adviser to Purmo and no other person in connection with these materials or their contents. Danske Bank A/S will not be responsible to any person other than Purmo for providing any of the protections afforded to clients of Danske Bank A/S, nor for providing any advice in relation to any matter referred to in these materials. Without limiting a person's liability for fraud, Danske Bank A/S nor any of its affiliates nor any of its respective directors, officers, representatives, employees, advisers or agents shall have any liability to any other person (including, without limitation, any recipient) in connection with the Improved Tender Offer.

Nordea Bank Abp, which is supervised by the European Central Bank and the Finnish Financial Supervisory Authority, is acting as financial adviser to the Offeror and arranger of the Improved Tender Offer. Nordea Bank Abp is only acting for the Offeror and no one else in connection with the Improved Tender Offer and will not regard any other person as its client in relation to the Improved Tender Offer and will not be responsible to anyone other than the Offeror for providing the protection afforded to clients of Nordea Bank Abp, nor for providing advice in relation to the Improved Tender Offer.

The Independent Committee of the Board of Directors  
Purmo Group Plc  
Bulevardi 46  
00120 Helsinki, Finland

June 19, 2024

Dear members of the Independent Committee of the board,

To our understanding, Project Grand Bidco (UK) Limited (the "Offeror"), a special purpose vehicle incorporated and existing under the laws of England and Wales, that will be indirectly owned by a consortium formed for the purposes of the Tender Offer (as defined below) of certain affiliated funds (the "Apollo Funds") of Apollo Global Management, Inc. and its subsidiaries, (together, "Apollo") and Rettig Oy Ab ("Rettig", and together with Apollo Funds, the "Consortium"), announced on April 26, 2024, a voluntary recommended public cash tender offer for all of the issued and outstanding class C shares in Purmo Group Plc (the "Company" or "Purmo") that are not held by Purmo or any of its subsidiaries (the "C Shares" or, individually, a "C Share") and all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "F Shares" or, individually, an "F Share") (the "Tender Offer").

Furthermore, the Offeror and Purmo have on June 14, 2024 entered into an addendum to the combination agreement initially entered into by the Offeror and Purmo on April 26, 2024 (as amended, the "Combination Agreement"), according to which the Offeror has, among other things, agreed to improve the offer prices for each Share validly tendered in the Tender Offer (the "Improved Tender Offer"). According to the Improved Tender Offer, a cash consideration of EUR 11.15 will be offered for each C Share not held by Rettig (the "Improved C Share Offer Price"), EUR 10.62 will be offered for each C Share held by Rettig, EUR 11.15 will be offered for each F Share eligible for conversion into C Shares and EUR 6.75 will be offered for each F Share ineligible for conversion into C Shares.

In connection with the Improved Tender Offer, you have asked Danske Bank Corporate Finance (Department of Danske Bank A/S, Finland Branch) ("Danske Bank") to render an opinion in relation to the fairness of the Improved C Share Offer Price to be received by the shareholders of the Company's C Shares not held by Rettig from a financial point of view, prepared based on the method of opinion described below.

Danske Bank has acted as financial advisor to the Company in connection with the Tender Offer and the Improved Tender Offer and will receive a fee for its services, including rendering this opinion ("Fairness Opinion").

Please be advised that while certain provisions of the Improved Tender Offer are summarized above, the terms of the Improved Tender Offer are more fully described in the Tender Offer Document. As a result, the description of the Improved Tender Offer and certain other information contained herein is qualified in its entirety by reference to the more detailed information appearing or incorporated by reference in the Tender Offer Document.

**Method of opinion**

This Fairness Opinion has been prepared based on principles, which we, applying our best professional judgement, have deemed adequate and reasonable.

For the purposes of this Fairness Opinion we have primarily, but not only, based our valuation of the Company on (i) multiples applied for companies which we in each case have deemed comparable to the Company (ii) a cash flow based analysis and (iii) multiples applied in transactions which we in each case have deemed relevant and comparable to the Improved Tender Offer. Additionally, in determining our opinion we have (i) reviewed broker recommendations and target prices and (ii) analysed actual public takeover offer premiums in Finland in comparison to market capitalization.

Our opinion does not address the relative merits of the Improved Tender Offer as compared to other business strategies or transactions that might be available with respect to the Company or the underlying business decision of the Independent Committee of the Board of Directors of the Company to recommend the Improved Tender Offer.

**Basis of opinion**

In rendering this Fairness Opinion, we have, among other things:

- i. Reviewed certain publicly available business and historical financial information relating to the Company;
- ii. Reviewed certain internal financial information relating to the business and its prospects, including estimates and financial forecasts prepared by the management, that have not been disclosed to the public;
- iii. Conducted discussion with, and relied on statements made by members of the senior management of the Company concerning the business, financial forecasts and financial position of the Company;
- iv. Reviewed publicly available information regarding the Company, such as, research estimates, research analyses and information regarding the underlying markets;
- v. Reviewed current and historical stock prices and trading volumes of the shares;
- vi. Reviewed publicly available financial and stock market information with respect to certain companies operating in similar sectors which we believe to be generally comparable to those of the Company;
- vii. Compared the Improved C Share Offer Price of the Improved Tender Offer with the publicly available financial terms of certain other transactions which we believe to be generally relevant;
- viii. Reviewed drafts of transaction documents related to the Improved Tender Offer; and

- ix. Conducted other financial studies, analyses and considered other information, as we have deemed necessary and appropriate.

### Assumptions

In rendering this Fairness Opinion, we have relied upon and assumed, without independent analysis or verification:

- a) The accuracy and completeness of the information, and we have assumed no responsibility for independently verifying the accuracy and completeness of the information or any part thereof;
- b) That Purmo has submitted to us any and all information which to the best of Purmo's knowledge and belief has or might have an impact on our valuation of the Company or this Fairness Opinion; and
- c) That parties of the Improved Tender Offer have received qualified legal advice regarding all relevant legal matters, and that, *inter alia*, such advice has been taken into account in the commercial assessments.

### Qualifications

This Fairness Opinion is subject to the following qualifications:

In the ordinary course of our business, Danske Bank may actively trade the securities of Purmo and derivatives hereof, for our own account, and for the accounts of customers, and accordingly, may at any time hold a long or short position in such securities.

This Fairness Opinion is based on economic, market, regulatory and other conditions in effect on June 19, 2024, and the information made available to us until that date. It should be pointed out that subsequent developments may have an impact on the valuation of the Company, but we are not under an obligation to update, revise or reconfirm this Fairness Opinion.

We have not verified the information received or any other information. We have not controlled the consistency of and completeness and accuracy of the information and any other information received or obtained.

This Fairness Opinion contains subjective elements and reflects our best financial assessment.

We do not provide legal, technical, accounting or tax advice, nor are we actuaries and our services do not include actuarial determinations or evaluations, nor did we make an attempt to evaluate any actuarial assumptions. In addition, we have not reviewed any individual credit files nor have we made any independent evaluation or appraisal of the assets and liabilities of the Company, or any of its subsidiaries, and we have not been furnished with any such evaluation or appraisal. In that regard, we express no opinion as to the adequacy of the provisions of the Company, or any of its subsidiaries.

We have excluded from our analysis any consideration of the tax implications of the Improved Tender Offer for any of the parties of the Improved Tender Offer.

### **Governing law; Arbitration**

Any dispute arising out of, or relating to, this Fairness Opinion shall be construed in accordance with and governed by the laws of the Republic of Finland and shall be finally settled by arbitration in accordance with the rules of the Arbitration Rules of the Finland Chamber of Commerce by three arbitrators. The arbitration procedure shall take place in Helsinki and shall be carried out in the English language, if so requested by a party.

### **Reliance**

Our advisory services and the opinion expressed herein are provided solely for the information and assistance of the Independent Committee of the Board of Directors of Purmo in connection with its assessment of the Improved Tender Offer and may not, without our prior written consent, be relied upon by Purmo for any other purpose or be or relied upon by any person other than the members of the Independent Committee of the Board of Directors of Purmo.

### **Conclusion**

**Based upon and subject to the content of this letter and based upon such other matters, as we consider relevant, it is our opinion that at the date of rendering this Fairness Opinion, the Improved C Share Offer Price to be offered to the shareholders of C Shares not held by Rettig is fair from a financial point of view.**

Yours faithfully,  
DANSKE BANK A/S, Finland Branch  
Corporate Finance