

Inside information: Project Grand Bidco (UK) Limited announces a voluntary recommended public cash tender offer for all the shares in Purmo Group Plc

PROJECT GRAND BIDCO (UK) LIMITED / PURMO GROUP PLC INSIDE INFORMATION April 26, 2024
at 9:00 EEST

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Inside information: Project Grand Bidco (UK) Limited announces a voluntary recommended public cash tender offer for all the shares in Purmo Group Plc

- Certain funds managed by affiliates of Apollo and Rettig form a consortium for the purposes of the voluntary recommended public cash tender offer for all the issued and outstanding shares in Purmo Group Plc (the “**Company**” or “**Purmo**”).
- The transaction is expected to accelerate the implementation of Purmo’s growth strategy.
- The Consortium intends to support the development of Purmo with industrial expertise.
- Opportunity for Purmo’s shareholders to realize their investment in Purmo at an attractive premium.
- The offer price for class C shares is EUR 9.91 in cash for each issued class C share in Purmo, representing a premium of
 - approximately 32.1 per cent compared to the closing price (EUR 7.50) of the class C shares on Nasdaq Helsinki on April 25, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
 - approximately 41.3 per cent compared to the three-month volume-weighted average trading price (EUR 7.01) of the class C share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer, and
 - approximately 47.6 per cent compared to the six-month volume-weighted average trading price (EUR 6.71) of the class C share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer.
- Purmo’s largest shareholder, Rettig, has irrevocably undertaken, subject to certain customary termination rights, to sell all its class C shares, which represent 61.8 per cent of all issued and outstanding shares and votes in the Company, to the Offeror in connection with, and subject to the completion of, the offer.
- Irrevocable undertakings, subject to certain customary termination rights, to support the offer received from Purmo’s other shareholders represent in aggregate approximately 23.5 per cent of Purmo’s class C shares and 100 per cent of Purmo’s class F shares. In aggregate, Rettig’s undertaking and the irrevocable undertakings received for the class C shares represent approximately 87.6 per cent of all class C shares in the Company.
- In total, Rettig’s undertaking and the irrevocable undertakings represent approximately 88.1 per cent of all issued and outstanding shares and votes in Purmo.

Project Grand Bidco (UK) Limited (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 (as defined below) 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 the Apollo Funds, the “**Consortium**”). The Offeror hereby

announces a voluntary recommended public cash tender offer (the “**Tender Offer**”) for all the issued and outstanding class C shares (the “**C Shares**” or, individually, a “**C Share**”) and all the issued and outstanding class F shares (the “**F Shares**” or, individually, a “**F Share**”) in Purmo (the C Shares and the F Shares together the “**Shares**” or, individually, a “**Share**”). The C Shares are traded on the official list of Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”), while the F Shares are not subject to trading.

The holders of C Shares, and F Shares eligible for conversion into C Shares in accordance with the articles of association of the Company, will be offered cash consideration of EUR 9.91 for each such C Share or F Share validly tendered in the Tender Offer (the “**C Share Offer Price**”) and the holder of F Shares ineligible for conversion into C Shares will be offered cash consideration of EUR 6.00 for each such F Share validly tendered in the Tender Offer (the “**F Share Offer Price**”, and together with the C Share Offer Price, the “**Offer Prices**”). In connection with the Tender Offer but as a separate transaction, Rettig has undertaken to sell all its C Shares to the Offeror for cash consideration of EUR 8.91 for each such C Share.

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.

KEY HIGHLIGHTS AND SUMMARY OF THE TENDER OFFER

- On April 26, 2024, the Offeror and Purmo entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror will make the Tender Offer for all the issued and outstanding shares in Purmo. Apollo Funds and Rettig have formed a Consortium for the purposes of the Tender Offer, which will indirectly own the Offeror following the completion of the Tender Offer.
- The C Share Offer Price is EUR 9.91 in cash for each C Share and each F Share eligible for conversion into C Share in accordance with the articles of association of the Company validly tendered in the Tender Offer. The F Share Offer Price is EUR 6.00 in cash for each F Share ineligible for conversion into C Shares validly tendered in the Tender Offer. In addition, in connection with, and subject to the completion of, the Tender Offer, Rettig has irrevocably undertaken to sell all its C Shares to the Offeror for cash consideration of EUR 8.91 for each such C Share. The Offer Prices are subject to adjustments as set out in the section “The Tender Offer in Brief” below.
- The C Share Offer Price represents a premium of approximately 32.1 per cent compared to the closing price (EUR 7.50) of the C Share on the official list of Nasdaq Helsinki on April 25, 2024, the last trading day immediately preceding the announcement of the Tender Offer, a premium of approximately 41.3 per cent compared to the volume-weighted average price (EUR 7.01) of the C Share on the official list of Nasdaq Helsinki during the three-month period prior to and up to April 25, 2024 and a premium of approximately 47.6 per cent compared to the volume-weighted average price (EUR 6.71) of the C Share on the official list of Nasdaq Helsinki during the six-month period prior to and up to April 25, 2024.
- The Tender Offer values Purmo’s total equity at approximately EUR 392 million.
- 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 recommendation is supported by a fairness opinion provided by Danske Bank A/S, Finland Branch (“**Danske Bank**”).

- The transaction is expected to accelerate the implementation of Purmo’s growth strategy. The Consortium believes that the private setting will allow Purmo’s management to focus on driving longer term value creation without considerations for short-term market volatility.
- The Consortium is well-positioned to support the Company in private ownership given Apollo’s previous successful investments in the clean transition space and Rettig’s exceptionally long shared history with Purmo as well as significant and unique knowledge and expertise of Purmo and its industry. The prominent participation of Rettig, Purmo’s major and long-term shareholder, in the Consortium will also ensure continuity with Purmo’s culture and history. Together, this investor partnership is equipped with relevant industrial expertise to support Purmo in reaching its full potential.
- The completion of the 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 Board of Directors of Purmo after the completion of the Tender Offer.
- Rettig’s irrevocable undertaking to sell all its C Shares to the Offeror for cash consideration of EUR 8.91 for each such C Share in connection with, and subject to the completion of, the Tender Offer to support the Tender Offer represents approximately 61.8 per cent of all the C Shares in Purmo.
- Irrevocable undertakings to support the Tender Offer from Purmo’s other shareholders represent in aggregate approximately 23.5 per cent of Purmo’s C shares and, together with Rettig’s undertaking, approximately 87.6 per cent of all C shares in the Company.
- The irrevocable undertaking of Virala Corporation for F Shares to support the Tender Offer represents 100 per cent of all the F Shares in Purmo.
- In total, Rettig’s undertaking and the irrevocable undertakings represent approximately 88.1 per cent of all Shares.
- The Offeror (either directly or via its affiliates) has secured the required equity and debt financing to finance the Tender Offer at completion in accordance with its terms, and subsequent compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”), and the possible payment of a termination fee by the Offeror. The Offeror’s obligation to complete the Tender Offer is not conditional upon the availability of financing.
- The Offeror expects to publish a tender offer document (the “**Tender Offer Document**”) with detailed information on the Tender Offer on or about May 16, 2024. The offer period under the Tender Offer is expected to commence on or about May 17, 2024, and to expire on or about June 21, 2024, unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Tender Offer, including, among others, the receipt of all necessary regulatory approvals (or expiry of regulatory waiting periods, as the case may be). The Tender Offer is currently expected to be completed at the end of the second quarter or the beginning of the third quarter of 2024.
- The completion of the 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 Tender Offer including, among others, that approvals by all necessary competition authorities and other regulatory authorities have been received (or regulatory waiting periods have expired, as the case may be) and the Offeror having gained control of more than 90 per cent of the Shares and votes in Purmo.

Commenting on the Tender Offer, Apollo Partner Waleed Elgohary said:

“The team at Purmo Group has 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. Apollo, together with Rettig, believes Purmo Group can become one of Europe’s leading providers of sustainable indoor climate solutions, while retaining a top industry position in radiators. We look forward to leveraging our extensive climate industry experience to support the management team and create additional value for Purmo Group’s customers, employees and all those it serves.”

Commenting on the Tender Offer, Matts Rosenberg, CEO, Rettig Oy Ab, said:

“Rettig is a family-owned investment company that creates value for generations, and the Tender Offer represents a transaction that is well in line with our stated strategic ambition of reducing our ownership in Purmo Group. At the same time, the Tender Offer enables us to continue supporting Purmo Group as a significant minority shareholder by providing insights and institutional knowledge gathered throughout our more than 50 years of ownership in Purmo Group. In its current setting, the Company’s capacity to 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 Group’s growth and clean transition journey, benefitting both the Company and its employees. We at Rettig firmly believe that the Tender Offer represents an attractive opportunity for both Purmo Group and all of its shareholders.”

Commenting on the Tender Offer, Jyri Luomakoski, Chair of the Independent Ad Hoc Committee of the Board, Purmo Group, said:

“The independent members of the Board of Directors of Purmo Group have assessed the Tender Offer from the perspective of the Company and its shareholders, including an evaluation of Purmo Group’s options to continue its journey as a listed company or pursuing alternative opportunities. In our assessment, we have considered several factors such as Purmo Group’s recent financial performance, current position and future prospects, the historical performance of the trading price of Purmo Group’s share and the terms and conditions of the Tender Offer. The independent members of the Board of Directors of Purmo Group have also considered that shareholders representing a total of approximately 87.6 per cent of all C Shares in the Company have undertaken to accept the Tender Offer, however subject to certain termination rights in respect of said undertakings. As a result of our assessment, we have concluded that entering into a customary combination agreement with the Consortium enables an attractive offer and is in the best interests of the shareholders of Purmo Group. We believe that the Consortium, which includes the Company’s long-term main shareholder Rettig, is well-equipped with relevant industrial expertise and adequate capital resources to support the continued development of the company while also ensuring continuity with its culture and history.”

Commenting on the Tender Offer, John Peter Leesi, CEO, Purmo Group, said:

“The team of Purmo Group has done an excellent job in building a strong foundation for growth through significant improvements in our performance over the last few years. Our next phase is now about to start – the focus towards generating growth. I want to sincerely thank our great team of professionals at Purmo Group for the past two years in building the Company into a significantly

stronger position within the HVAC industry. This has led to one of the world's premier private equity firms expressing interest in Purmo Group."

ABOUT THE CONSORTIUM

Apollo Global Management, Inc. ("**AGM**") is a high-growth, global alternative asset manager. Through its fully integrated investment platform spanning the full risk-reward spectrum from investment grade to private equity, AGM provides innovative capital solutions to businesses and invests in all parts of the capital structure. As of 31 December 2023, AGM had assets under management of approximately \$651 billion across yield, hybrid, and equity strategies. The Apollo Funds have extensive experience in the ownership of public and private businesses, having invested in over 300 companies since AGM's inception in 1990.

Rettig is a Finnish family-owned investment company. Its investment strategy focuses on both listed and private assets, and sets out to generate attractive over-the-cycle returns while maintaining an appropriate risk level in the portfolio. As at the date of this announcement, Rettig holds approximately 61.8 per cent of the Shares.

Apollo Funds and Rettig form the Consortium for the purposes of the Tender Offer. As at the date of this announcement, the Offeror, a special purpose vehicle incorporated under the laws of England and Wales, 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 after 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 20.00 per cent of the shares in Project Grand Topco (UK) Limited.

Certain banks have committed to provide debt financing in connection with the Tender Offer. A summary of the financing has been provided below under the section "Financing".

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 3,089 employees operate in 23 countries, manufacturing and distributing top-quality products and solutions to its over 100,000 customers in more than 100 countries.

BACKGROUND AND STRATEGIC RATIONALE

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 – all while Purmo has been able to execute targeted M&A – the Consortium believes that the Company's ownership structure and balance sheet in combination with the public company setting holds Purmo back from realising its full potential. The Consortium believes that a period of private ownership can expedite the execution of Purmo's strategy, 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 public market scrutiny including the quarterly reporting cycle, supported by sufficient balance sheet strength and the capabilities of a reputable global private equity sponsor.

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, will bring along to the Company the appropriate long-term investment horizon, relationships and industrial expertise.

The completion of the 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 Board of Directors of Purmo after the completion of the Tender Offer.

THE TENDER OFFER IN BRIEF

The Offeror and Purmo have on April 26, 2024 entered into the Combination Agreement pursuant to which the Offeror will make the Tender Offer. A summary of the Combination Agreement has been provided below under the section "The Combination Agreement".

The Offeror and Purmo have undertaken to comply with the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**").

As at the date of this announcement, Purmo has (i) a total of 41,112,713 C Shares, all of which are outstanding and held by the shareholders of the Company, and (ii) a total of 1,565,217 F Shares, all of which are outstanding and held by Virala Corporation. As at the date of this announcement, neither the Offeror nor Apollo hold any Shares while Rettig holds 26,373,971 C Shares in aggregate, representing approximately 61.8 per cent of all Shares in Purmo.

The Offeror reserves the right to acquire C Shares before, during and/or after the offer period (including any extension thereof and any subsequent offer period) in public trading on Nasdaq Helsinki or otherwise.

The Offer Price

The C Share Offer Price is EUR 9.91 in cash for each C Share and each F Share eligible for conversion into C Share validly tendered in the Tender Offer, subject to any adjustments as set out below.

The F Share Offer Price is EUR 6.00 in cash for each F Share ineligible for conversion into C Share validly tendered in the Tender Offer, subject to any adjustments as set out below.

In addition, in connection with, and subject to the completion of, the Tender Offer, Rettig has undertaken to sell all its C Shares to the Offeror for cash consideration of EUR 8.91 for each such C Share, subject to any adjustments as set out below.

The C Share Offer Price represents a premium of approximately:

- 32.1 per cent compared to EUR 7.50, *i.e.* the closing price of the Purmo share on Nasdaq Helsinki on April 25, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
- 41.3 per cent compared to EUR 7.01, *i.e.* the three-month volume-weighted average trading price of the Purmo share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer; and
- 47.6 per cent compared to EUR 6.71, *i.e.* the six-month volume-weighted average trading price of the Purmo share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer.

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 Share, and the F Share Offer Price has been determined based on 1,271,739 issued and outstanding F Shares ineligible for conversion into C Share.

Should the Company change the number of its Shares 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 prior to the settlements of the completion trades, 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.

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 9.91, for both the C Shares and F Shares eligible for conversion into C Shares.

The F Share Offer Price has not been adjusted as a result of the first capital return instalment since the adjustment in respect of the capital return of EUR 0.02 for each F Share has been allocated in full to F Shares that are eligible for conversion into C Shares in accordance with the articles of association of the Company as if such F Shares eligible for conversion into C Shares were C Shares and had received the capital return of EUR 0.09 for each C Share, and the F Shares ineligible for conversion into C Shares had received no capital return.

The basis for above pricing is that it assumes that all F Shares eligible for conversion into C Shares would already have been converted into C Shares. In accordance with the articles of association of the Company, the right of the F Shares to distributions of assets is determined based on the number

of F Shares eligible for conversion into C Shares, but any distribution of assets for the F Shares must be distributed among all F Shares, therefore resulting in the lower capital return for each F Share as long as all F Shares are not eligible for conversion into C Shares. Due to the full adjustment on account of the capital return to F Shares being made to the C Share Offer Price in respect of F Shares eligible for conversion into C Shares, the F Share Offer Price is not adjusted due to distribution of assets.

Should any of the remaining capital return instalments resolved by the Company's Annual General Meeting held on April 9, 2024 be paid, or if the record date thereof occurs, prior to any of the settlements of the completion trades (whether after the expiry of the offer period or any subsequent offer period), the Offer Prices will be adjusted accordingly on a euro-for-euro basis for both the C Shares and the F Shares eligible for conversion into C Shares, in which case the F Share Offer Price would not be adjusted.

The Offer Period

The offer period under the Tender Offer is expected to commence on or about May 17, 2024, and to expire on or about June 21, 2024. The Offeror reserves the right to extend the offer period from time to time in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations, in order to satisfy the conditions to completion of the Tender Offer, including, among others, the receipt of all necessary regulatory approvals, permits, clearances and consents, including without limitation approvals required under applicable foreign direct investment laws and competition clearances (or, where applicable, the expiry of relevant waiting periods) required under applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Tender Offer. The Tender Offer is currently expected to be completed at the end of the second quarter or the beginning of the third quarter of 2024.

The detailed terms and conditions of the Tender Offer as well as instructions on how to accept the Tender Offer will be included in the Tender Offer Document, which the Offeror expects to publish on or about May 16, 2024.

Recommendation by the Board of Directors of Purmo

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 Board of Directors will issue its statement on the Tender Offer in accordance with the Finnish Securities Markets Act (746/2012, as amended, the "**Finnish Securities Markets Act**") before the commencement of the offer period and it will be appended to the Tender Offer Document. The Board of Directors of Purmo received a fairness opinion, dated April 26, 2024, from Purmo's exclusive financial adviser, Danske Bank, 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 will be attached to the statement of the Board of Directors of Purmo.

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

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 and Merimieseläkekassa (Seafarers Pension Fund), together representing approximately 88.1 per cent of all Shares in Purmo, have irrevocably undertaken to accept the Tender Offer. In addition, Virala Corporation has irrevocably undertaken, subject to certain customary termination rights, to accept the Tender Offer for the F Shares held by it, representing 100 per cent of all F Shares in Purmo. 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 the section "The Offer Price"), 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 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 Purmo 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 the section "The Offer Price"), 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.

Conditions to Completion of the Tender Offer

The Offeror's obligation to complete the Tender Offer is subject to the fulfilment or, to the extent permitted by applicable law, waiver by the Offeror of each of the conditions set out below (the "**Conditions to Completion**") on or by the date of the Offeror's announcement of the final result of the Tender Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act:

1. 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 ninety (90) per cent of the Shares and voting rights in the Company calculated in accordance with Chapter 18 Section 1 of the Finnish Companies Act;

2. the receipt of all necessary regulatory approvals, permits, clearances and consents, which shall include approval by the regulatory authorities specified in the Combination Agreement, such approval being considered obtained where the relevant regulatory authority has:
 - a. declined jurisdiction over or communicated their intent not to investigate the Tender Offer; or
 - b. explicitly granted clearance, either unconditionally or subject to such conditions, commitments, undertakings or modifications as the decision may specify, provided that the terms of any conditions, commitments, undertakings or modifications are in all respects satisfactory to the Offeror; or
 - c. become time barred from reviewing the transaction by virtue of the expiry of any applicable waiting period under applicable regulatory laws;
3. no material adverse change in the Purmo group having occurred on or after the signing date of the Combination Agreement;
4. the Offeror not having received information after the signing date of the Combination Agreement previously undisclosed to it that constitutes or results in a material adverse change in the Purmo group;
5. no information made public by the Purmo group or disclosed by the Company to the Offeror being materially inaccurate, incomplete, or misleading, and the Company not having failed to make public any information that should have been made public by it under applicable laws, including the rules of Nasdaq Helsinki, provided that, in each case, the information made public, disclosed or not disclosed or the failure to disclose information constitutes a material adverse change in the Purmo group;
6. no legislation or other regulation having been issued and no court or regulatory authority of competent jurisdiction has given a decision or issued any regulatory action that would wholly or in any material part prevent, postpone or frustrate the completion of the Tender Offer;
7. the Board of Directors of the Company having issued its recommendation and the Recommendation remaining in full force and effect and not having been withdrawn, modified, cancelled, or amended (save for certain permitted amendments); and
8. the Combination Agreement not having been terminated and remaining in full force and effect and no event having occurred that, with the passage of time, would give the Offeror the right to terminate the Combination Agreement.

The Conditions to Completion set out herein are exhaustive. The Offeror may invoke any of the Conditions to Completion so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn, only if the circumstances which give rise to the right to invoke the relevant Condition to Completion have a significant meaning to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 (Takeover bids and mandatory bids), as may be amended or re-enacted from time to time, issued by the Finnish Financial Supervisory Authority and the Helsinki Takeover Code. The Offeror reserves the right to waive any of the Conditions to Completion that have not been fulfilled, including with respect to the first Condition to Completion, to

consummate the Tender Offer at a lower acceptance level or otherwise despite the non-fulfilment of some of the Conditions to Completion. 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 Tender Offer, the Offeror will consummate the Tender Offer in accordance with its terms and conditions after the expiration of the offer period by purchasing the Shares validly tendered in the Tender Offer and paying the Offer Prices to the holders of the Shares that have validly accepted the Tender Offer in accordance with the terms and conditions of the Tender Offer.

Regulatory Approvals

The Offeror will, as soon as reasonably practicable, make all material and customary submissions, notifications and filings (or draft notifications as appropriate) required to obtain all necessary regulatory approvals, permits, clearances and consents, including without limitation approvals required under applicable foreign direct investment laws and competition clearances (or, where applicable, the expiry of relevant waiting periods) required under applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Tender Offer.

Based on currently available information, the Offeror expects to obtain such necessary regulatory approvals, permits, clearances and consents and to complete the Tender Offer at the end of the second quarter or the beginning of the third quarter of 2024. The Offeror will use its reasonable best efforts to obtain such regulatory approvals. However, the length and outcome of the merger control and foreign investment clearance process are not within the control of the Offeror, and there can be no assurances that clearance will be obtained within the estimated timeframe, or at all.

Financing

The Offeror has received equity commitment letters, as evidenced in equity commitment letters addressed to the Offeror. Grand Bidco (Finland) Oy ("**Finco**") has received debt commitments (and interim debt commitments), as evidenced in debt commitment letters addressed to Finco, in each case, to finance the Tender Offer at completion and compulsory redemption proceedings, if any. It is intended that Finco will assign its rights or transfer its rights and obligations under the debt commitment letters to the Offeror. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the Conditions to Completion of the 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.

Future plans concerning the Shares

The Offeror intends to acquire all the Shares. If, as a result of the completion of the Tender Offer, the Offeror's ownership has exceeded 90 per cent of all the Shares and votes in the Company, when calculated together with any Shares otherwise held by the Offeror prior to the date of the announcement of the final result of the Tender Offer, the Offeror will commence as soon as reasonably practicable compulsory redemption proceedings in accordance with the Finnish Companies Act for all the Shares not purchased pursuant to the Tender Offer. Thereafter, the Offeror will apply for the C Shares in Purmo to be delisted from Nasdaq Helsinki, as soon as

permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq Helsinki.

The Combination Agreement

The Combination Agreement between Purmo and the Offeror sets forth the principal terms under which the Offeror will make the Tender Offer.

Under the Combination Agreement, the Board of Directors of Purmo may, at any time prior to the completion of the Tender Offer, withdraw, modify, cancel or amend its recommendation and take actions contradictory to the recommendation, including by way of deciding not to issue its recommendation for the shareholders of Purmo to accept the Tender Offer, but only if the Board of Directors of Purmo determines in good faith due to any event, condition, circumstance, development, occurrence, change, effect or fact (the “**Effect**”) occurring after the date of the Combination Agreement or an Effect occurring prior to the date of the Combination Agreement of which the Board of Directors of the Company was not aware as at the date of the Combination Agreement, after receiving written advice from its 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), that such withdrawal, modification, cancellation or amendment of its recommendation or contrary action is required for the Board of Directors of the Company to comply with its mandatory fiduciary duties towards the holders of the Shares under Finnish laws and regulations (the “**Fiduciary Duties**”). If such an action by the Board of Directors of the Company is connected to a competing offer or a competing proposal, which the Board of Directors of the Company has determined in good faith to constitute a superior offer when considered as a whole (including from financial and deliverability points of view to the Offeror’s Tender Offer) if made public, the Board of Directors of the Company may withdraw, modify, cancel or amend or take actions contradictory to its recommendation provided that the Board of Directors of the Company has (i) complied with its obligations in the Combination Agreement to not solicit competing transactions, (ii) notified the Offeror of the Company’s receipt of the competing offer or competing proposal, (iii) in good faith provided the Offeror with an opportunity to negotiate with the Board of Directors of the Company about matters arising from the competing offer or competing proposal, and (iv) 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 Tender Offer as contemplated by the Combination Agreement.

The Company shall, and shall cause its affiliated entities and its and their respective representatives, (a) not to, directly or indirectly, solicit, initiate or knowingly encourage the interest in (A) acquiring, submission of a proposal or offer for the acquisition of, or subscription for any Shares or (B) a possible public takeover for the Shares or any acquisition of all or a material portion of the assets of, or other strategic transaction involving, the Company (or its affiliated entities), or participating in or discussing any other consortium offer or other strategic transaction concerning the Company, or otherwise enter into discussions or agreements that would compete with or otherwise frustrate the Tender Offer, (b) except as part of the Tender Offer, not to pursue, discuss, provide information, assist, or continue or enter into any arrangement or agreement with any other person in respect of any acquisition of all or a material portion of the assets or Shares of the Company and/or the Purmo group or any other transaction in relation to the Company having a similar effect; (c) not to support, agree to, provide information for, or endorse any competing offer, or enter into any discussion or agreements concerning any competing offer, unless such competing offer satisfies certain conditions required under the Combination Agreement for a competing proposal; (d) to cease and

cause to be terminated any possible discussions, negotiations or other activities related to any competing proposal conducted by or on behalf of the Company prior to the signing date of the Combination Agreement; (e) not to, upon receipt of a competing proposal, directly or indirectly, facilitate or promote the progress of such competing proposal, unless such measures are required in order for the Board of Directors of the Company to comply with its Fiduciary Duties (and only to the extent necessary for the fulfillment of the Fiduciary Duties), and provided that the Company complies with certain procedures about matters arising from such competing proposal.

The Combination Agreement further includes certain customary representations, warranties and undertakings by both parties, such as conduct of Purmo's and each of its subsidiaries' business in all material respects in the ordinary course of business until the earlier of the date of the settlements of the completion trades with respect to the Shares tendered in the Tender Offer or the termination of the Combination Agreement in accordance with its terms and use of reasonable best efforts by the parties to do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary or advisable to consummate the Tender Offer and the transactions contemplated by the Combination Agreement.

The Combination Agreement may be terminated and the transactions contemplated in the Combination Agreement abandoned by the Company or the Offeror in certain circumstances, including, among others, if a final, non-appealable injunction or other order issued by any court of competent jurisdiction or other final, non-appealable legal restraint or prohibition preventing the consummation of the Tender Offer has taken effect after the date of the Combination Agreement and continues to be in effect or upon a material breach of any warranty or undertaking given by the Company or the Offeror. If the Combination Agreement is terminated due to certain reasons specified in the Combination Agreement, the Offeror has agreed to a termination fee payment in the amount of EUR 2,500,000 payable to the Company and the Company has agreed to reimburse expenses incurred by the Offeror (other than Rettig's part of such expenses) up to the maximum amount of EUR 2,500,000. If termination has occurred following a competing offer, which has subsequently completed, the Company has agreed to an additional reimbursement of expenses incurred by the Offeror (other than Rettig's part of such expenses) up to a maximum amount of EUR 2,500,000 to the Offeror, provided that such competing offer is completed within eighteen (18) months from the termination of the Combination Agreement.

ADVISERS

The Offeror has appointed Advium Corporate Finance Ltd., Jefferies International Limited and RBC Europe Limited as financial advisers, Sidley Austin LLP, Roschier, Attorneys Ltd. and Avance Attorneys Ltd as legal advisers and Miltoon Ltd as the communication adviser in connection with the Tender Offer. Purmo has appointed Danske Bank as financial adviser and Castrén & Snellman Attorneys Ltd as legal adviser in connection with the Tender Offer.

INVITATION TO A WEBCAST ON APRIL 26, 2024, AT 10:00 A.M. EEST

Apollo and Rettig invite shareholders of Purmo and analysts to attend a webcast briefing on the Tender Offer, including a Q&A session, today, April 26, 2024, at 10:00 a.m. (EEST). The presentation will be in English. Link to webcast: <https://purmogroup.fluxmedia.live/livestream>. Participants may submit questions in writing during the event through a message platform available in the webcast.

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IMPORTANT INFORMATION

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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 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 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 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 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 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.

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

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 its independent professional advisers 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.

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.