

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

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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>.

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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.