

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

July 17, 2024

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

Project Grand Bidco (UK) Limited (the "**Offeror**") and Purmo Group Plc (the "**Company**" or "**Purmo**") have on April 26, 2024 entered into a combination agreement, as amended on June 14, 2024 (the "**Combination Agreement**"), pursuant to which the Offeror has made a voluntary public cash tender offer, recommended by the Board of Directors of Purmo, to acquire all of the issued and outstanding class C shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**C Shares**" or, individually, a "**C Share**") and all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**F Shares**" or, individually, an "**F Share**", and together with the C Shares, the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**"). The Offeror has published a tender offer document on May 16, 2024, concerning the Tender Offer, the first supplement to the tender offer document on May 31, 2024 and the second supplement to the tender offer document on June 20, 2024 (the tender offer document, as supplemented from time to time, the "**Tender Offer Document**"). The offer period (the "**Offer Period**") for the Tender Offer commenced on May 17, 2024, at 9:30 a.m. (Finnish time) and is currently ongoing.

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

Supplements to the Tender Offer Document

Purmo published a stock exchange release on July 15, 2024 ("**Purmo's Stock Exchange Release**"), noting that Haier Europe Appliances Holding B.V. ("**Haier**"), a wholly-owned subsidiary of Haier Smart Home Co., Ltd., announced on July 15, 2024 a competing voluntary public all-cash tender offer for all issued and outstanding Shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**Competing Offer**"), and the Offeror published a stock exchange release on July 15, 2024 on the acknowledgement of the Competing Offer and its intention to extend the Offer Period of the Tender Offer. On July 16, 2024, the Offeror published a stock exchange release ("**Offeror's Stock Exchange Release**") concerning its comments on the Competing Offer, its decision not to increase the offer prices of its Tender Offer because of the Competing Offer, the Offeror's waiver of the condition to completion of the Tender Offer concerning receipt of regulatory approvals as well as the seven business days' matching period that the Board of Directors of the Company would be required to grant the Offeror to enhance its Tender Offer under the terms of the Combination Agreement, and the upcoming adjustment of the C Share offer price and the cash consideration for each C Share that Rettig has undertaken to sell to the Offeror. On July 17, 2024, Purmo published an unaudited half-year financial report as at and for the six months ended June 30, 2024 (the "**Half-Year Financial Report**"). The Offeror therefore supplements the Tender Offer Document in accordance with Chapter 11, Section 11, Subsection 4 of the Finnish Securities Markets Act (746/2012, as amended) with the following information included in this document (the "**Supplement Document**") and by adding Purmo's Stock Exchange Release, as Annex H to the Tender Offer Document, the Offeror's Stock Exchange

Release, as Annex I to the Tender Offer Document and the Half-Year Financial Report as Annex J to the Tender Offer Document.

Due to the announcement of the Competing Offer and publication of the Supplement Document, and as required under applicable law and the regulations and guidelines of the Finnish Financial Supervisory Authority, the Offeror extends the Offer Period of the Tender Offer to expire on July 31, 2024, at 4:00 p.m. (Finnish time), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer.

Purmo's Stock Exchange Release and supplements relating to the Competing Offer

Purmo announced on July 15, 2024 that Haier had announced the Competing Offer pursuant to which Haier proposes to acquire all issued and outstanding C Shares and F Shares eligible for conversion into C Shares at an offer price of EUR 13.68 per share and all issued and outstanding F Shares ineligible for conversion into C Shares at an offer price of EUR 8.28 per share. According to Purmo's Stock Exchange Release, the completion of the Competing Offer is subject to certain conditions, including the Competing Offer having been validly accepted with respect to Shares representing, together with any other Shares otherwise acquired by Haier prior to or during the offer period, more than eighty (80) percent of the Shares and voting rights in Purmo, the receipt of all necessary regulatory approvals, the Board of Directors of Purmo issuing its recommendation to the shareholders to accept the Competing Offer as well as Haier and the Company having entered into a combination agreement. Pursuant to Purmo's Stock Exchange Release, the Board of Directors of Purmo is not yet expressing a view on the Competing Offer nor entering into any contractual arrangement with Haier regarding the Competing Offer, but intends to evaluate the terms and conditions of the Competing Offer, and seek to investigate shareholder support for the Competing Offer considering the offer terms. The Board of Directors of Purmo will supplement its statement issued on May 10, 2024 (as previously supplemented on June 19, 2024) regarding the Tender Offer and issue a statement on the Competing Offer following its evaluation of the two competing offers, and its recommendation issued on May 10, 2024 (as supplemented on June 19, 2024) for shareholders to accept the Tender Offer remains upheld.

The Offeror has confirmed in the Offeror's Stock Exchange Release, published on July 16, 2024, that it will not increase the offer prices of its Tender Offer because of Haier's Competing Offer.

The section "*Information on the pricing of the Tender Offer – Other Public Tender Offers Regarding the Shares*" shall be amended by adding the passage that is underlined and set in bold:

"To the knowledge of the Offeror, no public tender offer for the Shares or securities entitling to Shares has been made by any third party during the twelve (12) months preceding the date of this Tender Offer Document. **After the date of the Tender Offer Document, Haier Europe Appliances Holding B.V., a wholly-owned subsidiary of Haier Smart Home Co., Ltd., announced on July 15, 2024 a competing voluntary public all-cash tender offer for all issued and outstanding Shares in Purmo that are not held by Purmo or any of its subsidiaries. The Offeror has resolved that it will not increase the offer prices of its Tender Offer because of Haier Europe Appliances Holding B.V.'s competing offer."**

Supplements relating to the Offer Period

The Offeror has in connection with this Supplement Document extended the Offer Period of the Tender Offer to expire on July 31, 2024, at 4:00 p.m. (Finnish time), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer. Consequently, the Offeror supplements the Tender Offer Document as follows:

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

"The offer period for the Tender Offer commenced on May 17, 2024 at 9:30 a.m. (Finnish time) and will expire on ~~July 15, 2024~~ **July 31, 2024 at 4:00 p.m. (Finnish time), unless the offer period is extended further or any extended offer period is discontinued (the "**Offer Period**"). For details, please see "*Terms and Conditions of the Tender Offer*"."**

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

“Under the Combination Agreement, the initial expiration date of the Tender Offer shall be the date which is six (6) weeks after the date on which the Offer Period for the Tender Offer commences (as it may be extended from time to time until such time when all of the Conditions to Completion as defined and set forth in Section “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*” shall have been satisfied (or waived by the Offeror)). For the sake of clarity, the Parties to the Combination Agreement have, after the date of the Combination Agreement, concluded that the Offer Period may be shorter than as set out in the Combination Agreement and will expire on June 20, 2024, unless it is extended or discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations. ~~As announced on June 13, 2024, the Offeror has extended the Offer Period of the Tender Offer to expire on July 15, 2024, at 4:00 p.m. (Finnish time), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer.~~ **The Offeror has extended the Offer Period of the Tender Offer to expire on July 31, 2024, at 4:00 p.m. (Finnish time), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer.**”

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

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

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| Announcement of the Tender Offer | April 26, 2024 |
| Offer Period commences..... | May 17, 2024 |
| Announcement of the Offeror’s decision to improve the considerations of the Tender Offer and other amendments made to the Combination Agreement and the terms and conditions of the Tender Offer | June 14, 2024 |
| Offer Period expires at the earliest, unless extended further or discontinued in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations; any possible extension of the Offer Period will be announced by way of a stock exchange release as soon as practically possible | July 15, 2024 <u>July 31,</u> <u>2024</u> |
| Announcement of the preliminary result of the Tender Offer (preliminary)..... | July 16, 2024 <u>August 1,</u> <u>2024</u> |
| Announcement of the final result of the Tender Offer (preliminary)..... | July 18, 2024 <u>August 5,</u> <u>2024</u> |
| Payment of the Offer Prices (at the latest) (preliminary) | August 9, 2024 <u>August 26,</u> <u>2024</u> ” |

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

“The offer period for the Tender Offer commenced on May 17, 2024, at 9:30 a.m. (Finnish time) and expires on ~~July 15, 2024~~**July 31, 2024,** at 4:00 p.m. (Finnish time), unless the offer period is extended further or any extended offer period is discontinued as described below (the “**Offer Period**”).”

“According to Chapter 11, Section 12 of the Finnish Securities Markets Act, the duration of the Offer Period in its entirety may be ten (10) weeks at the maximum. However, if the Conditions to Completion (as defined below) have not been fulfilled due to a particular obstacle as referred to in the regulations and guidelines 9/2013 of the Finnish Financial Supervisory Authority (the “FIN-FSA”) on Takeover Bids and Mandatory Bids (as may be amended or re-enacted from time to time) (the “FIN-FSA Regulations and Guidelines”), ~~such as, for example, pending approval by a merger control, foreign direct investment or foreign subsidiaries regulatory authority~~, the Offeror may extend the Offer Period beyond ten (10) weeks until such obstacle has been removed and the Offeror has had reasonable time to respond to the situation in question, provided that the business operations of the Company are not hindered for longer than is reasonable, as referred to in Chapter 11, Section 12, Subsection 2 of the Finnish Securities Markets Act. The Offer Period may also be extended as required under applicable laws and regulations. The expiry date of any extended Offer Period will in such case, unless published in connection with the announcement of the extension of the Offer Period, be published by the Offeror at least two (2) weeks before such expiry. Further, any Subsequent Offer Period (as defined below) may extend beyond ten (10) weeks.”

Supplements relating to the adjustment of the offer price

Pursuant to the return of capital resolved by the Annual General Meeting of Purmo held on April 9, 2024, the second instalment of Purmo’s return of capital of EUR 0.09 per C Share and EUR 0.02 per F Share will be paid by Purmo to the shareholders that are registered in Purmo’s shareholders’ register on the record date of July 19, 2024. In accordance with the terms and condition of the Tender Offer, the C Share offer price in the Tender Offer will be adjusted euro-for-euro for any such distribution of funds by Purmo. As the record date for the second instalment of the return of capital will occur prior to the completion trades in the Offeror’s Tender Offer, the C Share offer price in the Tender Offer will be adjusted in accordance with the terms and conditions of the Tender Offer from EUR 11.15 to EUR 11.06 as of July 19, 2024. Accordingly, the cash consideration for each C Share that Rettig has undertaken to sell to the Offeror in connection with, and subject to the completion of, the Tender Offer, will be adjusted from EUR 10.62 to EUR 10.53 as of July 19, 2024. Consequently, the Offeror supplements the Tender Offer Document as follows:

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

“The Tender Offer was announced by the Offeror on April 26, 2024 (the “**Announcement**”) and amendments to its terms and conditions were announced on June 14, 2024. The price offered for each C Share and each F Share eligible for conversion into C Shares in accordance with the articles of association of the Company validly tendered in the Tender Offer is EUR 11.15 in cash (the “**C Share Offer Price**”) and the price offered for each F Share ineligible for conversion into C Shares validly tendered in the Tender Offer is EUR 6.75 in cash (the “**F Share Offer Price**”, and together with the C Share Offer Price, the “**Offer Prices**”). **With reference to the terms and conditions of the Tender Offer and due to the record date of the second instalment of the capital return resolved by the Company’s annual general meeting of April 9, 2024 occurring prior to any of the settlements of the completion trades in the Tender Offer, the C Share Offer Price is adjusted from EUR 11.15 to EUR 11.06 as of the record date of the second instalment of the capital return, July 19, 2024.**”

The second paragraph under the section “*Background and Objectives – Undertakings by shareholders*” shall be amended by adding the following passage that is underlined and set in bold:

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

in such competing offer within a certain period of time, and the Company's Board of Directors has recommended, publicly supported, or confirmed that it will recommend such competing offer. In addition, in connection with such termination Rettig has agreed to bear in excess of its pro rata share the costs and expenses for preparing and pursuing the Tender Offer. **With reference to the terms and conditions of the Tender Offer and due to the record date of the second instalment of the capital return resolved by the Company's annual general meeting of April 9, 2024 occurring prior to any of the settlements of the completion trades in the Tender Offer, the cash consideration to be paid to Rettig for each C Share it has undertaken to sell to the Offeror in connection with, and subject to the completion of, the Tender Offer is adjusted from EUR 10.62 to EUR 10.53 as of the record date of the second instalment of the capital return, July 19, 2024.**"

The first paragraph under the section "*Information on the Pricing of The Tender Offer – Grounds for Determining the Offer Prices*" shall be amended by adding the following passage that is underlined and set in bold:

"The Tender Offer was announced by the Offeror on April 26, 2024 and amendments to its terms and conditions were announced on June 14, 2024. The C Share Offer Price is EUR 11.15 in cash for each C Share and F Share eligible for conversion into C Shares in accordance with the articles of association of the Company validly tendered in the Tender Offer, subject to certain adjustments as described below. The F Share Offer Price is EUR 6.75 in cash for each F Share ineligible for conversion into C Shares validly tendered in the Tender Offer, subject to certain adjustments as described below. The amount of the C Share Offer Price and the F Share Offer Price have been agreed on in commercial negotiations among the parties to the Combination Agreement and, in respect of the F Share Offer Price, also with Virala Corporation as the sole shareholder of the F Shares to ensure that the F Share Offer Price is fair from a financial point of view both on a stand-alone basis and in relation to the C Share Offer Price. **With reference to the terms and conditions of the Tender Offer and due to the record date of the second instalment of the capital return resolved by the Company's annual general meeting of April 9, 2024 occurring prior to any of the settlements of the completion trades in the Tender Offer, the C Share Offer Price will be adjusted from EUR 11.15 to EUR 11.06 as of the record date of the second instalment of the capital return, July 19, 2024.**"

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

"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 taking this into account, resulting in C Share Offer Price of EUR 11.15~~ **and the record date of the second instalment, EUR 0.09 for each C Share (and EUR 0.02 for each F Share), is on July 19, 2024, as a result of which the C Share Offer Price will be adjusted from EUR 11.15 to EUR 11.06,** for both the C Shares and F Shares eligible for conversion into C Shares."

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

"The Combination Agreement provides that the Offeror shall offer to acquire all the C Shares (that are not held by Rettig) and all the F Shares eligible for conversion into C Shares in accordance with the articles of association of the Company for a consideration of EUR 11.15 in cash for each such Share, **which, due to the record date of the second instalment of the capital return resolved by the Company's annual general meeting of April 9, 2024 occurring prior to any of the settlements of the completion trades in the Tender Offer, will be adjusted to EUR 11.06 as of July 19, 2024,** subject to the terms and conditions of the Tender Offer and all the F Shares not eligible for conversion into C Shares in accordance with the articles of association of the Company for a consideration of EUR 6.75 in cash for each such Share subject to the terms and conditions of the Tender Offer."

The first paragraph under the section "*Terms and Conditions of the Tender Offer – Offer Price*" shall be amended by adding the following passage that is underlined and set in bold:

“The Tender Offer was announced by the Offeror on April 26, 2024 (the “**Announcement**”) and amendments to its terms and conditions were announced on June 14, 2024. The price offered for each C Share and each F Share, eligible for conversion into C Shares in accordance with the articles of association of the Company, validly tendered in the Tender Offer is EUR 11.15 in cash (the “**C Share Offer Price**”), **which, due to the record date of the second instalment of the capital return resolved by the Company’s annual general meeting of April 9, 2024 occurring prior to any of the settlements of the completion trades in the Tender Offer, will be adjusted to EUR 11.06 as of July 19, 2024,** and the price offered for each F Share, ineligible for conversion into C Shares in accordance with the articles of association of the Company, validly tendered in the Tender Offer is EUR 6.75 in cash (the “**F Share Offer Price**” and, together with the C Share Offer Price, the “**Offer Prices**”), subject to any adjustments as set out below.”

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

“Neither the Offeror nor any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has during the period of six (6) months preceding the Announcement acquired any Shares in Purmo in public trading or otherwise. Rettig has irrevocably undertaken to sell all its C Shares in connection with, and subject to the completion of, the Tender Offer for cash consideration of EUR 10.62 for each such C Share, **which, due to the record date of the second instalment of the capital return resolved by the Company’s annual general meeting of April 9, 2024 occurring prior to any of the settlements of the completion trades in the Tender Offer, will be adjusted to EUR 10.53 as of July 19, 2024,** subject to certain customary conditions.”

Supplements relating to the conditions to completion of the Tender Offer

As described in the Tender Offer Document, the obligation of the Offeror to complete the Tender Offer is subject to the fulfilment or, to the extent permitted by applicable laws and regulations, waiver by the Offeror of the conditions described under section “*Terms and conditions of the tender offer - Conditions to Completion of the Tender Offer*” of the Tender Offer Document (jointly the “**Conditions to Completion**”) on or prior to 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.

As announced in the Offeror’s Stock Exchange Release, to the extent it remains unfulfilled, the Offeror has decided to waive the Condition to Completion of the Tender Offer concerning regulatory approvals, pursuant to which the Tender Offer is conditional upon the receipt of all necessary regulatory approvals, as specified in the Combination Agreement and further defined in the Tender Offer Document. Thereby the completion of the Tender Offer is no longer conditional upon obtaining further regulatory approvals or the observance of any waiting periods relating to regulatory approvals. Consequently, the Offeror supplements the Tender Offer Document as follows:

The second paragraph under the section “*Certain Key Dates*” shall be amended by adding the following passage that is in bold and underlined and by deleting the passages marked with strikethrough:

~~“Due to the anticipated process for obtaining the necessary regulatory approvals, permits, clearances and consents required for the completion of the Tender Offer, the Tender Offer is currently expected to be completed at the end of the second quarter or in the beginning of~~**during** ~~the third quarter of 2024. In case the necessary regulatory approvals, permits, clearances or consents have not been obtained by the end of the initial Offer Period, the Offeror may extend the Offer Period in order to receive the necessary regulatory approvals. The Offeror will announce, by way of stock exchange releases, any possible extension of the Offer Period as soon as practically possible as well as any other information required to be announced in accordance with applicable laws and regulations.”~~

The chapter “*Background and Objectives – Regulatory Approvals*” shall be amended by adding the following passage that is underlined and set in bold, and deleting the passages marked with strikethrough:

~~“The completion of the Tender Offer is conditional on, among other things, antitrust approval by the European Union and the foreign direct investment approvals of certain EU member states. The Offeror~~

~~has or 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 foreign subsidies law as well as merger control 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 in 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 clearance and foreign direct investment and foreign subsidies approval processes are not within the control of the Offeror, and there can be no assurances that clearances and approvals will be obtained within the estimated timeframe, or at all.~~

~~Subject to applicable laws and the terms and conditions of the Tender Offer, the Offeror reserves the right to extend the Offer Period as necessary in order to satisfy the Conditions to Completion (as defined below) of the Tender Offer, including, among others, the receipt of merger control clearance. **The Offeror has waived the condition to completion of the Tender Offer concerning regulatory approvals and thereby the completion of the Tender Offer is no longer conditional upon obtaining further regulatory approvals or the observance of any waiting periods relating to regulatory approvals.** The Offeror further reserves the right to waive any of the Conditions to Completion (as defined below) that have not been fulfilled, including to consummate the Tender Offer at a lower acceptance level or otherwise despite the non-fulfilment of some of the Conditions to Completion (as defined below). See “*Summary of the Combination Agreement – Conditions to Completion*” and “*Terms and Conditions of the Tender Offer – Conditions to Completion of the Tender Offer*”.~~

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

“The obligation of the Offeror to accept for payment the validly tendered Shares, which have not been validly withdrawn in accordance with the terms and conditions of the Tender Offer, and to complete the Tender Offer, shall be subject to the fulfilment or, to the extent permitted by applicable laws and regulations, waiver by the Offeror of each of the following conditions (jointly the “**Conditions to Completion**”) on or prior to 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:

- (a) the Tender Offer has been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than eighty (80) per cent of the Shares and voting rights in the Company calculated in accordance with Chapter 18 Section 1 of the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”);
- (b) ~~the receipt of all necessary regulatory approvals, as specified in the Combination Agreement, such approval will be considered obtained where the relevant regulatory authority has:~~
 - ~~(i) declined jurisdiction over or communicated their intent not to investigate the Tender Offer; or~~
 - ~~(ii) 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~~
 - (iii) become time barred from reviewing the transaction by virtue of the expiry of any applicable waiting period under applicable regulatory laws;

- ~~(b)~~ no Material Adverse Change (as defined below) has occurred on or after the date of the Combination Agreement;
- ~~(c)~~ the Offeror has not received information after the date of the Combination Agreement previously undisclosed to it that constitutes or results in a Material Adverse Change (as defined below);
- ~~(d)~~ no information made public by the Group (as defined below) 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 (as defined below);
- ~~(e)~~ no legislation or other regulation has 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;
- ~~(f)~~ the Board of Directors of the Company has issued its unanimous recommendation that the holders of the Shares accept the Tender Offer and tender their Shares in the Tender Offer and the recommendation remains in full force and effect and has not been withdrawn, modified, cancelled, or amended (save for modifications and amendments to the recommendation that relate solely to commenting on valuation multiples of peer company transactions that are announced after the date of the Combination Agreement without otherwise modifying or amending nor withdrawing or cancelling the recommendation); and
- ~~(g)~~ the Combination Agreement has not been terminated and remains in full force and effect and no event has occurred that, with the passage of time, would give the Offeror the right to terminate the Combination Agreement.”

Supplements relating to the matching period granted to the Offeror under the Combination Agreement to enhance its Tender Offer

As announced on the Offeror’s Stock Exchange Release, following the announcement of the Competing Offer, the Offeror has resolved that it will not increase the offer prices of its Tender Offer because of the Competing Offer. The Offeror has therefore, in relation to the Competing Offer, also decided to waive its right under the Combination Agreement to be given at least seven (7) business days from the date of publishing a competing offer to enhance its Tender Offer by increasing its offer prices (the “**Matching Period**”) and has notified the Board of Directors of Purmo of said waiver. The Offeror has also resolved that in case the Board of Directors of Purmo decides to withdraw or cancel its recommendation of the Tender Offer and issues a recommendation for the Competing Offer, the Offeror waives similar Matching Periods that would otherwise apply under the irrevocable undertakings to accept the Tender Offer it has received from the Company’s shareholders. As at the date of this Supplement Document, and unless the recommendation of the Offeror’s Tender Offer is withdrawn in favor of the Competing Offer, the irrevocable undertakings remain in force in accordance with their terms.

Supplements relating to the Half-Year Financial Report

The section “*Presentation of Purmo – Financial Information*” shall be amended by adding the passage that is underlined and set in bold:

“The audited consolidated financial statements of Purmo as at and for the financial year ended December 31, 2023 and the Board of Directors’ report as at and for the financial year ended December 31, 2023 are included in this Tender Offer Document (see “*Annex A: Financial Information of Purmo*”) in the form published by Purmo. As at the date of this Tender Offer Document, the said financial statements have been presented to and adopted by the annual general meeting of shareholders of Purmo. The unaudited consolidated interim report of Purmo as at and for the three months ended March 31, 2024 is also included in this Tender Offer Document in the form published by Purmo (see “*Annex A: Financial Information of Purmo*”). **In addition, the unaudited half-year financial report of Purmo**

as at and for the six months ended June 30, 2024 is included in this Tender Offer Document in the form published by Purmo (see “Annex J: Half-Year Financial Report”).”

The first and second paragraph of the section “*Presentation of Purmo – Future Prospects published by Purmo*” shall be amended by adding the passages that are underlined and set in bold, and by deleting the word marked with strikethrough:

“The future prospects and guidance for the year 2024 of Purmo have been described in the unaudited interim report of Purmo as at and for the three months ended March 31, 2024 **as well as in the unaudited half-year financial report as at and for the six months ended June 30, 2024.** See “*Annex A: Financial Information of Purmo*” **and “Annex J: Half-Year Financial Report”.**”

“Information on risks to which Purmo is exposed has been presented in the annual report 2023 of Purmo published on March 19, 2024 ~~and~~, in the interim report of Purmo published on April 24, 2024 **and in the half-year financial report of Purmo published on July 17, 2024.**”

Availability of Documents

The Finnish language version of this Supplement Document is available on the internet at <https://purmogroup.tenderoffer.fi/> and www.nordea.fi/purmo-ostotarjous as of July 17, 2024. The English language translation of this Supplement Document is available on the internet at <https://purmogroup.tenderoffer.fi/en> and www.nordea.fi/purmo-offer as of July 17, 2024.

The Finnish Financial Supervisory Authority (the “**FIN-FSA**”) has approved the Finnish language version of this Supplement Document but the FIN-FSA assumes no responsibility for the accuracy of the information presented therein. The decision number of the approval of the FIN-FSA is FIVA/2024/1261. This Supplement Document has been translated into the English language. In the event of any discrepancy between the two language versions of the Supplement Document, the Finnish language version shall prevail.

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

Information for Shareholders in the United States

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

The Tender Offer is made for the issued and outstanding shares of Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-

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

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

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

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

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

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

Forward-looking Statements

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

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

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

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

THE STOCK EXCHANGE RELEASE OF PURMO PUBLISHED ON JULY 15, 2024

Inside information: Haier Europe Appliances Holding B.V. Has Announced a Competing Voluntary Public Cash Tender Offer for all Shares in Purmo Group Plc

Purmo Group Plc | Inside Information | July 15, 2024 at 09:22:00 EEST

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

Haier Europe Appliances Holding B.V. ("**Haier**"), a wholly-owned subsidiary of Haier Smart Home Co., Ltd. ("**HSH**"), has today on July 15, 2024 announced a competing voluntary public all-cash tender offer for all the issued and outstanding class C shares (the "**Class C Shares**") and all the issued and outstanding class F shares (the "**Class F Shares**," and, together with the Class C Shares, the "Shares" or, individually, a "**Share**") in Purmo Group Plc ("**Purmo**" or the "**Company**") that are not held by Purmo or any of its subsidiaries (the "**Haier Tender Offer**") at a price of EUR 13.68 per share for each Class C Share and each Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer and at a price of EUR 8.28 per share for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer.

The completion of the Haier Tender Offer is subject to certain conditions, including the Haier Tender Offer having been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by Haier prior to or during the offer period, more than 80 per cent of the Shares and voting rights, the receipt of all necessary regulatory approvals, the Board of Directors of Purmo issuing its recommendation the shareholders to accept the Haier Tender Offer as well as Haier and the Company having entered into a combination agreement. The announcement by Haier has been attached in its entirety to this stock exchange release.

The Haier Tender Offer has been announced by Haier following discussions with the Board of Directors of Purmo (the "**Board**") conducted pursuant to the Board's fiduciary duties on the basis of a non-binding proposal submitted by Haier to the Board after announcement on June 14, 2024 by Project Grand Bidco (UK) Limited ("**Grand Bidco**") of improved terms to its tender offer initially announced on April 26, 2024 (the "**Grand Tender Offer**"). At this time the Board is not expressing a view on the Haier Tender Offer nor entering into any contractual arrangement with Haier regarding the Haier Tender Offer, but intends to evaluate its terms and conditions, and seek to investigate shareholder support for the Haier Tender Offer considering the offer terms. The Board will supplement its statement issued on May 10, 2024 (as previously supplemented on June 19, 2024) regarding the Grand Tender Offer and issue a statement on the Haier Tender Offer following its evaluation of the two competing offers. The Board notes, for the avoidance of doubt, that its recommendation issued on May 10, 2024 (as supplemented on June 19, 2024) for shareholders to accept the Grand Tender Offer on its improved terms remains upheld.

The Board notes that the irrevocable undertaking by Rettig Oy Ab to sell all its C Shares, which represent approximately 61.8 per cent of all Shares in the Company, to Grand Bidco, currently remains in force. In addition, the irrevocable undertakings by certain other major shareholders of the Company to accept the Grand Tender Offer currently remain in force. In total, Rettig Oy Ab's undertaking and all the irrevocable undertakings represent approximately 90.34 per cent of all Shares in the Company.

According to the combination agreement signed between Purmo and Grand Bidco on April 26, 2024 (as amended on June 14, 2024, the "**Combination Agreement**"), Grand Bidco has seven (7) business days from the publishing of a competing offer to enhance the Grand Tender Offer before the Board may withdraw, modify, cancel or amend its recommendation for the Grand Tender Offer.

Purmo will inform shareholders regarding further developments in respect of the two offers by stock exchange releases as appropriate. The offer period of the Grand Tender Offer is currently set to

expire on July 15, 2024, and any extension to the offer period will be announced separately by a stock exchange release.

Investor and media enquiries:

Purmo Group

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

Distribution

Nasdaq Helsinki Oy
Principal media
investors.purmogroup.com

ABOUT PURMO

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

IMPORTANT INFORMATION

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

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

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

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

Information for shareholders of Purmo in the United States

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

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

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

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

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

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

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

Forward-looking statements

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

Disclaimer

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.

Inside information: Haier Europe Appliances Holding B.V. Announces a Voluntary Public Cash Tender Offer for all Shares in Purmo

Haier Europe Appliances Holding B.V., Inside Information, July 15, 2024, 9.15 a.m. EET

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION IN WHICH THIS TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW.

- Haier Europe Appliances Holding B.V. (“**Offeror**”) is providing all shareholders of Purmo Group Plc (“**Purmo**” or the “**Company**”) a superior offer of EUR 13.68 for each Class C Share (as defined below) and each Class F Share (as defined below) eligible for conversion into a Class C Share, representing 22.7 percent premium compared to the pending offer for each Class C Share other than the Class C Shares held by Rettig Oy Ab by Project Grand Bidco (as defined below). The offer price is EUR 8.28 for each Class F Share ineligible for conversion into a Class C Share.
- The Offeror’s indirect parent company, HSH (as defined below), is a global leader in smart home solutions. HSH recorded revenue of approximately EUR 33 billion in 2023, and sees itself as well equipped to support Purmo’s strategic ambitions with financial resources, R&D (as defined below) capabilities, and market access.
- HSH is keen to maintain Purmo as a thriving business unit dedicated to providing sustainable indoor climate comfort solutions in Europe within the HSH ecosystem. HSH views Purmo as a highly attractive business complementary to its existing assets globally offering a logical extension of HSH’s footprint in Europe.
- Before commencing the offer period, the Offeror is seeking the support of the non-conflicted members of Purmo’s Board of Directors and shareholders and looking forward to engaging with Purmo’s Board of Directors on delivering a successful outcome to all Purmo shareholders, employees and customers.
- The Tender Offer (as defined below) is currently expected to be completed during the fourth quarter of 2024 or the first quarter of 2025, and the Offeror is not expecting any material substantive issues affecting the completion of the Tender Offer.

The Offeror, a wholly-owned indirect subsidiary of Haier Smart Home Co., Ltd. (“**HSH**”), hereby announces a voluntary public all-cash tender offer for all the issued and outstanding class C shares (the “**Class C Shares**”) and all the issued and outstanding class F shares (the “**Class F Shares**,” and, together with the Class C Shares, the “**Shares**” or, individually, a “**Share**”) in Purmo that are not held by Purmo or any of its subsidiaries (the “**Tender Offer**”). The offer price is EUR 13.68 per share for each Class C Share and each Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer (the “**Class C Share Offer Price**”) and EUR 8.28 per share for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer (the “**Class F Share Offer Price**,” and together with the Class C Share Offer Price, the “**Offer Prices**”).

Key Highlights and Summary of the Tender Offer

- The Offeror offers EUR 13.68 in cash for each Class C Share and Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer. The offer price is EUR 8.28 in cash for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer, subject to any adjustments as described below under “*Tender Offer in Brief—Offer Price.*”
- The total equity value of the Tender Offer is approximately EUR 577 million.
- The Class C Share Offer Price represents a premium of:
 - 82.4 percent compared to EUR 7.50, the undisturbed price of the Class C Share on Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) on April 25, 2024, the day prior to Project Grand Bidco (UK) Limited (“**Project Grand Bidco**”) initially announced its voluntary public tender offer for all issued and outstanding Shares in Purmo at EUR 9.91 per Class C Share;
 - 95.2 percent compared to EUR 7.01, the three-month volume weighted average trading price of the Class C Share on Nasdaq Helsinki prior to April 26, 2024;
 - 103.9 percent compared to EUR 6.71, the six-month volume weighted average trading price of the Class C Share on Nasdaq Helsinki prior to April 26, 2024; and

- 22.7 percent compared to EUR 11.15, being the cash consideration offered for each Class C Share other than the Class C Shares held by Rettig Oy Ab under the improved voluntary public tender offer for all issued and outstanding shares in Purmo that Project Grand Bidco published on June 14, 2024 (the “**Project Grand Bidco Offer**”).
- The completion of the Tender Offer is not expected to have any immediate material effects on the business operations, assets, or the position of the management or employees, of Purmo.
- The Offeror believes that the Tender Offer is a superior alternative to the shareholders of Purmo as compared to the pending Project Grand Bidco Offer. Those shareholders of Purmo who have already accepted the Project Grand Bidco Offer are advised that should they wish to withdraw their acceptance of the Project Grand Bidco Offer, they will need to take action before the expiry of the offer period under, and in accordance with the terms and conditions of, the Project Grand Bidco Offer.
- Before commencing the offer period, the Offeror is seeking the support of the non-conflicted members of Purmo’s Board of Directors and shareholders and looking forward to engaging with Purmo’s Board of Directors on delivering a successful outcome to all Purmo shareholders, employees and customers. The commencement of the Offeror’s offer period is expected after the Offeror and Purmo entering into a combination agreement, the non-conflicted members of Purmo’s Board of Directors recommending the Tender Offer and the publication of the Tender Offer Document (as defined below).
- The financing for the Tender Offer and for the potential compulsory redemption proceedings in accordance with the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”) has been secured through a committed bank facility. The Offeror’s obligation to complete the Tender Offer is not conditional upon 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 July 29, 2024. The offer period is expected to commence on or about July 30, 2024, and to expire on or about October 8, 2024, unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Tender Offer, including, among others, receipt of all necessary regulatory approvals, or discontinues the offer period. The Tender Offer is currently expected to be completed during the fourth quarter of 2024 or the first quarter of 2025.
- The Tender Offer is conditional upon 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 all necessary approvals by any regulatory authorities have been received (or where applicable, the relevant waiting periods have expired) and the Offeror having gained control of more than 80 percent of the Shares and voting rights in Purmo.

Commenting on the Tender Offer, **Mr. Simon Huang**, Head of Capital Markets, Investment and Development, Vice President of HSH:

“We strongly believe that our offer is very attractive to all Purmo’s shareholders, providing a significant premium with respect to the pending Project Grand Bidco Offer. We see Purmo as an exciting platform poised for growth and look forward to leveraging the complementarity of the businesses of HSH and Purmo. We are seeking the support of Purmo’s Board of Directors and shareholders and looking forward to engaging with the Board of Directors on delivering a successful outcome to all Purmo’s shareholders, employees and customers.”

Commenting on the Tender Offer, **Mr. Li Huagang**, Executive Director, Chief Executive Officer and Chairman of the Board of HSH:

“We would be very excited for the opportunity to welcome Purmo to HSH and fully support the strategy and expansion plans of Purmo. We are impressed by Purmo’s robust management team and excellent track record as indoor climate comfort solutions provider. We see this acquisition as a key opportunity, which complements our green development strategy and enhances our production and distribution capabilities within Europe. We believe that HSH is an ideal partner for Purmo and HSH’s and Purmo’s stakeholders benefit significantly from our next steps for growth and prosperity.”

About the Offeror and HSH

The Offeror is a wholly-owned indirect subsidiary of HSH, the publicly listed flagship of Haier Group Corporation. The Offeror is a private limited liability company incorporated under the laws of the Netherlands. HSH is a joint stock company incorporated under the laws of the People’s Republic of China. Founded in 1984, HSH is a leader in the global major home appliance industry. Currently, HSH’s business covers more than 200 countries and regions around the world including China, North America, Europe, South Asia, Southeast Asia, Australia, New Zealand, Japan, Middle East and Africa. HSH is also a global pioneer in providing smart home solutions comprising refrigerators, washing machines, air conditioners,

water heaters, and small home appliances. In 2023, HSH generated revenue of approximately EUR 33 billion and had over 110,000 employees. HSH's comprehensive brand portfolio includes globally renowned brands such as Candy, GE Appliances, Fisher & Paykel, Aqua, Leader, Casarte, and Haier. HSH is a part of Haier Group Corporation headquartered in Qingdao, China. HSH is listed on the stock exchanges of Shanghai, Hong Kong, and Frankfurt.

More information on HSH is available at www.smart-home.haier.com/en.

About Purmo

Purmo considers itself being at the center of the global sustainability journey by offering full solutions and sustainable ways of heating and cooling homes to mitigate global warming. Purmo provides complete heating and cooling solutions to residential and non-residential buildings, including underfloor heating and cooling systems, a broad range of radiators, heat pumps, flow control and hydronic distribution systems, as well as smart products. Purmo's mission is to be the global leader in sustainable indoor climate comfort solutions. Purmo's approximately 3,090 employees operate in 23 countries, manufacturing and distributing top-quality products and solutions to our over 100,000 customers in more than 100 countries. Purmo's Class C Shares are listed on Nasdaq Helsinki with the trading code PURMO.

More information on Purmo is available at www.purmogroup.com.

Background and Strategic Rationale for the Tender Offer

HSH believes that Purmo's business is compelling, and it would complement and support HSH's strategy of offering sustainable indoor climate comfort solutions to consumers globally. HSH appreciates Purmo's leading position as a supplier of sustainable indoor climate comfort solutions in Europe. HSH believes that it is well positioned to share its engineering capabilities and global resources with Purmo, and to help Purmo develop a comprehensive and competitive product offering that will satisfy the growth potential represented by the technological shift in the heating and cooling solutions and further support prosperous development for all stakeholders involved.

HSH would position Purmo as a platform poised for growth and leverage the complementarity of their two businesses to maximize research and development ("R&D") and market expansion opportunities. HSH's approach is not predicated solely on cost efficiency. Instead, HSH is keen to maintain Purmo as a thriving business unit dedicated to providing sustainable indoor climate comfort solutions in Europe within the HSH ecosystem. HSH intends to maintain the current team of senior management and employees as much as practicable and provide further resources and incentive for the team to continue to grow their career.

HSH considers itself an ideal partner to support Purmo's long-term growth due to the following factors:

- **Expanding European presence:** Position Purmo as a platform for growth, leveraging HSH's know-how to expand and upgrade Purmo's product offering;
- **Product & R&D expertise:** Engineering capabilities and R&D investments by HSH to leverage manufacturing knowledge and empower Purmo to develop next generation products, systems and solutions, and to grow Purmo's distinct brand equity value in the industry;
- **Demonstrated M&A track record:** HSH has further grown and established its presence in Europe since 2019, when it carried out acquisition of the Candy-Hoover Group. According to HSH, the group has since become one of the fast-growing home appliance companies in Europe. HSH's track record in international mergers and acquisitions shows that HSH can support Purmo's growth within the HSH ecosystem, while still preserving Purmo's distinct branding, industrial legacy and culture; and
- **Shared vision for sustainability:** HSH is determined to pursue a green development strategy and strives to accomplish a sustainable supply chain globally. This is supported by Purmo's important role in Europe's construction industry's transformation and energy saving initiatives.

Tender Offer in Brief

The Offeror has 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 release, Purmo has a total of 42,677,930 issued shares, of which 41,112,713 are Class C Shares, all of which are outstanding, and 1,565,217 Class F Shares, all of which are outstanding and held by Virala Corporation. As at the date of this release, the Offeror does not hold any Shares or votes in Purmo.

The Offeror reserves the right to buy 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.

Offer Prices

The Class C Share Offer Price is EUR 13.68 in cash for each Class C Share and each Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer, subject to any adjustments as set out below. The Class F Share Offer Price is EUR 8.28 in cash for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer, subject to any adjustments as set out below.

The Class C Share Offer Price represents a premium of:

- 82.4 percent compared to EUR 7.50, the undisturbed price of the Class C Share on Nasdaq Helsinki on April 25, 2024, the day prior to Project Grand Bidco initially announced its voluntary public tender offer for all issued and outstanding Shares in Purmo at EUR 9.91 per Class C Share;
- 95.2 percent compared to EUR 7.01, the three-month volume weighted average trading price of the Class C Share on Nasdaq Helsinki prior to April 26, 2024;
- 103.9 percent compared to EUR 6.71, the six-month volume weighted average trading price of the Class C Share on Nasdaq Helsinki prior to April 26, 2024; and
- 22.7 percent compared to EUR 11.15, being the cash consideration offered for each Class C Share other than the Class C Shares held by Rettig Oy Ab under the improved Project Grand Bidco Offer published on June 14, 2024.

The Class C Share Offer Price has been determined based on 41,112,713 Class C Shares issued and outstanding and 293,478 Class F Shares eligible for conversion into Class C Shares outstanding. The Class F Share Offer Price has been determined based on 1,271,739 Class F Shares ineligible for conversion into Class C Shares outstanding. Should the Company change the number of Shares that are issued and outstanding as at the date hereof as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect, or should the Company distribute a dividend or otherwise distribute funds or any other assets to its shareholders (including the payment of the second, third and fourth capital return instalments, as applicable, based on the resolution of the general meeting of shareholders of the Company on 9 April 2024), or if a record date with respect to any of the foregoing occurs prior to the completion date of the Tender Offer, the Offer Prices payable by the Offeror shall be amended accordingly on a euro-for-euro basis.

Offer Period

The offer period under the Tender Offer is expected to commence on or about July 30, 2024, and to expire on or about October 8, 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 approvals, permits, consents, clearances or other actions, including without limitation approvals required under applicable competition laws, foreign direct investment laws, foreign subsidies laws (or, where applicable, the expiry of relevant waiting periods) by any competition authorities or other regulatory authorities for the completion of the Tender Offer. The Tender Offer is currently expected to be completed during the fourth quarter of 2024 or the first quarter of 2025.

The Offeror reserves the right to discontinue the offer period (i) should all the Conditions to Completion (as defined below) be fulfilled or waived by the Offeror before the expiry of the offer period and execute the sale and purchase of the Shares validly tendered and not properly withdrawn in accordance with terms and conditions of the Tender Offer, (ii) should a competing public tender offer for the Shares be announced by a third party during the offer period, (iii) should the pending Project Grand Bidco Offer be further improved during the offer period or (iv) should any of the Conditions to Completion become incapable of satisfaction during the offer period.

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 July 29, 2024.

Conditions to Completion of the Tender Offer

The obligation of the Offeror to accept for payment the validly tendered Shares, which have not been withdrawn in accordance with the terms and conditions of the Tender Offer, and to complete the Tender Offer, are subject to the fulfilment or, to the extent permitted by applicable law, waiver by the Offeror of the following conditions (the “**Conditions to Completion**”) on or prior to 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 Market Act (746/2012, as amended, the “**Finnish Securities Market Act**”):

- (a) the Tender Offer has been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the offer period, more than 80 percent of the Shares and voting

rights in the Company calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act (624/2006, as amended);

- (b) the receipt of all necessary regulatory approvals, such approval will be 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;
- (c) the Offeror has not received information after the date of this stock exchange release with respect to any previously undisclosed effect that pertains to the period before the date of this stock exchange release and constitutes or results in a material adverse change;
- (d) no information made public by the Purmo group or disclosed by the Company to the Offeror (in each case, prior to the date of this stock exchange release) 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 Ltd, provided that, in each case, the information made public, disclosed or not disclosed or the failure to disclose information constitutes a material adverse change;
- (e) no legislation or other regulation has 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;
- (f) the Board of Directors of the Company, represented by a quorum comprising the non-conflicted members of the Board of Directors, has issued its recommendation for shareholders to accept the Tender Offer and sell their Shares in the Tender Offer and the recommendation remains in full force and effect and has not been withdrawn, modified, cancelled, or amended (save for certain permitted amendments); and
- (g) the Offeror and the Company have entered into a combination agreement, and the combination agreement has not been terminated and remains in full force and effect and no event has occurred that, with the passage of time, would give the Offeror the right to terminate the combination agreement.

The Conditions to Completion set out above are exhaustive, and for the avoidance of doubt, the completion of the Tender Offer is not conditional upon a completion of a due diligence. The Offeror may only invoke any of the Conditions to Completion so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn 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.

Regulatory Approvals

The Offeror will, as soon as practically possible, make all submissions, notifications and filings (or, where applicable, draft notifications) required to obtain all necessary regulatory approvals, permits, clearances and consents, including without limitation approvals required under applicable foreign direct investment laws and foreign subsidies laws as well as merger control clearances (or, where applicable, the expiry of relevant waiting periods) required under applicable competition laws or other 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 during the fourth quarter of 2024 or the first quarter of 2025. The Offeror will use its reasonable best efforts to obtain such regulatory approvals. However, the length and outcome of the regulatory clearance process is 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. However, to the best of its knowledge, the Offeror does not anticipate that there would be any material substantive issues with respect to obtaining any such regulatory approvals.

Financing

The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing, assuming that all the Conditions to Completion are otherwise satisfied or waived by the Offeror.

The financing of the Tender Offer and for the potential compulsory redemption proceedings in accordance with the Finnish Companies Act has been secured through a committed bank facility, as evidenced in the executed facility agreement entered into by the Offeror and BNP Paribas as lender. The debt financing has been committed on a customary European “certain funds” basis and has been guaranteed by HSH.

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 percent of all the Shares and votes in the Company as referred to under Chapter 18 Section 1 of the Finnish Companies Act, the Offeror will commence as soon as reasonably possible the compulsory redemption proceedings in accordance with the Finnish Companies Act for all the Shares not purchased pursuant to the Tender Offer. Should the ownership of the Offeror remain lower than 90 percent of the issued and outstanding shares and votes in Purmo after completion of the Tender Offer, the Offeror would assess alternatives to acquire the remaining shares in Purmo over time, and it is possible that Purmo could become subject to certain corporate transactions, including for example purchases of further shares in Purmo after completion of the Tender Offer, divestments or acquisitions of shares or other assets, share issuances, or a statutory merger.

The Offeror reserves the right to waive any of the Conditions to Completion that have not been fulfilled or are expected not to be fulfilled, including to consummate the Tender Offer at a lower acceptance level or otherwise despite the non-fulfillment of some of the Conditions to Completion. The Offeror has not taken any decisions on potential waiver of any of the Conditions to Completion or relating to any transactions or actions that could be undertaken following the completion of the Tender Offer.

Advisors

UBS AG Hong Kong Branch acts as financial advisor to the Offeror in connection with the Tender Offer. In addition, the Offeror has retained White & Case LLP as legal advisor to the Offeror in connection with the Tender Offer, Clifford Chance LLP as legal advisor in relation to regulatory approvals in connection with the Tender Offer and Tekir Ltd as communication advisor.

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Media and Investor Enquiries, HSH

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Information about the Tender Offer is made available at www.hsh-offer.fi/en/.

For administrative questions regarding the Tender Offer, please contact your bank or nominee where you have your Shares registered.

Important Information

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

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

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND, WHEN PUBLISHED, THE TENDER OFFER DOCUMENT AND

RELATED ACCEPTANCE FORMS WILL NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.

THIS 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 RELEASE HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND.

Information for Shareholders of Purmo in the United States

The Tender Offer will be made for the issued and outstanding shares in Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and the applicable rules and regulations promulgated thereunder, including Regulation 14E (in each case, subject to any exemptions or relief therefrom, if applicable) 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. The financial information included in this release has been prepared in accordance with applicable accounting standards in Finland and Switzerland, which may not be comparable to the financial statements or financial information of U.S. companies. Shareholders 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 Exchange Act and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer is made 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 information documents, including this release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Purmo’s other shareholders.

To the extent permissible under applicable law or regulations, including Rule 14e-5 under the Exchange Act, the Offeror and its affiliates or its brokers and its broker’s affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this release and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer and combination, directly or indirectly, purchase or arrange to purchase, the Shares or any securities that are convertible into, exchangeable for or exercisable for such 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 stock exchange or 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 this release. 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 adviser immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for Purmo’s shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws since the Offeror and Purmo are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Purmo’s 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

UBS AG Hong Kong Branch is a corporation licensed by the Securities and Futures Commission of Hong Kong to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong). UBS AG Hong Kong Branch is acting exclusively for the Offeror and no one else in connection with the Tender Offer or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) as its client in relation to the Tender Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to its clients or for providing advice in relation to the Tender Offer or any other transaction or arrangement referred to in this document.

ANNEX I

THE STOCK EXCHANGE RELEASE OF THE OFFEROR PUBLISHED ON JULY, 16, 2024

Project Grand Bidco (UK) Limited waives the remaining regulatory approval condition in its tender offer and confirms it will not increase its offer prices

PROJECT GRAND BIDCO (UK) LIMITED Stock Exchange Release July 16, 2024 at 11.50 a.m. EEST

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

Project Grand Bidco (UK) Limited waives the remaining regulatory approval condition in its tender offer and confirms it will not increase its offer prices

- Project Grand Bidco (UK) Limited (the "**Offeror**") believes that its tender offer holds significant advantages in terms of transaction certainty and timeline compared to the competing offer announced on July 15, 2024 by Haier Europe Appliances Holding B.V. ("**Haier**"), a wholly-owned subsidiary of Haier Smart Home Co., Ltd. ("**HSH**") (the "**Competing Offer**").
- The Offeror has decided to waive the condition to completion of its tender offer concerning regulatory approvals to the extent it remains unfulfilled. Thereby the completion of the Offeror's tender offer is no longer conditional upon obtaining further regulatory approvals or the observance of any waiting periods relating to regulatory approvals.
- Following the announcement of the Competing Offer, the Offeror has resolved that it will not increase the offer prices of its tender offer because of the Competing Offer. The Offeror has therefore, in relation to the Competing Offer, also notified Purmo Group Plc (the "**Company**" or "**Purmo**") that the Offeror waives the seven business days' matching period that the Board of Directors of the Company would otherwise be required to grant the Offeror to enhance its tender offer under the terms of the combination agreement signed with Purmo on April 26, 2024, as amended on June 14, 2024 (the "**Combination Agreement**").
- As announced on July 15, 2024, the Offeror will supplement the tender offer document concerning its tender offer and will publish such supplement document once it has been approved by the Finnish Financial Supervisory Authority. In connection with the supplement, the Offeror extends the offer period of its tender offer and the new expiry date of the offer period will be announced in connection with the publication of the supplement document.

As previously announced, the Offeror and Purmo have entered into a Combination Agreement, pursuant to which the Offeror has made a voluntary public cash tender offer, recommended by the Board of Directors of Purmo, to acquire all of the issued and outstanding class C shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**C Shares**" or, individually, a "**C Share**") and all of the issued and outstanding class F shares in Purmo that are not held by Purmo or any of its subsidiaries (the "**F Shares**" or, individually, an "**F Share**", and together with the C Shares, the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**"). The Offeror has published a tender offer document on May 16, 2024, concerning the Tender Offer, the first supplement to the tender offer document on May 31, 2024 and the second supplement to the tender offer document on June 20, 2024 (the tender offer document, as supplemented from time to time, the "**Tender Offer Document**"). The offer period for the Tender Offer (the "**Offer Period**") commenced on May 17, 2024, at 9:30 a.m. (Finnish time) and is currently ongoing.

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

OFFEROR'S COMMENTS ON THE COMPETING OFFER

Based on the information announced regarding the Competing Offer by Haier on July 15, 2024, the Offeror believes that its Tender Offer holds significant advantages compared to the Competing Offer in terms of transaction certainty and timeline.

The Offeror is deeply committed and enthusiastic about the proposed transaction under its Tender Offer with the aim of creating an independent European sustainable indoor climate comfort solutions champion with management and its employees supporting the EU's Green Deal objectives. The Offeror believes that its Tender Offer represents a combination of fair value and execution certainty for all shareholders of Purmo. As at the date of this announcement and

as further described below, the Tender Offer is no longer subject to any regulatory approval condition and is ready to proceed swiftly towards completion. This is in contrast to the Competing Offer, which remains subject to the receipt of all necessary regulatory approvals, including approvals required under applicable foreign direct investment laws and foreign subsidies laws as well as merger control clearances, as stated in Haier's announcement on July 15, 2024.

Haier has also announced the Competing Offer without a recommendation from Purmo's Board of Directors or a combination agreement with Purmo, and Haier is therefore not subject to any specific commitments or undertakings with respect to any sales of assets or other potential regulatory remedies that may be required. As stated by Haier in its announcement, the length and outcome of the regulatory clearance process is not within its control and there can be no assurances that regulatory clearances will be obtained by Haier within its estimated timeframe, or at all.

The Offeror notes that the offer prices in the Competing Offer are higher than the offer prices in the Offeror's Tender Offer. However, the Offeror holds a view – which is a view shared by the Company's largest shareholder Rettig that holds approximately 61.8 per cent of all the Shares and votes in the Company and remains committed to the Tender Offer – that the combination of the offer prices, prompt completion timeline and execution certainty in the Tender Offer continues to represent a highly attractive proposition for the Company's shareholders also when compared to the Competing Offer.

CONDITION ON REGULATORY APPROVALS WAIVED

As described in the Tender Offer Document, the obligation of the Offeror to complete the Tender Offer is subject to the fulfilment or, to the extent permitted by applicable laws and regulations, waiver by the Offeror of the conditions described under section “*Terms and conditions of the tender offer - Conditions to Completion of the Tender Offer*” of the Tender Offer Document (jointly the “**Conditions to Completion**”) on or prior to 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.

To the extent it remains unfulfilled, the Offeror has decided to waive the Condition to Completion of the Tender Offer concerning regulatory approvals, pursuant to which the Tender Offer is conditional upon the receipt of all necessary regulatory approvals, as specified in the Combination Agreement and further defined in the Tender Offer Document. Thereby the completion of the Tender Offer is no longer conditional upon obtaining further regulatory approvals or the observance of any waiting periods relating to regulatory approvals.

The completion of the Tender Offer remains subject to the fulfilment or waiver of the other Conditions to Completion including the fulfilment or waiver of the condition that the Tender Offer has been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than eighty (80) per cent of the Shares and voting rights in the Company calculated in accordance with Chapter 18 Section 1 of the Finnish Companies Act (624/2006, as amended).

THE OFFEROR CONFIRMS THAT IT WILL NOT INCREASE ITS OFFER PRICES AND WAIVES MATCHING PERIOD UNDER THE COMBINATION AGREEMENT; URGES BOARD OF PURMO TO UPDATE ITS STATEMENT ON THE TENDER OFFER

Following the announcement of the Competing Offer, the Offeror has resolved that it will not increase the offer prices of its Tender Offer because of the Competing Offer. The Offeror has therefore, in relation to the Competing Offer, also decided to waive its right under the Combination Agreement to be given at least seven (7) business days from the date of publishing a competing offer to enhance its Tender Offer by increasing its offer prices (the “**Matching Period**”) and has notified the Board of Directors of Purmo of said waiver. The Offeror has also resolved that in case the Board of Directors of Purmo decides to withdraw or cancel its recommendation of the Tender Offer and issues a recommendation for the Competing Offer, the Offeror waives similar Matching Periods that would otherwise apply under the irrevocable undertakings to accept the Tender Offer it has received from the Company's shareholders. As at the date of this announcement, and unless the recommendation of the Offeror's Tender Offer is withdrawn in favor of the Competing Offer, the irrevocable undertakings remain in force in accordance with their terms.

The Offeror notes that, as previously announced by Purmo, the Board of Directors of Purmo has at least since late May 2024 been aware of the potential interest from HSH or Haier to make a competing offer, and the Board of Directors of Purmo has also engaged in discussions with Haier and facilitated a due diligence review in this context.

In the context of the above, the Offeror expects the Board of Directors of Purmo – which has recommended the Tender Offer of the Offeror – to promptly update its statement on the Tender Offer as required under the Finnish Securities Markets Act and to confirm whether it will uphold its recommendation of the Tender Offer in order to provide clear and

concise guidance to the Company's shareholders on the merits and risks of the Offeror's Tender Offer and the Competing Offer. As the Competing Offer – unlike the Offeror's Tender Offer – is subject to various regulatory clearance processes with an uncertain timeline and outcome, the Offeror believes that its Tender Offer continues to hold significant advantages compared to the Competing Offer, particularly in terms on transaction certainty and timeline.

EXTENSION OF THE OFFER PERIOD AND ADJUSTMENT OF THE OFFER PRICES

As announced on July 15, 2024, the Offeror will supplement the Tender Offer Document concerning its Tender Offer due to the announcement of the Competing Offer and will publish such supplement document once it has been approved by the Finnish Financial Supervisory Authority. In connection with the supplement, the Offeror extends the Offer Period of its Tender Offer and the new expiry date of the Offer Period will be announced in connection with the publication of the supplement document.

In connection with extending the Offer Period the Offeror notes that, pursuant to the return of capital resolved by the Annual General Meeting of Purmo held on April 9, 2024 (the "AGM"), the second instalment of Purmo's return of capital of EUR 0.09 per C Share and EUR 0.02 per F Share will be paid by Purmo to the shareholders that are registered in Purmo's shareholders' register on the record date of July 19, 2024. In accordance with the terms and conditions of the Tender Offer, the C Share offer price in the Tender Offer will be adjusted euro-for-euro for any such distribution of funds by Purmo. As the record date for the second instalment of the return of capital will occur prior to the completion trades in the Offeror's Tender Offer, the C Share offer price in the Tender Offer will be adjusted in accordance with the terms and conditions of the Tender Offer from EUR 11.15 to EUR 11.06 as of July 19, 2024. Accordingly, the cash consideration for each C Share that Rettig has undertaken to sell to the Offeror in connection with, and subject to the completion of, the Tender Offer, will be adjusted from EUR 10.62 to EUR 10.53 as of July 19, 2024.

Investor and Media enquiries:

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investors.purmogroup.com

ABOUT THE CONSORTIUM

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

ABOUT PURMO

Purmo is a public limited liability company incorporated under the laws of Finland with its C Shares listed on the official list of Nasdaq Helsinki. Purmo is at the centre of the global sustainability journey by offering full solutions and sustainable ways of heating and cooling homes to mitigate global warming. Purmo provides complete heating and cooling solutions to residential and non-residential buildings, including underfloor heating and cooling systems, a broad range of radiators, heat pumps, flow control and hydronic distribution systems, as well as smart products. Purmo's mission is to be the global leader in sustainable indoor climate comfort solutions. Purmo's approximately 3,090 employees operate in 23 countries,

manufacturing and distributing top-quality products and solutions to its over 100,000 customers in more than 100 countries. Purmo's shares are listed on Nasdaq Helsinki with the ticker symbol PURMO. More information: www.purmogroup.com.

IMPORTANT INFORMATION

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

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

Information for shareholders of Purmo in the United States

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

The Tender Offer is being made for the issued and outstanding shares of Purmo, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, for a Tier II tender offer (the "**Tier II Exemption**"), and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this stock exchange release has been prepared in accordance with

applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Purmo's shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Purmo to whom an offer is made. Any informational documents, including this stock exchange release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Purmo's other shareholders.

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

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

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

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

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

Forward-looking statements

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

other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release.

Disclaimer

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

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

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

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

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

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PURMO'S HALF-YEAR FINANCIAL REPORT

Purmo Group Plc

**Half-year financial
report**
January-June 2024



H1 adjusted EBITDA margin improved despite continued weak market

April–June 2024

- Net sales decreased by 5 per cent to EUR 171.5 million (180.3). The organic¹ decline in net sales was 4 per cent.
- Net sales for the Climate Product & Systems division decreased by 5 per cent to EUR 137.8 million (144.7) and net sales for the Climate Solutions division decreased by 5 per cent to EUR 34.1 million (35.8).
- Adjusted EBITDA decreased by 12 per cent to EUR 18.7 million (21.2).
- Adjusted EBITDA margin decreased to 10.9 per cent (11.8) driven by lower volumes, temporary inefficiencies in operations and investments in the transformation of Purmo Group during the quarter.
- EBIT decreased to EUR 5.9 million (9.0), which included EUR -5.6 million (-4.2) of comparability adjustments.
- Cash flow from operating activities decreased to EUR 5.6 million (8.1).
- Accelerate PG programme's adjusted EBITDA run-rate improvements amounted to EUR 42.3 million (EUR 34.1 million at the end of Q1 2024), of which periodic impact for the second quarter was EUR 5.7 million (EUR 3.4 million in Q2 2023) compared to the previous year.

January–June 2024

- Net sales decreased by 8 per cent to EUR 359.4 million (392.1). The organic¹ decline in net sales was 8 per cent.
- Net sales for the Climate Product & Systems division decreased by 7 per cent to EUR 291.1 million (314.0) and net sales for the Climate Solutions division decreased by 12 per cent to EUR 68.8 million (78.3).
- Adjusted EBITDA decreased by 5 per cent to EUR 45.3 million (47.7).
- Adjusted EBITDA margin increased to 12.6 per cent (12.2).
- EBIT was EUR 23.7 million (24.0), which was burdened by EUR -6.9 million (-7.6) of comparability adjustments mainly related to the Accelerate PG programme.
- Cash flow from operating activities increased to EUR 10.4 million (6.8).
- Adjusted operating cash flow (last 12 months) improved by 20 per cent to EUR 81.2 million (67.8).

The tender offers

- On 14 June 2024, Project Grand Bidco (UK) Limited announced that it had improved offer prices and lowered the acceptance threshold of its tender offer. In addition, the Purmo board maintained its recommendation. The holders of C Shares, and F Shares would be offered a cash consideration of EUR 11.15 for each such C Share or F Share validly tendered in the Improved Tender Offer and the holders of F Shares that are ineligible for conversion into C Shares, would be offered a cash consideration of EUR 6.75 for each such F Share validly tendered in the Improved Tender Offer.
- On 15 July 2024, Purmo Group announced that Haier Europe Appliances Holding B.V. has announced a Competing Voluntary Public Cash Tender Offer for all Shares in Purmo Group Plc at a price of EUR 13.68 per share for each Class C Share and each Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer and at a price of EUR 8.28 per share for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer.
- On 15 July 2024, the Purmo Board noted, for the avoidance of doubt, that its recommendation issued on May 10, 2024 (as supplemented on June 19, 2024) for shareholders to accept the Grand Tender Offer on its improved terms remains upheld.
- On 16 July 2024, Project Grand Bidco (UK) Limited announced that it waives the remaining regulatory approval condition in its tender offer and confirms it will not increase its offer prices. The Board of Directors of Purmo Group Plc noted the announcement and reiterated that it continues to investigate shareholder support for the competing offer announced on July 15, 2024 by Haier Europe Appliances Holding B.V.

Financial guidance 2024

Adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (EUR 92.3 million).

Wholesalers' stock levels have stabilised, and the lower interest rates support the expectations of a gradual market activity improvement. Strong margin management actions provide confidence in the guidance for the Group. However, increased geopolitical risks and high overall uncertainties can have an impact on Purmo Group's core markets.

The strategy acceleration programme, Accelerate PG, is performing ahead of plan and further underpins Purmo Group's outlook for 2024. The cumulative targeted adjusted EBITDA run-rate improvements of the programme will be EUR 50.0 million, which are expected to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45.0 million by the end of 2024.

Key figures and financial performance

| EUR million | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|---|----------|----------|-----------|----------|----------|-----------|-------|
| Net sales | 171.5 | 180.3 | -5% | 359.4 | 392.1 | -8% | 743.2 |
| Adjusted EBITDA ¹ | 18.7 | 21.2 | -12% | 45.3 | 47.7 | -5% | 92.3 |
| Adjusted EBITDA margin, % ¹ | 10.9% | 11.8% | | 12.6% | 12.2% | | 12.4% |
| Adjusted EBITA ¹ | 12.5 | 14.1 | -12% | 32.7 | 33.5 | -2% | 66.3 |
| Adjusted EBITA margin, % ¹ | 7.3% | 7.8% | | 9.1% | 8.6% | | 8.9% |
| EBIT | 5.9 | 9.0 | -35% | 23.7 | 24.0 | -1% | 9.7 |
| EBIT margin, % | 3.4% | 5.0% | | 6.6% | 6.1% | | 1.3% |
| Profit for the period | -0.8 | 2.9 | | 8.7 | 9.6 | -10% | -9.3 |
| Adjusted profit for the period ^{1 3} | 3.2 | 6.1 | -47% | 13.7 | 15.7 | -13% | 32.2 |
| Earnings per share, basic, EUR | -0.03 | 0.04 | | 0.17 | 0.19 | -12% | -0.32 |
| Adjusted earnings per share, basic, EUR ^{1 3} | 0.07 | 0.12 | -44% | 0.29 | 0.34 | -14% | 0.68 |
| Cash flow from operating activities | 5.6 | 8.1 | -30% | 10.4 | 6.8 | 52% | 40.4 |
| Adjusted operating cash flow, last 12 months ^{1 2} | | | | 81.2 | 67.8 | 20% | 75.1 |
| Cash conversion ^{1 2} | | | | 90.3% | 81.2% | | 81.4% |
| Operating capital employed ¹ | | | | 301.5 | 321.3 | -6% | 294.7 |
| Return on operating capital employed, % ¹ | | | | 3.1% | 10.3% | | 2.9% |
| Net debt ¹ | | | | 236.8 | 230.7 | 3% | 219.6 |
| Net debt / Adjusted EBITDA ¹ | | | | 2.63 | 2.76 | -5% | 2.38 |

¹ Purmo Group presents certain measures of financial performance, financial position and cash flows, which are alternative performance measures in accordance with the guidance issued by the European Securities and Markets Authority ('ESMA'). For the detailed definitions and reconciliation of alternative performance measures see page 46 in the January-June 2024 half-year financial report.

² Change in net working capital includes assets held for sale. M&A and comparability adjustments totalled EUR 6.3 (7.9) million.

³ Comparative figures for Q2 2023 have been restated due to change in calculation of the key figure, see page 47 in the January-June 2024 half-year financial report.

CEO's review



During the first half of the year, Purmo Group delivered an increase in adjusted EBITDA margin despite weak market conditions. This was thanks to strong performance in the Accelerate PG programme as well as a strong, continued focus on margin management by our dedicated teams all around Europe and beyond. Volumes were still low in the challenging market, although signs of optimism were visible in Eastern Europe where demand for our radiators increased.

We work constantly to improve and develop our production. As part of our transition, we have shifted our production in Europe to countries with lower production costs, such as China. This has caused temporary inefficiencies in operations during the quarter, which coupled with investments in the transformation of Purmo Group, led to a decline in earnings during the second quarter.

We acknowledge there is interest in Purmo Group, which is demonstrated by the bids we have received from Grand Bidco UK Ltd, as well as Haier Europe Appliances B.V. Management has together with the appointed Board Committee spent time responding to the offers through intensive due diligence preparatory work.

Our strategy for complete solutions remains strong: it is a response to the increasing demand for more energy-efficient buildings and a greener future.

The Climate Products & Systems division was impacted by weak markets, and the Climate Solutions division's earnings were lower compared to the strong period last year

The demand environment remained weak in our two business divisions in the second quarter. In the Climate Products & Systems division, volumes remained weak, but some early signs of recovery were seen in a few markets. As a whole, the project volumes were low, which led to a net sales decline of 5%. Despite the tough market, the division succeeded well in price and cost management. The adjusted EBITDA was EUR 16.2 million for the quarter, a decrease of 5% from last year. The adjusted EBITDA margin remained roughly on the same level compared to the previous year.

In the Climate Solutions division, net sales declined by 5% in the quarter due to lower demand. Earnings for the division were impacted by low market demand and led the adjusted EBITDA to EUR 5.5 million, a decline of 17% compared to the previous year. Adjusted EBITDA margin decreased by 2.4 percentage points compared to last year.

Accelerate PG programme ahead of plan, growth initiatives kicked off

Our Accelerate PG programme continued to deliver strong run-rate benefits in the second quarter. The programme delivered EUR 5.7 periodic improvements in the quarter compared to the previous year. The cumulative adjusted EBITDA run-rate improvements were EUR 42.3 million. As part of the programme initiatives, we completed the negotiations at the Hull plant in the United Kingdom. The production will be transferred to Gateshead in the third quarter of 2024. Besides cost savings, the growth phase of the programme has started, with various growth initiatives being kicked off during the quarter. The target for the growth phase is to achieve approximately EUR 15.0 million of incremental adjusted EBITDA run-rate improvements by the end of 2025.

Science Based Targets validated

In the second quarter, we received validation from the Science Based Targets organisation for our near-term and long-term targets, which we are very proud of. In the near term, we are committed to reducing absolute Scope 1 and 2 GHG emissions by 54.6% by 2033 from 2022. For the long-term, we will reduce absolute Scope 1 and 2 GHG emissions by 90% by 2050 from 2022. The validation of the targets

is a strong achievement for our organisation and worth celebrating.

Full-year guidance 2024 unchanged

Although growth was not yet visible in the second quarter of 2024, we saw slight optimism in a few markets. We achieved good results in the Accelerate PG programme, rolling out several growth initiatives for the future. We keep our guidance unchanged for 2024. The adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (EUR 92.3 million).

John Peter Leesi
CEO, Purmo Group Plc

News conference and webcast for analysts, investors and media

Purmo Group Plc's half-year financial report for January-June 2024 has been published today and is available in English and Finnish on Purmo Group's website at <https://investors.purmogroup.com/ir-material/>.

Webcast and teleconference on Wednesday 17 July 2024 at 10.00 a.m. EEST

The publication will be followed at 10.00 a.m. EEST by a live webcast and a teleconference to analysts, investors and media representatives. At the event, CEO John Peter Leesi and CFO Jan-Elof Cavander will present the results and answer questions in English.

- Webcast: <https://purmogroup.videosync.fi/q2-2024>
- Teleconference lines: <https://palvelu.flik.fi/teleconference/?id=50048527>

Participants should register through the above link to ask questions through the conference call lines. After registering they will receive a teleconference number and a code to join the call. Participants will be asked to press number 5 to join the queue for questions.

A recording of the event will be available at <https://investors.purmogroup.com/ir-material/> shortly after the event has ended.

Further information:

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Group financial overview

Net Sales

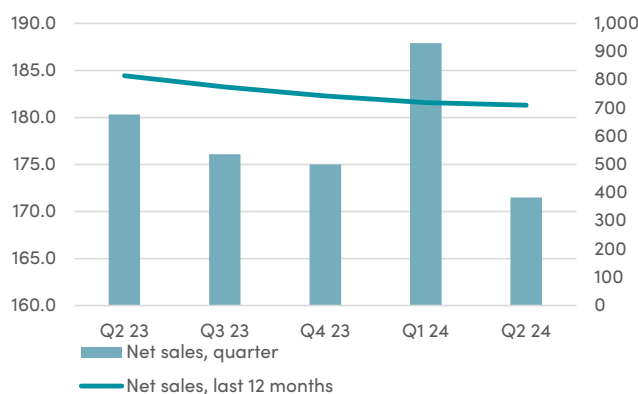
| EUR million | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|------------------------------|--------------|--------------|------------|--------------|--------------|------------|--------------|
| Net sales, by segment | | | | | | | |
| Climate Products & Systems | 137.8 | 144.7 | -5% | 291.1 | 314.0 | -7% | 591.9 |
| Climate Solutions | 34.1 | 35.8 | -5% | 68.8 | 78.3 | -12% | 151.6 |
| Eliminations | -0.3 | -0.1 | | -0.4 | -0.2 | | -0.3 |
| Total | 171.5 | 180.3 | -5% | 359.4 | 392.1 | -8% | 743.2 |

In April-June 2024, Purmo Group's net sales was EUR 171.5 million (180.3); a decrease of 5 per cent. The organic decline in net sales, excluding currency effects, acquisitions and divestments, was 4 per cent. Acquisitions did not contribute to net sales. The net impact of changes in currencies was 1 per cent.

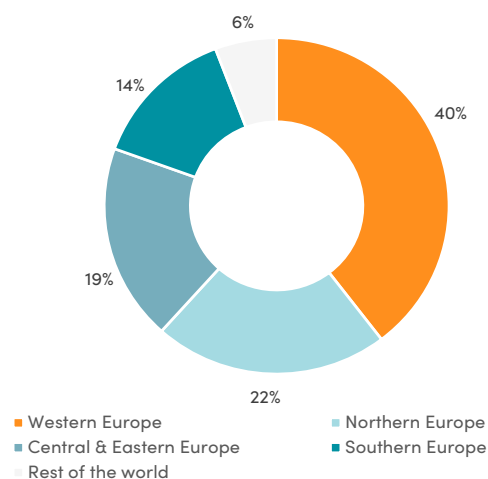
Net sales for the Group continued to decline driven by the downturn and low construction activity during the quarter. For the Climate Products & Systems division, sales were low in most of the regions, although an improvement in radiator sales continued in Eastern Europe in line with the first quarter of the year. The Climate Solutions division was faced by low demand for heating and cooling projects in its main markets during the quarter.

Net sales from Northern Europe declined by 5 per cent amounting to EUR 37.8 million (39.8). Western Europe declined by 5 per cent, amounting to EUR 67.9 million (71.4). Central and Eastern Europe increased by 9 per cent to EUR 32.4 million (29.8). Southern Europe declined by 10 per cent to EUR 23.4 million (26.0) and the Rest of the world region declined by 25 per cent to EUR 9.9 million (13.3).

Net sales, MEUR



Net sales by geographical area, 4-6/2024



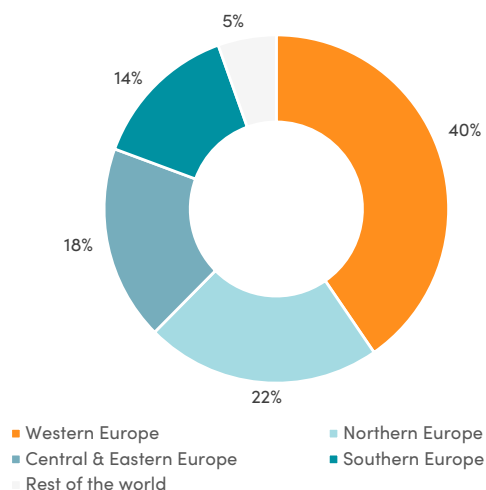
Net sales by geographical area

| EUR million | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|----------------------------|--------------|--------------|------------|--------------|--------------|------------|--------------|
| Northern Europe | 37.8 | 39.8 | -5% | 79.4 | 83.4 | -5% | 191.0 |
| Western Europe | 67.9 | 71.4 | -5% | 145.2 | 162.7 | -11% | 337.2 |
| Central and Eastern Europe | 32.4 | 29.8 | 9% | 65.1 | 63.3 | 3% | 174.5 |
| Southern Europe | 23.4 | 26.0 | -10% | 50.0 | 57.5 | -13% | 142.4 |
| Rest of the world | 9.9 | 13.3 | -25% | 19.7 | 25.1 | -22% | 58.9 |
| Net sales | 171.5 | 180.3 | -5% | 359.4 | 392.1 | -8% | 743.2 |

In January–June 2024, Purmo Group’s net sales were EUR 359.4 million (392.1); the decrease was 8 per cent. The organic decline in net sales, excluding currency effect, acquisitions and divestments was 8 per cent. Acquisitions did not have a material contribution to net sales. The net impact of changes in currencies was 0 per cent. Net sales declined due to a general downturn in most of the company’s main markets during the review period.

Net sales in Northern Europe declined by 5 per cent to 79.4 million (83.4). Western Europe declined by 11 per cent, amounting to EUR 145.2 million (162.7). Central and Eastern Europe increased by 3 per cent to EUR 65.1 million (63.3). Southern Europe declined by 13 per cent to EUR 50.0 million (57.5) and the Rest of the world region declined by 22 per cent to EUR 19.7 million (25.1).

Net sales by geographical area, 1-6/2024



Results and profitability

| EUR million | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|------------------------------------|--------------|--------------|-------------|--------------|--------------|------------|--------------|
| Adjusted EBITDA, by segment | | | | | | | |
| Climate Products & Systems | 16.2 | 17.4 | -6% | 40.0 | 40.0 | -0% | 78.5 |
| Climate Solutions | 5.5 | 6.6 | -17% | 11.0 | 12.8 | -14% | 23.7 |
| Other and unallocated | -3.0 | -2.7 | 11% | -5.7 | -5.2 | 10% | -9.9 |
| Total | 18.7 | 21.2 | -12% | 45.3 | 47.7 | -5% | 92.3 |
| Adjusted EBITDA margin, % | 10.9% | 11.8% | | 12.6% | 12.2% | | 12.4% |

In April-June 2024, Purmo Group's adjusted EBITDA declined to EUR 18.7 million (21.2); a decrease of 12 per cent.

The adjusted EBITDA margin declined to 10.9 (11.8) per cent. The decline in the adjusted EBITDA and in the adjusted EBITDA margin was driven by lower volumes and temporary inefficiencies in operations. Furthermore, investments in the transformation of Purmo Group impacted the adjusted EBITDA and adjusted EBITDA margin of the second quarter.

Comparability adjustments affecting EBITDA and EBITA amounted to EUR -5.6 million (-4.2). The adjustments were mainly related to the Accelerate PG programme, in particular the closure of the production plant in Hull, United Kingdom. In addition, the adjustments included the costs related to the public tender offers.

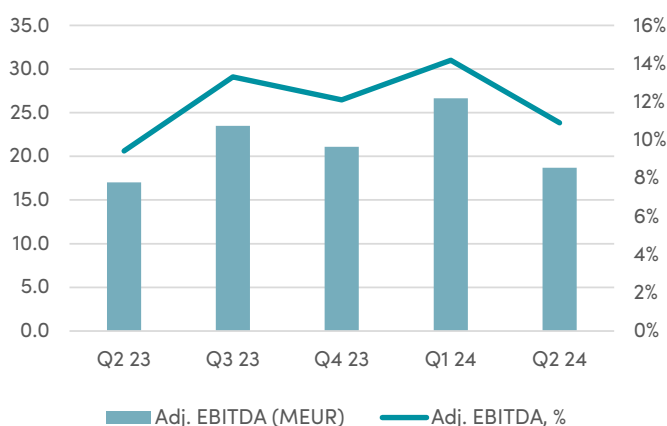
Profit for the review period was EUR -0.8 million (2.9) and adjusted profit for the period was EUR 3.2 million (6.1). Earnings per share were EUR -0.03 (0.04) and adjusted earnings per share were EUR 0.07 (0.12).

In January-June 2024, Purmo Group's adjusted EBITDA was EUR 45.3 million (47.7); the decrease was 5 per cent. The decline in the adjusted EBITDA for the Group was mainly a result of lower volumes in the Climate Solutions division during the review period.

The adjusted EBITDA margin increased to 12.6 (12.2) per cent compared to corresponding period last year due to strong margin management.

Comparability adjustments affecting EBITDA and EBITA amounted to EUR -6.9 million (-7.6). The adjustments were mainly related to EUR 6.2 million costs associated with the

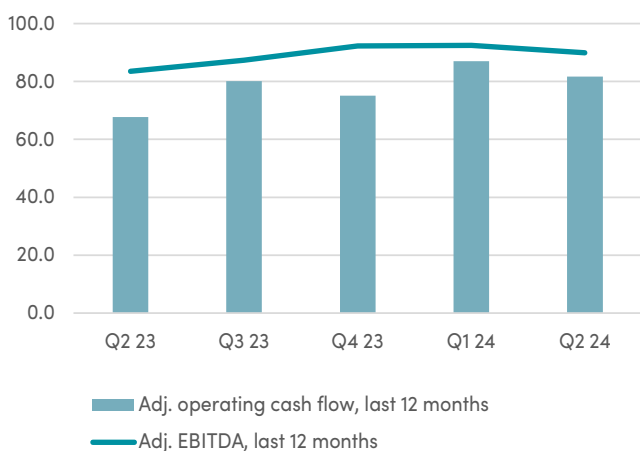
Adj. EBITDA and Adj. EBITDA, %



Accelerate PG programme.

Profit for the review period was EUR 8.7 million (9.6), and adjusted profit for the period was EUR 13.7 million (15.7). Earnings per share were EUR 0.17 (0.19), and adjusted earnings per share were EUR 0.29 (0.34).

Adj. operating cash flow, last 12 months, MEUR



Cash flow and financial position

In April-June 2024, cash flow from operating activities decreased to EUR 5.6 million (8.1). The cash flow was positively impacted by the change in net working capital during the quarter and offset by the payments related to restructuring within the Accelerate PG programme. The cash flow was also impacted by a decrease in financial items and income taxes paid of EUR -5.1 million (-8.7).

In January-June 2024, cash flow from operating activities increased to EUR 10.4 million (6.8). The cash flow was impacted by the increase in net working capital of EUR -16.5 million (-17.6) during the review period. In addition, the cash flow was reduced by financial items and income taxes paid, totalling EUR -11.7 million (-17.1). The development in net working capital was positively impacted by the Accelerate PG programme.

Adjusted operating cash flow for the last 12 months increased by 20 per cent to EUR 81.2 million (67.8), and the cash conversion remained on a high level at 90.3 per cent (81.2). The change was mainly a result of a decrease in net working capital of EUR 13.0 million (8.1). The adjusted EBITDA during the last 12 months increased to EUR 89.9 million and was higher than the previous year (83.5).

Cash flow from investment activities was EUR -8.3 million (-7.1) in the reporting period mainly attributed to investments in property, plant and equipment, and intangible assets.

Cash flow from financing activities, which include the payments of return of capital, repayment of lease liabilities and hybrid bond annual coupon payment, was EUR -20.9 million (40.8).

At the end of June 2024, the Group's net debt was EUR 236.8 million (31 Dec 2023: 219.6), and the net debt to adjusted EBITDA ratio, based on the last 12 months adjusted EBITDA, was 2.63 (31 Dec 2023: 2.38). The increase in the Group's net debt to the adjusted EBITDA was mainly a result of a change in net working capital during the review period. The hybrid bond is treated as equity according to IFRS and therefore not included in net debt.

At the end of June 2024, the equity ratio was 42.1 per cent (31 Dec 2023: 43.7) having decreased mainly due to the hybrid bond related annual coupon payment and payments of return of capital. The equity ratio calculation has been updated to be calculated from total equity instead of equity attributable to the owners of the company from the beginning of 2023.

At the end of June 2024, the liquidity position in terms of cash and cash equivalents totalled EUR 90.8 million (31 Dec 2023: 111.7). The company has a Finnish commercial paper programme of EUR 100.0 million (31 Dec 2023: 100.0), which was unutilised at the end of the reporting period. The company also had an EUR 80.0 million (31 Dec 2023: 80.0) unutilised committed revolving credit facility, EUR 18.0 million (31 Dec 2023: 20.5) of unutilised overdraft facilities with core financial institutions and EUR 125.0 million (31 Dec 2023: 125.0) unutilised uncommitted M&A facility.

Total equity decreased to EUR 422.2 million (31 Dec 2023: 435.7) compared to the comparison period.

Market overview

Energy efficiency requirements for new and existing buildings are expected to favourably influence demand for Purmo Group's indoor climate comfort solutions. Governments and local authorities are incentivising the shift to renewable energy sources and energy efficiency through low-temperature systems as well as well-insulated housing. The incentives also support the introduction of energy performance requirements for new and renovated buildings. The European Union's Green Deal, aiming at making Europe the first carbon-neutral continent by 2050, is one example of a generic longer-term initiative. Furthermore, as a result of global warming and rising energy prices, consumers are showing an increasing preference and need for combatting climate change and supporting sustainability. Consumer preferences are moving towards sustainable solutions and products.

According to the European Commission, up to 75 per cent of the buildings in the EU require deep energy renovation, implying that the addressable energy renovation market opportunity is significant. Energy renovations in existing dwellings often include the replacement of fossil-fuel-based heat sources (e.g. gas boilers) with renewable-energy-based heat sources (e.g. heat pumps). Importantly, the growth of heat pumps also drives a shift from high-temperature to low-temperature heat distribution systems to enable the energy efficiency of the heat pump installation. This implies that emitters such as radiators will need to be upgraded when combined with heat-pump systems by becoming larger or more efficient, so they can generate equal heating output given the lower water temperature of the system.

Purmo Group is well positioned to support this transition, being a provider of complete heating and cooling solutions, including air-to-water heat pumps, low-temperature emitters and smart controls. The company's indoor climate comfort solutions are sold primarily across Europe mainly to residential buildings, but also to non-residential buildings. Around 60 per cent of Purmo Group's net sales are generated from renovation, with the remainder from new construction projects. The secular trend for energy renovations also helps to make the business even less reliant on new build construction markets.

The estimated compounded annual growth rate for Purmo Group's products and systems varies. As an example, the demand for air-to-water heat pumps is expected to grow by 13 per cent annually (CAGR) within the company's addressable markets (2021-2026) (BRG, June 2024).

The energy renovation trend in Europe requires an upgrade of radiators in conjunction with heat pump installations for consumers to capture full energy savings. This trend is expected to grow the radiator market by 5.6 per cent annually during 2022-2030 (CAGR) (Third party independent analysis).

During the second quarter of 2024, construction activity in Purmo Group's key markets remained low. Radiator sales in Eastern Europe increased instead due to optimism regarding the residential construction market recovery.

The construction markets in the new build and renovation segments are expected to remain challenging in 2024. Increased geopolitical risks and high overall uncertainties can also have an impact on Purmo Group's core markets.

The mid-to long-term market outlook is positive for Purmo Group given the support from secular green transition tailwinds. The need for radiator upgrades in conjunction with heat pump installations across Europe also drives the demand for the heating and cooling products offered by the Group.

Climate Products & Systems Division

The Climate Products & Systems division sells via wholesalers to residential and non-residential sectors. Its sales regions are Northern, Western, Southern and Eastern Europe, and Rest of the World, including Brazil, China, Japan and the United States. The main product categories within the division are panel, tubular and electric radiators as well as products for radiant heating and cooling (RHC); including underfloor heating, air heating and cooling, water distributions systems, and system components and controls.

| EUR million | 4-6/2024 | 4-6/2023 | Change, | 1-6/2024 | 1-6/2023 | Change, | 2023 |
|--|----------|----------|---------|----------|----------|---------|-------|
| Net sales | 137.8 | 144.7 | -5% | 291.1 | 314.0 | -7% | 591.9 |
| Adjusted EBITDA | 16.2 | 17.4 | -6% | 40.0 | 40.0 | -0% | 78.5 |
| Adjusted EBITDA margin, % | 11.8% | 12.0% | | 13.7% | 12.8% | | 13.3% |
| Depreciations, amortisations and impairments | -6.0 | -6.7 | -11% | -12.1 | -13.4 | -10% | -31.7 |

Net sales

In April-June 2024, net sales for the Climate Products & Systems division decreased by 5 per cent to EUR 137.8 million (144.7). The organic decline in net sales was 4 per cent. Acquisitions did not contribute to the division's net sales. The net impact of changes in currencies was negative 2 per cent.

During the second quarter of the year, net sales declined in most of the regions of the division. An improvement in radiator sales continued in Eastern Europe in line with the first quarter of the year. Net sales of radiators amounted to EUR 89.7 million (92.0) during the second quarter of the year. The weak demand in the company's main regions decreased the organic sales volume in radiators of around 1.8 per cent during the quarter.

In January-June 2024, net sales for the Climate Products & Systems division decreased by 7 per cent to EUR 291.1 million (314.0). The organic decline in net sales was 7 per cent. Acquisitions did not contribute to the division's net sales. The net impact of changes in currencies was 0 per cent.

Net sales of radiators for the review period amounted to EUR 193.6 million (202.8). The weak demand for radiators during the review period led to a decline in the organic sales volume in radiators of around 2.3 per cent.

Profitability

In April-June 2024, adjusted EBITDA for the Climate Products & Systems division decreased by 6 per cent to EUR 16.2 million (17.4). The adjusted EBITDA margin stayed roughly on the same level at 11.8 per cent (12.0) compared to last year.

The adjusted EBITDA margin remained approximately at the same level compared to last year due to the division's strong margin management in a challenging market environment. The minor decrease in adjusted EBITDA margin was a result of lower volumes and temporary inefficiencies in operations.

In January-June 2024, adjusted EBITDA for the Climate Products & Systems division remained on the same level at EUR 40.0 million (40.0). The adjusted EBITDA margin improved to 13.7 per cent (12.8).

Climate Solutions Division

The Climate Solutions division sells integrated solutions directly to installers from the company's Emmeti business in South Europe, its Thermotech business in the Nordic region and its Merriott business in the United Kingdom and Ireland. The Climate Solutions division provides a comprehensive set of heating and cooling solutions for customers whose goal is to achieve energy savings and reduce emissions generated by energy consumption.

| EUR million | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|--|----------|----------|-----------|----------|----------|-----------|-------|
| Net sales | 34.1 | 35.8 | -5% | 68.8 | 78.3 | -12% | 151.6 |
| Adjusted EBITDA | 5.5 | 6.6 | -17% | 11.0 | 12.8 | -14% | 23.7 |
| Adjusted EBITDA margin, % | 16.0% | 18.4% | | 16.1% | 16.4% | | 15.6% |
| Depreciations, amortisations and impairments | -1.3 | -1.3 | -6% | -2.5 | -2.5 | 1% | -5.1 |

Net sales

In April-June 2024, net sales for the Climate Solutions division decreased by 5 per cent to EUR 34.1 million (35.8). The organic decline in net sales was 5 per cent. Acquisitions did not contribute to the division's net sales. The net impact of changes in currencies was 1 per cent.

During the quarter, net sales for the Climate Solutions division were hurt by weak construction activity in Italy and the Nordics.

In January-June 2024, net sales for the Climate Solutions division decreased by 12 per cent to EUR 68.8 million (78.3). The organic decline in net sales was 12 per cent. The net impact of changes in currencies was 0 per cent.

Profitability

In April-June 2024, adjusted EBITDA for the Climate Solutions division decreased by 17 per cent to EUR 5.5 million (6.6). The adjusted EBITDA margin decreased to 16.0 per cent (18.4).

The decrease in adjusted EBITDA margin was mainly a result of lower volumes in the division's main markets in addition to higher sales and marketing spend during the quarter.

In January-June 2024, adjusted EBITDA for the Climate Solutions division decreased by 14 per cent to EUR 11.0 million (12.8). The adjusted EBITDA margin remained roughly on the same level at 16.1 per cent (16.4).

Investments, acquisitions, structural changes and R&D

Investments

In April–June 2024, capital expenditure, excluding business combinations and leased assets, totalled EUR 4.8 million (3.2) and in January–June 2024 EUR 8.5 million (7.1). The investments during the review period and the comparison period were related primarily to strategic projects as well as factory expansions and maintenance.

Acquisitions and disposals

On 19 April 2024, Purmo Group announced that it had signed an agreement to sell its Russian operations to a Russian investment company and ended negotiations with IPLS. On 1 April 2022, Purmo Group announced its intention to exit its business in Russia, and on 28 April 2023, the company announced that it had signed an agreement to sell its Russian business to IPLS. The approval process regarding the closure of the transaction with IPLS took longer than expected. As a result, the Group continued negotiations with other buyers to sell its Russian operations.

Completion of the transaction is subject to approvals by the relevant regulatory authorities in Russia, which are expected to be received during the third quarter of 2024. After the potential divestment, Purmo Group will not have any activities in Russia or any redemption liabilities concerning the Russian business. The divestment will not have a material financial impact on Purmo Group and will not affect the financial guidance for 2024.

Purmo Group has classified its Russian business as assets held for sale since 2022. In 2022, the Group recognised non-recurring impairments of EUR 12.9 million. In 2023, the Group recognised additional non-recurring impairment of EUR 3.9 million and increased the redemption liability by EUR 1.3 million. For accounting purposes, the Russian business is presented as continuing operations as it does not meet the criteria for discontinued operations. In 2023, Russia represented circa 3 per cent of Purmo Group's total net sales.

Structural changes

There were no major structural changes during the second quarter of the year.

Research and development

Product development within Purmo Group focuses on connecting smart HVAC equipment, from the energy source to thermal emitters, in one unified and intelligent system. Combining and connecting heat pumps with heat emitters and other systems offered by the Group maximises energy savings for end-users. Additionally, focus is placed on minimising material usage, including product packaging, and on smart design that improves system performance. Purmo Group also continues its collaboration with its network in the field of control systems.

In line with its strategy, Purmo Group's pipeline of smart products focuses on three clear strategic priorities: intelligence and connectivity, sustainability and aesthetics.

Research and development (R&D) expenditure totalled EUR 1.4 million (1.5) in April–June 2024. Research and development (R&D) expenditure totalled EUR 3.0 million (3.2) in January–June 2024.

During the second quarter, the Thermopanel V4 convector (TPK) range was launched in Sweden and Norway. An improved convector comes with different grilles, wall and floor standing options, and bench versions. The grilles are available in various shapes and versions and the convector is available in multiple colours. All models in the Thermopanel V4 series have the same connection, which simplifies the project planning and installation.

Strategy

The company's growth strategy is built on three pillars:

- (i) scaling-up of solution-selling to provide complete solutions and to capture growth potential in underpenetrated markets;
- (ii) launching and delivering smart products that are more intelligent, sustainable and aesthetic; and
- (iii) focusing on growth markets to capture the biggest opportunities outside of current markets.

Growth is supported by M&A opportunities, which will foster consolidation and expansion.

The strategy is further supported by continuous improvement of operational excellence and by investments in people and culture.

Strategy acceleration programme

On 5 October 2022, Purmo Group announced a strategy acceleration programme, 'Accelerate PG', to strengthen the execution of the strategy. The programme focuses on improving net sales growth, profitability and net working capital efficiency to support reaching its financial targets. The programme supports the financial development of the Group.

The programme targets cumulative adjusted EBITDA run-rate improvements of EUR 50.0 million, which are expected to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45.0 million by the end of 2024.

The company has started to pivot the programme towards improving net sales growth. The target for the growth phase is to achieve approximately EUR 15.0 million of incremental adjusted EBITDA run-rate improvements by the end of 2025.

Profitability improvements include both variable and fixed cost savings. Additionally, the company continues to assess optimising its manufacturing and supply chain footprint. Growth initiatives include utilisation of the existing offering across all markets, maximising the account coverage

including distributors, installers and developers, launching new products and seizing new sales channels as well as ensuring optimal enablers in terms of systems, processes, and ways of working.

The costs for the programme, excluding non-cash items, are expected to be approximately EUR 45.0 million, of which approximately EUR 34.0 million was generated during 2023, and the remainder will be incurred in 2024. In addition, non-cash costs for the programme are expected to be below EUR 5.0 million in 2024. In 2025, the costs recognised as adjusting items to the programme's growth initiatives are approximately half of the adjusted EBITDA run-rate improvements achieved during the year.

Accelerate PG is delivering improvements ahead of plan. Implemented adjusted EBITDA run-rate improvements at the end of the second quarter amounted to EUR 42.3 million. This was up from EUR 34.1 million at the end of the first quarter. Adjusted EBITDA periodic impact during the quarter amounted to EUR 5.7 million (EUR 3.4 million in Q2 2023) compared to the previous year. The programme has also realised a cumulative net working capital improvement of EUR 41.2 million, of which periodic impact amounted to EUR 9.5 million during the second quarter compared to the previous year.

The most significant improvements from the strategy acceleration programme have been generated in pricing and portfolio optimisation, procurement savings and efficiencies from footprint optimisation. In addition, the Group achieved improvements in net working capital efficiency. The savings reported in the programme are incremental and recurring and, thus, do not include inflationary effects on either sales price or input costs.

On 13 May 2024, Purmo Group announced that it had completed the consultation process with employee representatives relating to a closure of the Hull plant, United Kingdom. The closure of the Hull plant, production transfer of low surface-temperature radiators to Gateshead, and the termination of employment of 35 employees will be completed in the third quarter of 2024.

Sustainability

Purmo Group's 'Complete Care' approach to sustainability is designed to be wide-reaching, transparent, tangible, measurable and effective. It covers four focus areas:

Production, the way Purmo Group makes things;

Solutions, the things it makes; **People**, the employees that make them; and **Communities**, those that it reaches. Purmo Group continued to make progress against its ESG targets in the second quarter of 2024.

Production

Carbon intensity increased by 0.5 per cent to 83.6 (83.2) (tCO₂e/net sales in EUR million) and Scope 1 and 2 greenhouse gas (GHG) emissions decreased by 4 per cent to 14,333 tCO₂e (15,004) during the quarter. The decrease in Scope 1 and Scope 2 emissions was driven by lower volumes, partly due to the closure of the production plant in Zonhoven in April 2024.

Solutions

During the second quarter, three new EPDs (Environmental Product Declarations) for Purmo Group's products were created. The EPDs were granted for two types of pipe produced in Germany and for a radiator model produced in Poland and Hungary.

People

Lost Time Injury Frequency Rate per million hours worked (LTIFR) decreased to 5.5 (11.0). The decline resulted from a temporarily high comparison period last year, together with strong focus on health and safety within the Group. The number of safety observations decreased by 31 per cent to 191 (276) in the quarter. The proportion of women in senior management positions decreased slightly to 24 per cent (26%) during the quarter.

Communities

During the quarter, Purmo Group's employees dedicated 1,250 hours in total (2,696) to volunteering in local communities. The decline in volunteering hours during the quarter was a result of a high corresponding period last

year, when volunteering working increased due to low production volumes.

Other material activities

On 11 June 2024, Purmo Group announced that its targets for reducing greenhouse-gas (GHG) emissions have been approved by the Science Based Targets initiative. The targets cover Scope 1, 2 and 3 emissions in both the near term (2033) and long term (2050). Purmo Group has also committed to reaching net zero GHG emissions by 2050. The approval of the targets by the SBTi is a major step in Purmo Group's dedication to making its sustainability journey transparent, tangible and measurable.

Near-Term Targets:

Purmo Group commits to reduce absolute Scope 1 and 2 GHG emissions by 54.6% by 2033 from a 2022 base year¹. The Group also commits to reduce absolute Scope 3 GHG emissions by 32.5% within the same timeframe.

Long-Term Targets:

Purmo Group commits also to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2050 from a 2022 base year¹. The Group also commits to reduce absolute Scope 3 GHG emissions by 90% within the same timeframe.

More information on Purmo Group's sustainability strategy is available on the [company's website](#).

¹ The target boundary includes biogenic, land-related emissions and removals from bioenergy feedstocks.

Key indicators

| | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|--|----------------|----------------|-----------|----------------|----------------|-----------|---------|
| Production | | | | | | | |
| Scope 1 and 2 GHG emissions, tCO ₂ e ^{1 8} | 14,333 | 15,004 | -4% | 28,842 | 33,879 | -15% | 63,898 |
| Scope 3 GHG emissions from procured steel, tCO ₂ e ² | 56,748 | 57,680 | -2% | 114,440 | 110,384 | 4% | 211,445 |
| Scope 1 and 2 carbon intensity ^{3 8} | 83.6 | 83.2 | 0% | 80.2 | 86.2 | -7% | 86.0 |
| Solutions | | | | | | | |
| Customer Net Promoter Score, cNPS ⁴ | - ⁹ | - ⁹ | - | - ⁹ | - ⁹ | - | 46 |
| Customer Sustainability Net Promoter Score, sNPS ⁵ | - ⁹ | - ⁹ | - | - ⁹ | - ⁹ | - | 21 |
| People | | | | | | | |
| Lost Time Injury Frequency Rate, LTIFR ⁶ | 5.5 | 11.0 | -50% | 3.5 | 8.6 | -59% | 6.3 |
| Number of safety observations ⁸ | 191 | 276 | -31% | 372 | 574 | -35% | 1,076 |
| Number of accidents ⁸ | 7 | 14 | -50% | 9 | 23 | -61% | 33 |
| Employee Net Promoter Score, eNPS ⁷ | - ⁹ | - ⁹ | - | - ⁹ | -6 | - | -8 |
| Proportion of women in senior management positions | 24% | 26% | - | 25% | 26% | - | 26% |
| Communities | | | | | | | |
| Number of volunteering hours ⁸ | 1,250 | 2,696 | -54% | 2,466 | 4,146 | -41% | 7,213 |

¹ Market based GHG emissions based on Purmo Group's procurement mix of electricity and gas in countries with manufacturing operations. Purmo Group has applied the principles of the Operational Control Approach. Scope 1 (GRI 305-1) and scope 2 (GRI 305-2) only include gas and electricity.

² For 2024 Purmo Group applied the 2022 World Steel Association data of 1.91 tCO₂e embodied carbon produced for every tonne of crude steel cast. In 2023 Purmo Group applied the 2021 World Steel Association data of 1.89 tCO₂e embodied carbon produced for the same measure.

³ tCO₂e/net sales in EUR million.

⁴ Question asked: 'How likely is it that you would recommend <Purmo brand> to a friend or colleague?'

⁵ Question asked: 'How likely is it that you would recommend <Purmo brand> to a friend or colleague as a leader in sustainable indoor climate comfort?'

⁶ Lost Time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurring in a workplace per 1 million hours worked.

⁷ Question asked: 'How likely is it that you would recommend Purmo Group as an employer to a friend or an acquaintance?'

⁸ Comparison figures recalculated due to additional data received after the publication of previous half-year financial reports.

⁹ Certain data is unavailable because it is currently not collected on a quarterly basis.

Other significant events during the quarter

On 15 April 2024, Purmo Group announced that it had signed an agreement with Kastelli Talot Oy, the biggest house builder in Finland. Based on the agreement, Purmo Group will deliver underfloor heating solutions, pipes and valves to Kastelli in 2024 and 2025. One of the most important elements of the agreement is Purmo Group's design of underfloor heating systems.

On 19 April 2024, Purmo Group announced that it had signed an agreement to sell its Russian operations to a Russian investment company and ended negotiations with IPLS. On 1 April 2022, Purmo Group announced its intention to exit its business in Russia, and on 28 April 2023, the company announced that it had signed an agreement to sell its Russian business to IPLS. The approval process regarding the closure of the transaction with IPLS took longer than expected. As a result, the Group continued negotiations with other buyers to sell its Russian operations.

Completion of the transaction is subject to approvals by the relevant regulatory authorities in Russia, which are expected to be received during the third quarter of 2024. After the potential divestment, Purmo Group will not have any activities in Russia or any redemption liabilities concerning the Russian business. In 2023, the business in Russia represented approximately 3% of the Group's total net sales. The divestment will not have a material financial impact on Purmo Group and will not affect the financial guidance for 2024.

On 26 April 2024, Project Grand Bidco (UK) Limited announced a voluntary recommended public cash tender offer for all the shares in Purmo Group Plc. The C Share Offer Price was 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 was EUR 6.00 in cash for each F Share ineligible for conversion into C Shares validly tendered in the Tender Offer. The Board of Directors of Purmo, represented by a quorum comprising the non-conflicted members of the Board of Directors, had unanimously decided to recommend that the shareholders of Purmo accept the Tender Offer.

On 10 May 2024, a statement of the Board of Directors of Purmo Group Plc regarding the voluntary recommended public cash tender offer by Project Grand Bidco (UK) Limited was published.

On 13 May 2024, Purmo Group announced that it had completed the consultation process with employee representatives relating to a closure of the Hull plant, United Kingdom, with production transfer to Gateshead. The closure of the Hull plant, production transfer of low surface-temperature radiators to Gateshead, and the termination of employment of 35 employees will be completed in the third quarter of 2024.

On 16 May 2024, Project Grand Bidco (UK) Limited announced that the voluntary recommended public cash tender offer for all the shares in Purmo Group Plc will commence on May 17, 2024 and that it will expire on June 20, 2024, at 4:00 p.m. (Finnish time), unless the offer period is extended as described in the terms and conditions of the Tender Offer. Tender Offer was expected to be completed at the end of the second quarter or in the beginning of the third quarter of 2024. The Finnish language version of the Tender Offer Document has been available on the internet at <https://purmogroup.tenderoffer.fi/> and www.nordea.fi/purmo-ostotarjous as of May 16, 2024. The English language translation of the Tender Offer Document has been available on the internet at <https://purmogroup.tenderoffer.fi/en> and www.nordea.fi/purmo-offer as of May 16, 2024.

On 30 May 2024, Purmo Group Plc announced that it confirmed receiving a preliminary non-binding indication of interest from Haier. 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 class C shares a cash consideration of EUR 6.66 per share.

On 31 May 2024, Project Grand Bidco (UK) Limited announced that it supplements the tender offer document relating to the public cash tender offer for all the shares in Purmo Group Plc.

On 11 June 2024, Purmo Group announced that its targets for reducing greenhouse-gas (GHG) emissions have been approved by the Science Based Targets initiative. The targets cover scope 1, 2 and 3 emissions in both the near term (2033) and long term (2050). Purmo Group has also committed to reaching net zero GHG emissions by 2050. The Group believes that the approval of the targets by the SBTi is a major step in its dedication to making its sustainability journey transparent, tangible and measurable.

Purmo Group commits to reduce absolute Scope 1 and 2 GHG emissions by 54.6% by 2033 from a 2022 base year¹. The Group also commits to reduce absolute Scope 3 GHG emissions by 32.5% within the same timeframe.

Purmo Group commits also to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2050 from a 2022 base year¹. The Group also commits to reduce absolute Scope 3 GHG emissions by 90% within the same timeframe.

On 13 June 2024, Project Grand Bidco (UK) Limited announced that it extends the offer period of its tender offer for all the shares in Purmo Group Plc. The processes for obtaining the necessary regulatory approvals for the completion of the Tender Offer are progressing as planned. However, as the processes remain pending and was not completed within the initial offer period, the Offeror decided to extend the offer period of the Tender Offer to expire on July 15, 2024, at 4:00 p.m. (Finnish time).

Events after the review period

On 15 July 2024, Purmo Group announced that Haier Europe Appliances Holding B.V. has announced a Competing Voluntary Public Cash Tender Offer for all Shares in Purmo Group Plc at a price of EUR 13.68 per share for each Class C Share and each Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer and at a price of EUR 8.28 per share for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer.

On 14 June 2024, Project Grand Bidco (UK) Limited announced that it had improved offer prices and lowered the acceptance threshold of its tender offer, in addition that Purmo board maintained its recommendation. The holders of C Shares, and F Shares would be offered a cash consideration of EUR 11.15 for each such C Share or F Share validly tendered in the Improved Tender Offer and the holders of F Shares that are ineligible for conversion into C Shares, would be offered a cash consideration of EUR 6.75 for each such F Share validly tendered in the Improved Tender Offer. Furthermore, the Offeror announced that it had decided to lower the minimum acceptance threshold of the Improved Tender Offer from more than 90 per cent to more than 80 per cent of all Shares.

On 19 June 2024, an 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 was published.

On 20 June 2024, Project Grand Bidco (UK) Limited announced that it supplements the tender offer document relating to the public cash tender offer for all the shares in Purmo Group Plc.

The completion of the Haier Tender Offer is subject to certain conditions, including the Haier Tender Offer having been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by Haier prior to or during the offer period, more than 80 per cent of the Shares and voting rights, the receipt of all necessary regulatory approvals, the Board of Directors of Purmo issuing its recommendation the shareholders to accept the Haier Tender Offer as well as Haier and the Company having entered into a combination agreement.

¹ The target boundary includes biogenic, land-related emissions and removals from bioenergy feedstocks.

The Board notes, for the avoidance of doubt, that its recommendation issued on May 10, 2024 (as supplemented on June 19, 2024) for shareholders to accept the Grand Tender Offer on its improved terms remains upheld. The Board notes that the irrevocable undertaking by Rettig Oy Ab to sell all its C Shares, which represent approximately 61.8 per cent of all Shares in the Company, to Grand Bidco, currently remains in force. In addition, the irrevocable undertakings by certain other major shareholders of the Company to accept the Grand Tender Offer currently remain in force. In total, Rettig Oy Ab's undertaking and all the irrevocable undertakings represent approximately 90.34 per cent of all Shares in the Company.

On 15 July 2024, Project Grand Bidco (UK) Limited announced, that it had noted Haier Europe Appliances Holding B.V.'s competing offer for Purmo and will extend the offer period of its public cash tender offer. The Offeror will in connection with the supplement extend the offer period in its tender offer as required under applicable law and the regulations and guidelines of the Finnish Financial Supervisory Authority. The new expiry date of the offer period will be announced in connection with the publication of the supplement document at the latest.

On 16 July 2024, Project Grand Bidco (UK) Limited announced that it waives the remaining regulatory approval condition in its tender offer and confirmed it will not increase its offer prices. The Board of Directors of Purmo Group Plc noted the announcement and reiterated that it continues to investigate shareholder support for the competing offer announced on July 15, 2024 by Haier Europe Appliances Holding B.V. considering its offer terms and will supplement its statement on the tender offer by Project Grand Bidco (UK) Limited at least five (5) business days before the end of the offer period (as to be extended) as required by the Finnish Securities Market Act.

Shares and shareholders

Share capital, number of shares and shareholders

| | 30 Jun 2024 |
|--------------------------|----------------------------|
| Number of class C shares | 41,112,713 |
| Number of class F shares | 1,565,217 |
| Number of shareholders | 2,360 (30 Jun 2023: 3,286) |

Purmo Group Plc has two share classes of which class C shares are listed, and class F shares are held by Purmo Group Plc's founding shareholder, Virala Corporation.

The company's class F shares are subject to redemption and consent clauses in accordance with the Articles of Association, which restrict the rights to transfer and acquire class F shares. The holder of class F shares has the right to demand conversion into class C shares subject to certain price hurdles calculated in accordance with the Articles of Association. Further, class F shares carry a right to asset distribution equivalent to a certain proportion of asset distributed to class C shares in accordance with the Articles of Association.

The number of shares outstanding on 30 June 2024 was 41,112,713 class C shares and 1,565,217 class F shares. The company's registered share capital on 30 June 2024 was EUR 3,080,000. The company has no treasury shares.

On 30 June 2024, the five largest shareholders were Rettig Ltd (61.80 per cent of total shares), Virala Corporation (15.16 per cent), Ahlström Invest B.V. (2.81 per cent), Varma Mutual Pension Insurance Company (2.34 per cent) and Jussi Capital Oy (1.42 per cent).

Board authorisation regarding share issue and share repurchase

The Annual General Meeting held on 9 April 2024 resolved that the Board of Directors is authorised to resolve on the issuance of class C shares as well as the issuance of special rights entitling to class C shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in one or several tranches.

The number of class C shares to be issued based on this authorisation shall not exceed 8,000,000 shares (including shares to be received based on special rights), which corresponds to approximately 19.46 per cent of all of class C shares in Purmo Group. The authorisation may be used to improve Purmo Group's capital structure, to finance or carry out corporate acquisitions or other arrangements, for incentive arrangements and remuneration schemes or for other purposes resolved by the Board of Directors. However, a maximum of 25 per cent of the authorisation, i.e., a maximum of 2,000,000 class C shares (including shares to be received based on special rights) may be used for incentive arrangements and remuneration schemes.

The Annual General Meeting resolved that the Board of Directors is authorised to resolve on the repurchase of class C shares owned by the Company as well as on the acceptance of them as pledge.

The number of class C shares to be repurchased or accepted as pledge by virtue of this authorisation shall not exceed 4,000,000 class C shares owned by the Company, which corresponds to approximately 9.73 per cent of all of class C shares in Purmo Group, subject to the provisions of the Finnish Companies' Act on the maximum number of own shares owned by or pledged to the Company and its subsidiaries.

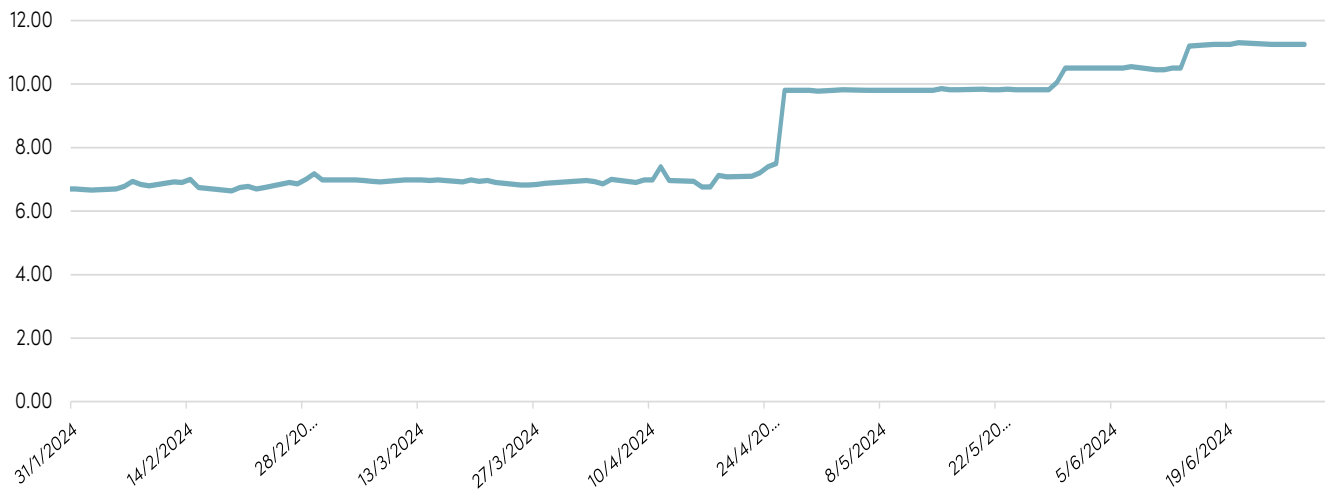
The shares will be repurchased to be used to improve Purmo Group's capital structure, to finance or carry out corporate acquisitions or other arrangements, for incentive arrangements and remuneration schemes or to be retained by the Company as treasury shares, transferred, cancelled or for other purposes resolved by the Board. The Board of Directors shall decide on all other terms and conditions regarding the repurchase of the Company's own shares and acceptance thereof as pledge.

The authorisations are effective until the end of the next Annual General Meeting, however, no longer than until 30 June 2025.

Trading of shares on Nasdaq Helsinki

| 1 Jan - 30 Jun 2024 | |
|---|-----------|
| High, EUR | 11.50 |
| Low, EUR | 6.54 |
| Volume-weighted average price | 9.39 |
| Closing price, EUR, 30 June 2024 | 11.25 |
| Market Capitalisation, class C share, EUR million, 30 June 2024 | 462.5 |
| Number of traded shares | 2,648,583 |

Closing share price 1 January 2024 – 30 June 2024, EUR



Governance

Personnel

The number of Group full-time-equivalent employees averaged 3,059 (3,280) in January–June. At the end of the period, the Group had 2,958 (3,167) full-time-equivalent employees. The decrease in full-time-equivalent employees was mainly due to organisational effectiveness related to the Accelerate PG programme. The decrease was driven by the redundancies at the production plant in Zonhoven, which was closed at the end of April 2024.

Changes in the management team

There were no changes in the management team during the quarter.

Share based incentive plans

On 20 July 2022, Purmo Group announced that the Board of Directors had decided to launch a new share-based incentive plan for management and key employees. The purpose of the plan is to align the targets of shareholders and key employees in order to increase the long-term value of the company, retain key employees and offer a competitive incentive plan that is based on company share ownership and successful performance.

The performance criterion of the plan is Total Shareholder Return (TSR) of the class C share and the reward will be paid in both Purmo Group class C shares and in cash.

The performance period covers the financial years of 2022–2025, and payout period covers the financial years of 2026–2027. A total of 170,486 class C shares and 32 participants belong to the share-based incentive plan.

More information about Purmo Group Plc's remuneration is available on the [company's website](#).

Annual General Meeting

The Annual General Meeting held on 9 April 2024 approved the financial statements, adopted the proposed Remuneration Report, and discharged the members of the Board of Directors and the company's CEO from liability

for the financial year 2023. All current Board members were re-elected for the following term of office. All resolutions of the Annual General Meeting are available on the [company's website](#).

Return of capital

The Annual General Meeting resolved that a return of capital of EUR 0.36 per class C share and EUR 0.07 per class F shares will be paid for the financial year 2023. The return of capital will be paid in four instalments.

The first instalment of the return of capital of EUR 0.09 per class C share and EUR 0.02 per class F share was paid on 26 April 2024. The second instalment of the return of capital of EUR 0.09 per class C share and EUR 0.02 per class F share will be paid on 26 July 2024. The third instalment of the return of capital of EUR 0.09 per class C share and EUR 0.02 per class F share will be paid on 25 October 2024. The fourth instalment of the return of capital of EUR 0.09 per class C share and EUR 0.01 per class F share will be paid on 24 January 2025.

Remuneration of the members of the Board of Directors

The Annual General Meeting resolved that the fees are kept unchanged, and the members of the Board of Directors are paid annual fees as follows:

- EUR 92,000 for the Chair of the Board of Directors;
- EUR 53,000 for the Vice Chair of the Board of Directors;
- EUR 53,000 for each of the Chair of the Committees of the Board of Directors; and
- EUR 48,000 for each ordinary member of Board of Directors.

Approximately 40% of the annual fee will be paid in Purmo Group's class C shares.

Board of Directors

The Annual General Meeting resolved that the number of members of the Board of Directors be seven (7). The present members of the Board of Directors Tomas von

Rettig, Matts Rosenberg, Alexander Ehrnrooth, Carina Edblad, Carlo Grossi, Jyri Luomakoski and Catharina Stackelberg-Hammarén were re-elected as members of the Board of Directors for a term that ends at the close of the next Annual General Meeting.

Tomas von Rettig was elected as the Chair of the Board of Directors and Matts Rosenberg as the Vice Chair of the Board of Directors.

Board authorisations

Board authorisations decided by the Annual General Meeting are presented in the section 'Shares and Shareholders'.

Committees nominated by the Board

In the constitutive meeting held subsequent to the Annual General Meeting of Purmo Group on 9 April 2024, the Board of Directors appointed the following members to its committees:

- Jyri Luomakoski was re-elected as the Chair of the Audit Committee with Matts Rosenberg and Alexander Ehrnrooth as members of the Committee.
- Matts Rosenberg was re-elected as the Chair of the M&A Committee with Alexander Ehrnrooth and Carlo Grossi as members of the Committee.
- Tomas von Rettig was re-elected as the Chair of the Remuneration Committee with Catharina Stackelberg-Hammarén and Carina Edblad as the members of the Committee.

Shareholders' Nomination Board

In June 2023, Purmo Group Plc's three largest shareholders nominated the following representatives to the Shareholders' Nomination Board:

- Matts Rosenberg (Chair)
- Alexander Ehrnrooth
- Sebastian Burmeister

Auditor

KPMG Oy Ab was re-elected as the Company's auditor for a term that ends at the close of the next Annual General Meeting. The Authorized Public Accountant

Kim Järvi will continue as the auditor in charge. The Authorized Public Accountant Kim Järvi will also provide sustainability reporting assurance for the year 2024. Auditor's fees will be paid against an invoice approved by the Company.

Risks and uncertainties in the near future

Purmo Group's costs have been affected by high inflation, but the company has been able to manage profitability by focusing on strong and systematic margin management actions. In addition, the company has been successful in maintaining prices at a healthy level in a challenging market environment. Fluctuations in the prices of raw materials, consumables, energy, and freight rates as well as potential challenges with the availability of raw materials, supplies, labour and freight shipping may have a negative impact on Purmo Group's profitability and operations.

The short-term demand for Purmo Group's products depends on fluctuations in demand in the construction industry, which is cyclical in nature, especially new build. Volumes and profitability may vary as a result of economic conditions and the amount of investments in real estate.

Purmo Group operates across several countries in Europe. Due to the company's size and local presence, Purmo Group has a solid position in the European markets. As a result, changes in one European country may be compensated by a development in another country. However, the strong presence in Europe might enhance the impacts of economic fluctuations within the area.

Uncertainty in the global economy and high inflation can increase volatility in foreign exchange rates as well as have an adverse effect on interest rates and the availability of funding. Purmo Group is exposed to currency risks. The Group's financial risk management approach is to hedge highly probable exposure in foreign currencies (including, but not limited to British pound, Swedish krona and Polish zloty). Regardless of hedging activities, the Group may encounter fluctuations in its financial position due to volatility in foreign exchange rates. Rising interest rates would have an adverse impact on the cost of funding for Purmo Group. The Group has financial derivatives to reduce and manage the impact of interest rate fluctuations.

The accelerated energy transition and customers' awareness of high energy prices create pressure for cost control and energy efficiency in some product groups of Purmo Group. However, the energy transition is expected to increase the demand for low-temperature systems and solutions which are compatible with energy sources other than fossil fuels. This creates an opportunity for the execution of the Group's solution selling strategy. There are differences between markets in how the transition changes the demand for certain products, however, the Group is well-positioned to manage the change and capture opportunities with the support of its wide product portfolio.

In addition to the energy efficiency of products, the expectations related to ESG are increasing. Purmo Group has a sustainability strategy and function. Proactive, effective and successful measures may mean that Purmo Group is able to create business opportunities relating to the expectations and requirements.

There is an increased level of cyber threat activity in Europe. The company has a function responsible for the Group's cyber security. In order to respond to the increased cyber threats, the company has developed a well-functioning infrastructure setup and an active employee training process, which has been running since Q3 2021.

The war in Ukraine continues to have a significant negative impact on demand for Purmo Group's products in the country. The war has caused negative economic consequences also in other markets. There is a risk that private and commercial investment decisions will continue to be postponed or cancelled due to high inflation, increased interest rates and/or general economic uncertainty. Increased global geopolitical risks and general high market uncertainty may have an impact on demand, supply chains and raw material prices in Purmo Group's core markets.

Financial targets and dividend policy

Purmo Group has set the following financial targets and dividend policy:

Growth

Purmo Group is targeting organic net sales growth above market growth. In addition, Purmo Group aims for notable inorganic growth through acquisitions.

In April-June 2024, the organic decline in net sales was 4 per cent, while total net sales decreased by 5 per cent to EUR 171.5 million (180.3).

Net sales for the Group continued to decline driven by the downturn and low construction activity during the quarter.

Profitability

Purmo Group is targeting an adjusted EBITDA margin above 15 per cent in the medium- to long-term.

In April-June 2024, the adjusted EBITDA margin decreased to 10.9 per cent (11.8).

The decline in the adjusted EBITDA margin was driven by lower volumes and temporary inefficiencies in operations. Furthermore, investments in the transformation of Purmo Group impacted the adjusted EBITDA margin of the second quarter.

The strategic transition to a solutions business and the Accelerate PG programme are expected to expand the adjusted EBITDA margin towards the 15 per cent medium- to long-term target.

Leverage

The leverage ratio is targeted not to exceed 3.0x, measured as interest bearing net debt / Adjusted EBITDA on a rolling twelve-month basis. However, leverage may temporarily exceed the target level, for example, in conjunction with acquisitions or restructuring actions.

At the end of June 2024, net debt / adjusted EBITDA was 2.63 (31 Dec 2023: 2.38). The increase in the Group's net debt to the adjusted EBITDA was mainly a result of a change in net working capital during the review period.

Dividend

Purmo Group's aim is to distribute at least 40 per cent of annual net profit as dividends or return of capital, intended to be paid out after considering earnings trends for the Group, its financial position and future growth potential.

For the financial year 2023, Purmo Group Plc distributes 46 per cent of annual net profit as return of capital: EUR 0.36 per class C share and EUR 0.07 per class F share. The return of capital will be paid in four instalments on 26 April 2024, 26 July 2024, 25 October 2024 and 24 January 2025.

Financial guidance for 2024

Adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (EUR 92.3 million).

Wholesalers' stock levels have stabilised, and the lower interest rates support the expectations of a gradual market activity improvement. Strong margin management actions provide confidence in the guidance for the Group. However, increased geopolitical risks and high overall uncertainties can have an impact on Purmo Group's core markets.

The strategy acceleration programme, Accelerate PG, performs ahead of plan and further underpins Purmo Group's outlook for 2024. The cumulative targeted adjusted EBITDA run-rate improvements of the programme will be EUR 50.0 million, which are expected

to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45.0 million by the end of 2024.

In Helsinki, 16 July 2024

Purmo Group Plc's Board of Directors

Condensed consolidated financial information

Consolidated statement of profit and loss

| EUR million | Note | 4-6/2024 | 4-6/2023 | 1-6/2024 | 1-6/2023 | 2023 |
|---|------|--------------|--------------|--------------|--------------|---------------|
| Net sales | 3 | 171.5 | 180.3 | 359.4 | 392.1 | 743.2 |
| Cost of sales | | -123.5 | -133.7 | -256.3 | -289.4 | -551.2 |
| Gross profit | | 48.0 | 46.6 | 103.1 | 102.6 | 192.0 |
| Sales and marketing expenses | | -24.5 | -21.1 | -48.8 | -44.0 | -87.6 |
| Administrative expenses | | -12.5 | -13.1 | -24.8 | -25.9 | -51.1 |
| Research and development expenses | | -1.4 | -1.5 | -3.0 | -3.2 | -5.3 |
| Other income | | 3.3 | 2.0 | 5.8 | 2.6 | 8.8 |
| Other expenses | | -7.1 | -3.8 | -8.6 | -8.0 | -47.1 |
| Operational expenses | | -42.2 | -37.6 | -79.3 | -78.6 | -182.3 |
| EBIT | | 5.9 | 9.0 | 23.7 | 24.0 | 9.7 |
| Finance income | | 3.1 | 2.2 | 6.1 | 4.0 | 13.2 |
| Finance expenses | | -8.1 | -7.0 | -16.6 | -14.4 | -32.5 |
| Net financial items | | -4.9 | -4.8 | -10.4 | -10.4 | -19.3 |
| Profit before tax | | 0.9 | 4.2 | 13.3 | 13.7 | -9.6 |
| Income tax expense | 4 | -1.7 | -1.3 | -4.6 | -4.0 | 0.3 |
| Profit for the period | | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Profit for the period attributable to: | | | | | | |
| Owners of the parent | | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Earnings per share for profit attributable to the ordinary equity holders of the parent company: | | | | | | |
| Earnings per share basic, EUR | | -0.03 | 0.04 | 0.17 | 0.19 | 0.32 |
| Earnings per share diluted, EUR | | -0.03 | 0.04 | 0.17 | 0.19 | 0.32 |

Consolidated statement of comprehensive income

| EUR million | 4-6/2024 | 4-6/2023 | 1-6/2024 | 1-6/2023 | 2023 |
|--|-------------|------------|-------------|-------------|--------------|
| Profit for the period | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Other comprehensive income | | | | | |
| Items that will never be reclassified to profit or loss | | | | | |
| Remeasurement of defined benefit liability (asset) | 1.0 | 0.2 | -0.4 | 0.5 | -3.2 |
| Related tax | -0.3 | -0.0 | -0.0 | -0.1 | 0.9 |
| Total items that will not be reclassified to profit or loss | 0.7 | 0.2 | -0.5 | 0.4 | -2.3 |
| Items that are or may be reclassified to profit or loss | | | | | |
| Foreign operations – foreign currency translation differences | 0.9 | -1.6 | -0.1 | -2.5 | -1.8 |
| Cash flow hedges – effective portion of changes in fair value | -0.1 | 5.6 | 1.3 | 5.0 | 4.5 |
| Cash flow hedges – reclassified to profit or loss | -1.5 | -0.6 | -2.9 | -0.7 | -3.4 |
| Related tax | 0.3 | -1.0 | 0.3 | -0.9 | -0.2 |
| Total items that are or may be reclassified to profit or loss | -0.4 | 2.3 | -1.3 | 0.9 | -0.9 |
| Other comprehensive income, net of tax | 0.3 | 2.4 | -1.8 | 1.3 | -3.2 |
| Total comprehensive income for the period | -0.5 | 5.3 | 6.9 | 10.9 | -12.5 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | -0.5 | 5.3 | 6.9 | 10.9 | -12.5 |

Consolidated balance sheet

| EUR million | Note | 30 Jun 2024 | 30 Jun 2023 | 2023 |
|--|------|----------------|----------------|--------------|
| Assets | | | | |
| Non-current assets | | | | |
| Goodwill | 5 | 370.4 | 370.1 | 370.6 |
| Other intangible assets | 5 | 43.6 | 44.0 | 45.9 |
| Property, plant and equipment | 5 | 128.7 | 127.4 | 127.6 |
| Right-of-use assets | 5 | 35.8 | 38.6 | 35.8 |
| Defined benefit assets | | 0.0 | 3.2 | 0.0 |
| Derivative assets | 7 | 0.3 | 3.0 | 1.0 |
| Other receivables | | 6.3 | 0.6 | 4.5 |
| Deferred tax assets | | 44.9 | 31.7 | 42.8 |
| Total non-current assets | | 630.1 | 618.7 | 628.2 |
| Current assets | | | | |
| Inventories | | 156.7 | 178.5 | 143.7 |
| Trade receivables | 7 | 85.4 | 98.0 | 75.2 |
| Derivative assets | 7 | 3.8 | 6.1 | 4.7 |
| Other receivables | | 25.8 | 23.3 | 24.2 |
| Current tax asset | | 1.9 | 5.5 | 4.4 |
| Cash and cash equivalents | | 90.8 | 97.9 | 111.7 |
| Total current assets | | 364.3 | 409.3 | 364.0 |
| Assets held for sale | 11 | 7.9 | 8.5 | 5.6 |
| Total assets | | 1,002.2 | 1,036.5 | 997.8 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | | 3.1 | 3.1 | 3.1 |
| Reserve for invested unrestricted equity | | 351.0 | 377.1 | 365.9 |
| Other reserves | | -7.3 | -4.1 | -5.9 |
| Retained earnings | | 7.6 | 25.1 | 22.8 |
| Profit for the period | | 8.7 | 9.6 | -9.3 |
| Equity attributable to owners of the company | | 363.0 | 410.7 | 376.4 |
| Hybrid bond | | 59.2 | 59.3 | 59.3 |
| Total equity | | 422.2 | 470.0 | 435.7 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Loans and borrowings | 7 | 278.2 | 278.5 | 277.9 |
| Lease liabilities | | 29.8 | 33.5 | 31.7 |
| Defined benefit liabilities | | 18.3 | 18.8 | 18.0 |
| Derivative liabilities | | - | - | 0.3 |
| Other payables | | 0.7 | 1.3 | 1.3 |
| Provisions | 8 | 7.3 | 7.7 | 8.1 |
| Deferred tax liabilities | | 3.9 | 6.7 | 6.4 |
| Total non-current liabilities | | 338.2 | 346.6 | 343.8 |
| Current liabilities | | | | |
| Loans and borrowings | 7 | 5.7 | 4.4 | 7.3 |
| Lease liabilities | | 12.4 | 9.8 | 10.4 |
| Derivative liabilities | 7 | 1.2 | 1.2 | 3.0 |
| Trade and other payables | 7 | 188.5 | 184.2 | 160.5 |
| Provisions | 8 | 17.7 | 0.8 | 24.8 |
| Current tax liabilities | | 5.4 | 8.9 | 1.7 |
| Total current liabilities | | 230.9 | 209.4 | 207.8 |
| Total liabilities | | 569.0 | 556.0 | 551.6 |
| Liabilities directly attributed to assets held for sale | 11 | 11.0 | 10.6 | 10.5 |
| Total equity and liabilities | | 1,002.2 | 1,036.5 | 997.8 |

Consolidated statement of cash flows

| EUR million | 4-6/2024 | 4-6/2023 | 1-6/2024 | 1-6/2023 | 2023 |
|---|--------------|--------------|--------------|--------------|--------------|
| Cash flow from operating activities | | | | | |
| Profit for the period | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Adjustments: | | | | | |
| Depreciation, amortisation and impairment losses | 7.3 | 8.0 | 14.7 | 16.0 | 29.8 |
| Gain on sale of property, plant and equipment and intangible assets | 0.1 | -0.1 | 0.0 | -0.1 | -0.1 |
| Finance income and expenses | 4.9 | 4.8 | 10.4 | 10.4 | 19.3 |
| Income tax expenses | 1.7 | 1.3 | 4.6 | 4.0 | -0.3 |
| Other non-cash items | 0.8 | 0.2 | 0.3 | 1.5 | 39.1 |
| Cash flow before change in net working capital | 13.9 | 17.1 | 38.6 | 41.5 | 78.6 |
| Changes in net working capital | | | | | |
| Inventories, increase (-) / decrease (+) | -11.9 | -7.8 | -12.5 | -1.7 | 32.8 |
| Trade and other receivables, increase (-) / decrease (+) | 16.7 | 44.4 | -14.1 | -6.6 | 9.6 |
| Trade and other payables, increase (+) / decrease (-) ¹ | -5.1 | -37.7 | 18.7 | -9.8 | -44.3 |
| Provisions and employee benefits, increase (+) / decrease (-) | -2.9 | 0.8 | -8.6 | 0.6 | -0.2 |
| Changes in net working capital¹ | -3.1 | -0.3 | -16.5 | -17.6 | -2.1 |
| Net cash flow from operating activities before financial items and taxes¹ | 10.8 | 16.8 | 22.1 | 23.9 | 76.5 |
| Financial items, net | -4.6 | -4.8 | -9.5 | -10.2 | -15.9 |
| Income tax paid, net | -0.5 | -3.9 | -2.2 | -6.9 | -20.1 |
| Cash flow from operating activities | 5.6 | 8.1 | 10.4 | 6.8 | 40.4 |
| Cash flow from investing activities | | | | | |
| Purchases of property, plant and equipment and intangible assets | -4.8 | -3.2 | -8.5 | -7.1 | -20.3 |
| Long-term loan receivables granted | - | -0.1 | - | - | - |
| Proceeds from long-term loan receivables | 0.2 | 0.1 | 0.2 | 0.1 | 0.1 |
| Cash flow from investing activities | -4.6 | -3.2 | -8.3 | -7.1 | -20.2 |
| Cash flow from financing activities | | | | | |
| Return of capital paid ¹ | -3.7 | -3.8 | -7.4 | -3.8 | -11.1 |
| Proceeds from hybrid bond | - | - | - | 59.9 | 60.0 |
| Hybrid bond interest and expenses | 0.0 | 0.0 | -5.7 | -0.7 | -0.7 |
| Repayment of lease liabilities | -3.1 | -2.7 | -6.2 | -5.6 | -11.8 |
| Change in short-term borrowings | -2.7 | -1.9 | -1.6 | -9.1 | -3.8 |
| Cash flow from financing activities¹ | -9.5 | -8.4 | -20.9 | 40.8 | 32.6 |
| Change in cash and cash equivalents, increase (+) / decrease (-) | -8.4 | -3.5 | -18.8 | 40.5 | 52.8 |
| Cash and cash equivalents at beginning of the period | 101.3 | 101.6 | 116.3 | 65.4 | 65.4 |
| Impact of change in exchange rates | 0.3 | -1.0 | 0.3 | -1.6 | -1.9 |
| Cash classified as assets held for sale | -2.4 | 0.7 | -7.0 | -6.4 | -4.6 |
| Cash and cash equivalents at the end of the period | 90.8 | 97.9 | 90.8 | 97.9 | 111.7 |

¹ The 1-6/2024 figure has been restated by EUR 3.7 million.

Consolidated statement of changes in equity

| EUR million | Attributable to owners of the parent company | | | | | | Total | Hybrid bond | Total equity |
|--|--|---------------------------------|---------------------|--------------------|-------------------|--------------|-------|--------------|--------------|
| | Share capital | Reserve for unrestricted equity | Translation reserve | Fair value reserve | Retained earnings | | | | |
| Balance as at 1 Jan 2023 | 3.1 | 380.8 | -7.8 | 2.7 | 24.4 | 403.3 | - | 403.3 | |
| Profit for the period | | | | | 9.6 | 9.6 | | 9.6 | |
| Other comprehensive income | | | -2.5 | 3.4 | 0.4 | 1.3 | | 1.3 | |
| Total comprehensive income for the period | | | -2.5 | 3.4 | 10.0 | 10.9 | | 10.9 | |
| Dividends and return of capital paid | | -3.7 | | | | -3.7 | | -3.7 | |
| Share-based payments | | | | | 0.3 | 0.3 | | 0.3 | |
| Proceeds from hybrid bond | | | | | | - | 59.3 | 59.3 | |
| Balance as at 30 Jun 2023 | 3.1 | 377.1 | -10.3 | 6.1 | 34.7 | 410.7 | 59.3 | 470.0 | |
| Profit for the period | | | | | -19.0 | -19.0 | | -19.0 | |
| Other comprehensive income | | | 0.7 | -2.5 | -2.7 | -4.5 | | -4.5 | |
| Total comprehensive income for the period | | | 0.7 | -2.5 | -21.6 | -23.4 | | -23.4 | |
| Dividends and return of capital paid | | -11.2 | | | | -11.2 | | -11.2 | |
| Share-based payments | | | | | 0.3 | 0.3 | | 0.3 | |
| Balance as at 31 Dec 2023 | 3.1 | 365.9 | -9.6 | 3.6 | 13.4 | 376.4 | 59.3 | 435.7 | |
| Profit for the period | | | | | 8.7 | 8.7 | | 8.7 | |
| Other comprehensive income | | | -0.1 | -1.3 | -0.5 | -1.8 | | -1.8 | |
| Total comprehensive income for the period | | | -0.1 | -1.3 | 8.2 | 6.9 | | 6.9 | |
| Dividends and return of capital paid | | -14.9 | | | | -14.9 | | -14.9 | |
| Share-based payments | | | | | 0.3 | 0.3 | | 0.3 | |
| Hybrid bond interest and expenses after taxes | | | | | -5.7 | -5.7 | | -5.7 | |
| Balance as at 30 Jun 2024 | 3.1 | 351.0 | -9.6 | 2.3 | 16.2 | 363.0 | 59.2 | 422.2 | |

Notes to the half-year financial report

1. Reporting entity

Purmo Group Plc, 'Purmo Group' or the 'Company', business ID 2890898-5, is a public limited company domiciled in Helsinki. The registered address of Purmo Group is Bulevardi 46, 00120 Helsinki, Finland.

This half-year financial report comprises the parent company Purmo Group Plc and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Company's class C shares are listed on the Nasdaq Helsinki stock exchange.

2. Basis of preparation

This unaudited half-year financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS. This half-year financial report does not include all information required for a complete set of financial statements prepared in accordance with IFRS. Selected explanatory notes are therefore included to explain events and transactions that are significant to understand the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies applied are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 except the adoption of new and amended standards.

This half-year financial report is presented in million euros unless otherwise stated. The figures in the tables and texts are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

New and amended standards

The Group has applied the relevant revised IFRS standards published by IASB effective for financial reporting periods commencing on 1 January 2024. The application of the revised standards has not had a material impact on the results, the financial position or the presentation of the half-year financial report.

Seasonality

Purmo Group's business and cash flows are affected by seasonality. Typically, most of the demand for Purmo Group's products occurs during the peak heating season with a notable increase in monthly demand in September-November. Quarterly seasonality is more muted as the third and fourth quarters are typically tempered by lower demand in July-August and December due to holiday periods. Overall, demand is typically at the lowest level during the second quarter when the heating demand is at its lowest. This is only partially offset by the peak cooling season as Purmo Group has a relatively smaller exposure to demand for air conditioning systems. The quarterly comparisons of Purmo Group's sales and operating results are therefore impacted by seasonality and changes in raw material prices, and the results of any quarterly period may not be indicative of expected results for a full year.

Key accounting estimates and judgements

An IFRS-compliant interim financial report requires the Group's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the interim financial reports.

The Group's management has reviewed the carrying values of the balance sheet items and the review did not indicate need for asset impairments.

The Group's management has assessed the balance sheet impact of Russia's war in Ukraine and the decision to divest the business in Russia. The management has considered indicators of impairment of goodwill and intangible assets, the recoverable amount of property plant and equipment and right-of-use assets, the valuation of inventories, trade receivables and redemption liability. Due to the significant uncertainties related to the business in Russia and Ukraine the Group recognised impairment charges of EUR 12.9 million on goodwill, intangible assets, property, plant

and equipment, right-of-use assets, inventories, other assets and redemption liability in 2022. In 2023 the Group increased the redemption liability with EUR 1.3 million and recognised additional impairment charges of EUR 3.9 million on inventories and other assets.

3. Segment information and net sales

The **Climate Products & Systems** division sells via wholesalers in both residential and non-residential sector. Sales regions are Northern, Western, Southern and Eastern Europe, and the rest of the world, including Brazil, China, Japan and the United States.

The main product categories within Climate Products & Systems are panel radiators, tubular radiators, and electric radiators. In addition, radiant heating and cooling (RHC), including underfloor heating, air heating and cooling, water distribution systems as well as system components and controls belong to the main product categories within Climate Solutions & Systems.

The **Climate Solutions** division sells directly to installers from the company's Emmeti business in South Europe, Thermotech business in the Nordic region and Merriott business in the United Kingdom.

Climate Solutions provides integrated solutions, which include a comprehensive set of heating and cooling solutions for customers whose goal is to achieve energy savings and reduce the emissions generated by energy consumption.

Other and unallocated items comprise corporate headquarter functions and other Group level costs including Group Finance, Group Legal, Group Sustainability, Group Communications, Group Human Resources, and M&A. The head office costs comprise mostly of salaries, rent and professional fees that are operated for the benefit of the whole group and are not allocated to the divisions.

Purmo Group's Board of Directors, assisted by the CEO, is the Group's chief operating decision maker. The operating segments are defined based on the information that the Board of Directors uses to make decisions about the resources to be allocated to the divisions and to assess their performance.

The divisions' financial performance is assessed internally based on net sales and adjusted EBITDA. The adjusted EBITDA has been derived from the unadjusted EBITDA by removing material and unexpected items outside the ordinary course of business and that are considered to impact comparability of the underlying business operations and by excluding costs and income incurred in the group functions as described above. Such items include direct M&A related transaction and integration costs, restructuring costs and costs incurred in connection with performance improvement programs, impairment and write-down charges connected to the Russian business, and losses relating to sale of fixed assets.

4-6/2024

| EUR million | Climate Products & Systems | Climate Solutions | Other and unallocated | Eliminations | Group |
|--|----------------------------|-------------------|-----------------------|--------------|------------|
| Net sales | 137.8 | 34.1 | - | -0.3 | 171.5 |
| Adjusted EBITDA | 16.2 | 5.5 | -3.0 | 0.0 | 18.7 |
| Adjusted EBITDA % of sales | 11.8% | 16.0% | | | 10.9% |
| Comparability adjustments impacting EBITDA | | | | | -5.6 |
| Depreciation, amortisation and impairment | -6.0 | -1.3 | -0.0 | - | -7.3 |
| EBIT | | | | | 5.9 |
| Net financial items | | | | | -4.9 |
| Profit before tax | | | | | 0.9 |

4-6/2023

| EUR million | Climate Products & Systems | Climate Solutions | Other and unallocated | Eliminations | Group |
|--|----------------------------|-------------------|-----------------------|--------------|------------|
| Net sales | 144.7 | 35.8 | -0.0 | -0.1 | 180.3 |
| Adjusted EBITDA | 17.4 | 6.6 | -2.7 | 0.0 | 21.2 |
| Adjusted EBITDA % of sales | 12.0% | 18.4% | | | 11.8% |
| Comparability adjustments impacting EBITDA | | | | | -4.2 |
| Depreciation, amortisation and impairment | -6.7 | -1.3 | -0.0 | - | -8.0 |
| EBIT | | | | | 9.0 |
| Net financial items | | | | | -4.8 |
| Profit before tax | | | | | 4.2 |

1-6/2024

| EUR million | Climate Products & Systems | Climate Solutions | Other and unallocated | Eliminations | Group |
|--|----------------------------|-------------------|-----------------------|--------------|-------------|
| Net sales | 291.1 | 68.8 | - | -0.4 | 359.4 |
| Adjusted EBITDA | 40.0 | 11.0 | -5.7 | 0.0 | 45.3 |
| Adjusted EBITDA % of sales | 13.7% | 16.1% | | | 12.6% |
| Comparability adjustments impacting EBITDA | | | | | -6.9 |
| Depreciation, amortisation and impairment | -12.1 | -2.5 | -0.1 | - | -14.7 |
| EBIT | | | | | 23.7 |
| Net financial items | | | | | -10.4 |
| Profit before tax | | | | | 13.3 |

1-6/2023

| EUR million | Climate Products & Systems | Climate Solutions | Other and unallocated | Eliminations | Group |
|--|----------------------------|-------------------|-----------------------|--------------|-------------|
| Net sales | 314.0 | 78.3 | 0.0 | -0.2 | 392.1 |
| Adjusted EBITDA | 40.0 | 12.8 | -5.2 | 0.0 | 47.7 |
| Adjusted EBITDA % of sales | 12.8% | 16.4% | | | 12.2% |
| Comparability adjustments impacting EBITDA | | | | | -7.6 |
| Depreciation, amortisation and impairment | -13.4 | -2.5 | -0.1 | - | -16.0 |
| EBIT | | | | | 24.0 |
| Net financial items | | | | | -10.4 |
| Profit before tax | | | | | 13.7 |

2023

| EUR million | Climate Products & Systems | Climate Solutions | Other and unallocated | Eliminations | Group |
|--|----------------------------|-------------------|-----------------------|--------------|-------------|
| Net sales | 591.9 | 151.6 | -0.0 | -0.3 | 743.2 |
| Adjusted EBITDA | 78.5 | 23.7 | -9.9 | 0.0 | 92.3 |
| Adjusted EBITDA % of sales | 13.3% | 15.6% | | | 12.4% |
| Comparability adjustments impacting EBITDA | | | | | -45.6 |
| Depreciation, amortisation and impairment | -31.7 | -5.1 | -0.1 | - | -36.9 |
| EBIT | | | | | 9.7 |
| Net financial items | | | | | -19.3 |
| Profit before tax | | | | | -9.6 |

Net sales by market area for divisions

The division sales divided into geographical areas is the primary aggregation criteria of sales that is monitored by the company.

| EUR million | 4-6/2024 | | | | 4-6/2023 | | | |
|--------------------------------|----------------------------|-------------------|--------------|--------------|----------------------------|-------------------|--------------|--------------|
| | Climate Products & Systems | Climate Solutions | Eliminations | Group | Climate Products & Systems | Climate Solutions | Eliminations | Group |
| Northern Europe ¹ | 33.0 | 5.1 | -0.3 | 37.8 | 34.0 | 5.9 | -0.1 | 39.8 |
| Western Europe | 65.7 | 2.2 | - | 67.9 | 69.0 | 2.5 | - | 71.4 |
| Central and Eastern Europe | 30.3 | 2.1 | - | 32.4 | 28.0 | 1.8 | -0.0 | 29.8 |
| Southern Europe | 5.2 | 18.3 | -0.0 | 23.4 | 6.3 | 19.8 | -0.0 | 26.0 |
| Rest of the world ² | 3.6 | 6.3 | - | 9.9 | 7.4 | 5.8 | - | 13.3 |
| Net sales | 137.8 | 34.1 | -0.3 | 171.5 | 144.7 | 35.8 | -0.1 | 180.3 |

¹ Net sales in Finland (company's country of domicile) totalled to EUR 3.2 million (3.2).

| EUR million | 1-6/2024 | | | | 1-6/2023 | | | |
|------------------------------|----------------------------|-------------------|--------------|--------------|----------------------------|-------------------|--------------|--------------|
| | Climate Products & Systems | Climate Solutions | Eliminations | Group | Climate Products & Systems | Climate Solutions | Eliminations | Group |
| Northern Europe ¹ | 69.5 | 10.3 | -0.3 | 79.4 | 70.8 | 12.7 | -0.1 | 83.4 |
| Western Europe | 140.1 | 5.1 | - | 145.2 | 156.8 | 5.9 | - | 162.7 |
| Central and Eastern Europe | 61.3 | 3.8 | - | 65.1 | 59.7 | 3.6 | -0.0 | 63.3 |
| Southern Europe | 12.2 | 37.9 | -0.1 | 50.0 | 13.6 | 44.0 | -0.1 | 57.5 |
| Rest of the world | 7.9 | 11.8 | - | 19.7 | 13.1 | 12.1 | - | 25.1 |
| Net sales | 291.1 | 68.8 | -0.4 | 359.4 | 314.0 | 78.3 | -0.2 | 392.1 |

¹ Net sales in Finland (company's country of domicile) totalled to EUR 6.9 million (7.3).

| EUR million | 2023 | | | |
|------------------------------|----------------------------|-------------------|--------------|--------------|
| | Climate Products & Systems | Climate Solutions | Eliminations | Group |
| Northern Europe ¹ | 143.3 | 23.3 | -0.2 | 166.4 |
| Western Europe | 278.2 | 9.3 | 0.0 | 287.5 |
| Central and Eastern Europe | 128.1 | 7.3 | 0.0 | 135.4 |
| Southern Europe | 24.2 | 86.3 | -0.2 | 110.3 |
| Rest of the world | 18.1 | 25.4 | 0.0 | 43.5 |
| Net sales | 591.9 | 151.6 | -0.3 | 743.2 |

¹ Net sales in Finland (company's country of domicile) totalled to EUR 14.6 million (17.8).

The group has one customer whose share of the Group's total net sales is more than 10 per cent.

4. Taxes

In January-June 2024, the total income tax expense of the Group was EUR 4.6 million (4.0) corresponding to a reported effective tax rate of 34.9 per cent (29.6). The tax expenses are impacted by the following non-deductible item: a trademark amortisation of EUR 1.8 million related

to previous years company structuring and extraordinary current year and previous years taxes corresponding to income of EUR 2.2 million. When excluding these items, the adjusted effective tax rate is 26.9 per cent (24.3).

5. Intangible and tangible assets

Intangible assets

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|--------------------------|--------------|--------------|--------------|
| Opening balance | 416.5 | 417.5 | 417.5 |
| Effect of exchange rates | -0.4 | -1.2 | 0.0 |
| Additions | 0.1 | 0.1 | 0.9 |
| Disposals | - | - | -0.1 |
| Transfers | 0.0 | -0.5 | 1.9 |
| Amortisation | -2.1 | -1.9 | -3.8 |
| Closing balance | 414.0 | 414.1 | 416.5 |

Property, plant and equipment

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|----------------------------|--------------|--------------|--------------|
| Opening balance | 127.6 | 127.3 | 127.3 |
| Effect of exchange rates | 0.6 | 0.6 | 1.6 |
| Additions | 8.4 | 7.1 | 21.6 |
| Disposals | -1.5 | -0.2 | -13.6 |
| Transfers | 0.3 | 1.8 | -1.1 |
| Depreciations | -7.9 | -9.3 | -16.4 |
| Depreciations on disposals | 1.2 | - | 12.0 |
| Impairment charges | - | - | -3.9 |
| Closing balance | 128.7 | 127.4 | 127.6 |

Right-of-use assets

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|--------------------------|-------------|-------------|-------------|
| Opening balance | 35.8 | 39.3 | 39.3 |
| Effect of exchange rates | 0.2 | 0.1 | 0.2 |
| Additions | 5.2 | 3.8 | 8.4 |
| Disposals | -0.7 | -0.0 | -0.0 |
| Depreciations | -4.7 | -4.7 | -9.6 |
| Impairment charges | - | - | -2.4 |
| Closing balance | 35.8 | 38.6 | 35.8 |

6. Changes in the shares outstanding during the reporting period

There were no changes in the shares outstanding during the reporting period. The company's registered share capital on 30 June 2024 was EUR 3,080,00. The company has two share classes. The 41,112,713 class C shares are listed and the 1,565,217 class F shares are held by Purmo Group Plc's founding shareholder, Virala Corporation. The

shares have no nominal value.

The company's class F shares ('Founder Shares') are subject to redemption and consent clauses in accordance with the Articles of Association, which restrict the rights to transfer or acquire Founder Shares. The Founder Shares are not publicly traded. The company has no treasury shares.

7. Financial instruments

30 Jun 2024

| EUR million | Carrying amount | | | Total | Fair value | Fair value hierarchy |
|--|------------------------|-----------------------------------|----------------|--------------|--------------|----------------------|
| | Fair value through OCI | Fair value through profit or loss | Amortised cost | | | |
| Financial assets | | | | | | |
| Foreign exchange derivatives | 2.3 | 0.6 | | 2.9 | 2.9 | Level 2 |
| Interest rate derivatives | 1.2 | | | 1.2 | 1.2 | Level 2 |
| Loan receivables | | | 0.4 | 0.4 | 0.4 | |
| Trade receivables | | | 85.4 | 85.4 | 85.4 | |
| Cash and cash equivalents ¹ | | | 97.7 | 97.7 | 97.7 | |
| Total assets | 3.5 | 0.6 | 183.5 | 187.5 | 187.5 | |
| Financial liabilities | | | | | | |
| Foreign exchange derivatives | 0.6 | 0.6 | | 1.2 | 1.2 | Level 2 |
| Loans from financial institutions | | | 283.9 | 283.9 | 283.9 | |
| Redemption liability ² | | | 8.5 | 8.5 | 8.5 | |
| Trade payables | | | 90.1 | 90.1 | 90.1 | |
| Total liabilities | 0.6 | 0.6 | 382.5 | 383.8 | 383.8 | |

¹ Cash and cash equivalents include EUR 7.0 million classified as assets held for sale and short-term bank deposits of EUR 43 million.

² The redemption liability has been classified as liabilities related to assets held for sale.

30 Jun 2023

| EUR million | Carrying amount | | | | | Fair value hierarchy |
|--|------------------------|-----------------------------------|----------------|--------------|--------------|----------------------|
| | Fair value through OCI | Fair value through profit or loss | Amortised cost | Total | Fair value | |
| Financial assets | | | | | | |
| Foreign exchange derivatives | 5.7 | 0.4 | | 6.1 | 6.1 | Level 2 |
| Interest rate derivatives | 3.0 | | | 3.0 | 3.0 | Level 2 |
| Loan receivables | | | 0.5 | 0.5 | 0.5 | |
| Trade receivables | | | 98.0 | 98.0 | 98.0 | |
| Cash and cash equivalents ¹ | | | 104.3 | 104.3 | 104.3 | |
| Total assets | 8.8 | 0.4 | 202.8 | 211.9 | 211.9 | |
| Financial liabilities | | | | | | |
| Foreign exchange derivatives | 1.2 | 0.1 | | 1.2 | 1.2 | Level 2 |
| Loans from financial institutions | | | 282.9 | 282.9 | 282.9 | |
| Redemption liability ² | | | 8.5 | 8.5 | 8.5 | |
| Trade payables | | | 96.3 | 96.3 | 96.3 | |
| Total liabilities | 1.2 | 0.1 | 387.7 | 388.9 | 388.9 | |

¹ Cash and cash equivalents include EUR 6.4 million classified as assets held for sale and short-term bank deposits of EUR 10.0 million.

² The redemption liability has been classified as liabilities related to assets held for sale.

31 Dec 2023

| EUR million | Carrying amount | | | | | Fair value hierarchy |
|--|------------------------|-----------------------------------|----------------|--------------|--------------|----------------------|
| | Fair value through OCI | Fair value through profit or loss | Amortised cost | Total | Fair value | |
| Financial assets | | | | | | |
| Foreign exchange derivatives | 4.6 | 0.2 | | 4.7 | 4.7 | Level 2 |
| Interest rate derivatives | 1.0 | | | 1.0 | 1.0 | Level 2 |
| Loan receivables | | | 0.5 | 0.5 | 0.5 | |
| Trade receivables | | | 75.2 | 75.2 | 75.2 | |
| Cash and cash equivalents ¹ | | | 116.3 | 116.3 | 116.3 | |
| Total assets | 5.5 | 0.2 | 192.0 | 197.7 | 197.7 | |
| Financial liabilities | | | | | | |
| Foreign exchange derivatives | 0.8 | 2.2 | | 3.0 | 3.0 | Level 2 |
| Interest rate derivatives | 0.3 | | | 0.3 | 0.3 | Level 2 |
| Loans from financial institutions | | | 285.1 | 285.1 | 285.1 | |
| Redemption liability ² | | | 8.6 | 8.6 | 8.6 | |
| Trade payables | | | 71.2 | 71.2 | 71.2 | |
| Total liabilities | 1.1 | 2.2 | 364.9 | 368.3 | 368.3 | |

¹ Cash and cash equivalents include EUR 4.6 million classified as assets held for sale and short-term bank deposits of EUR 82.0 million.

² The redemption liability has been classified as liabilities related to assets held for sale.

In February 2023, the company issued a EUR 60.0 million hybrid bond, which according to IFRS is recognised in equity and is thus not included in the company's financial liabilities. The hybrid bond has annual coupon of 9.5 per cent and the company has the possibility to redeem the bond on the reset date in February 2026. In February 2024 the annual coupon by the amount EUR 5.7 million was paid.

At the end of the reporting date the company had the following undrawn credit facilities; EUR 100.0 million unutilised Finnish commercial paper program, EUR 80.0 million committed revolving credit facility, EUR 18.0 million overdraft facilities and EUR 125.0 million uncommitted M&A facility.

Carrying amounts and fair values of financial instruments

The fair value of items which are measured at fair value are categorised in three levels:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Fair value determined by observable parameters
- Level 3: Fair value determined by non-observable parameters

The tables above show the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for trade receivables, trade payables, or other short-term financial assets and liabilities, as their carrying amount is a reasonable approximation of fair value due to their short maturities. There have been no transfers between fair value levels during the reporting period.

Financial assets and liabilities recognised at fair value through profit and loss comprise mainly currency derivatives. The recurring measurement of these instruments at fair value is based on commonly applied valuation methods and uses observable market-based variables. Therefore, these measurements are categorised in the fair value hierarchy as level 2 fair values.

8. Provisions

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|---------------------------|-------------|-------------|-------------|
| Non-current | | | |
| Warranties and guarantees | 1.3 | 1.6 | 1.4 |
| Restructuring | 0.0 | 0.2 | 0.0 |
| Other provisions | 5.9 | 6.0 | 6.7 |
| Total | 7.3 | 7.7 | 8.1 |
| Current | | | |
| Warranties and guarantees | 0.0 | 0.0 | 0.0 |
| Restructuring | 17.7 | 0.8 | 23.8 |
| Other provisions | 0.0 | - | 1.0 |
| Total | 17.7 | 0.8 | 24.8 |

The restructuring provisions are mainly related to the closure of the radiator plant in Zonhoven, Belgium as announced on 28 November 2023 and the closure of the radiator plant in Hull, United Kingdom, as announced on 13 May 2024.

9. Commitments and contingent assets and liabilities

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|-------------------|-------------|-------------|-------------|
| Guarantees | | | |
| Bank guarantees | 7.3 | 10.1 | 5.4 |
| Parent guarantees | 20.0 | 15.3 | 19.9 |
| Total | 27.4 | 25.5 | 25.4 |

Off-balance sheet leases include low-value leases in accordance with the exemption of IFRS 16, and leases that have not yet commenced. The Group does not have material lease agreements not yet commenced as at the balance sheet dates.

Purmo Group is involved in certain minor legal actions, claims and proceedings. The outcome of these matters cannot be predicted. Considering all available information to date, the outcome is not expected to have a material impact on the financial position of the Group.

The accrued unrecognised interest on the hybrid bond amounted to EUR 2.0 million (2.0) as of 30 June 2024.

10. Related party transactions

The following table summarizes the related party transactions and balances:

| EUR million | 1-6/2024 | 1-6/2023 | 2023 |
|--------------------------------------|----------|----------|------|
| Items in the income statement | | | |
| Interest income | 0.0 | 0.0 | 0.0 |
| Purchases | -0.1 | -0.1 | -0.2 |

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|-----------------------------------|-------------|-------------|-------------|
| Items in the balance sheet | | | |
| Non-current receivables | 0.2 | 0.2 | 0.2 |
| Current receivables | 0.0 | 0.0 | - |
| Items recognised in equity | | | |
| Dividend and repayment of capital | -4.7 | -2.4 | -7.1 |

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions.

Purmo Group's related parties include subsidiaries as well as the members of the Board of Directors and the CEO and members of the Group management. In addition, the immediate parent company Rettig Ltd and the ultimate controlling party Rettig Capital Ltd and their subsidiaries, associated companies and joint ventures are related parties. All transactions and outstanding balances with these related parties are priced on an arm's length basis. Tomas von Rettig and Maria von Rettig have significant influence over Rettig Capital Ltd.

In July 2022 Purmo Group announced that the Board of Directors had decided to launch a new share-based incentive plan intended for management and key employees. The company provided the participants with a possibility to finance 50 per cent of the subscription value through an interest-bearing loan from the company, which some of the Group management utilised. The loans were withdrawn in October 2022 and will be repaid in full on 30 May 2028, at the latest. The participants have pledged subscribed shares as a security for performing the obligations under the concluded loan agreement. As a result, Purmo Group had 5,376 class C shares as a pledge at the end of the reporting period.

11. Assets held for sale

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 2023 |
|--|-------------|-------------|-------------|
| Assets held for sale¹ | | | |
| Right-of-use assets | 0.0 | 0.1 | -0.0 |
| Inventories | 0.0 | 1.6 | 0.0 |
| Other assets | 0.9 | 0.4 | 1.0 |
| Cash and cash equivalents | 7.0 | 6.4 | 4.6 |
| Total | 7.9 | 8.5 | 5.6 |
| Liabilities related to assets held for sale¹ | | | |
| Interest-bearing liabilities | 8.5 | 8.8 | 8.6 |
| Other liabilities | 2.5 | 1.8 | 1.9 |
| Total | 11.0 | 10.6 | 10.5 |

¹ Amounts are presented net of internal balances with other Purmo Group subsidiaries.

At the end of March 2022 Purmo Group took the decision to exit its business in Russia. For further details on the divestment see note 12. Events after the reporting period. Upon completion of the divestment, the Group will no longer have a manufacturing operation or sales in Russia. The Russian business has been measured at fair value less costs to sell and classified as assets held for sale and continuing operations.

The Group's management has assessed the balance sheet impact of the decision to divest the business in Russia. The management has considered indicators of impairment of goodwill and intangible assets, the recoverable amount of property plant and equipment and right-of-use assets, the valuation of inventories, trade receivables and the redemption liability. In 2022, Purmo Group recognised non-recurring impairments of EUR 12.9 million. In 2023, Purmo Group recognised additional non-recurring impairments of EUR 3.9 million and increased the redemption liability by EUR 1.3 million.

12. Events after the reporting period

On 15 July 2024, Purmo Group announced that Haier Europe Appliances Holding B.V. has announced a Competing Voluntary Public Cash Tender Offer for all Shares in Purmo Group Plc at a price of EUR 13.68 per share for each Class C Share and each Class F Share eligible for conversion into a Class C Share validly tendered in the Tender Offer and at a price of EUR 8.28 per share for each Class F Share ineligible for conversion into a Class C Share validly tendered in the Tender Offer.

The completion of the Haier Tender Offer is subject to certain conditions, including the Haier Tender Offer having been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by Haier prior to or during the offer period, more than 80 per cent of the Shares and voting rights, the receipt of all necessary regulatory approvals, the Board of Directors of Purmo issuing its recommendation the shareholders to accept the Haier Tender Offer as well as Haier and the Company having entered into a combination agreement.

The Board notes, for the avoidance of doubt, that its recommendation issued on May 10, 2024 (as supplemented on June 19, 2024) for shareholders to accept the Grand Tender Offer on its improved terms remains upheld. The Board notes that the irrevocable undertaking by Rettig Oy Ab to sell all its C Shares, which represent approximately 61.8 per cent of all Shares in the Company, to Grand Bidco, currently remains in force. In addition, the irrevocable undertakings by certain other major shareholders of the Company to accept the Grand Tender Offer currently remain in force. In total, Rettig Oy Ab's undertaking and all the irrevocable undertakings represent approximately 90.34 per cent of all Shares in the Company.

On 15 July 2024, Project Grand Bidco (UK) Limited announced, that it had noted Haier Europe Appliances Holding B.V.'s competing offer for Purmo and will extend the offer period of its public cash tender offer. The Offeror will in connection with the supplement extend the offer period in its tender offer as required under applicable law and the regulations and guidelines of the Finnish Financial Supervisory Authority. The new expiry date of the offer period will be announced in connection with the publication of the supplement document at the latest.

On 16 July 2024, Project Grand Bidco (UK) Limited announced that it waives the remaining regulatory approval condition in its tender offer and confirmed it will not increase its offer prices. The Board of Directors of Purmo Group Plc noted the announcement and reiterated that it continues to investigate shareholder support for the competing offer announced on July 15, 2024 by Haier Europe Appliances Holding B.V. considering its offer terms and will supplement its statement on the tender offer by Project Grand Bidco (UK) Limited at least five (5) business days before the end of the offer period (as to be extended) as required by the Finnish Securities Market Act.

Key figures

| EUR million | 4-6/2024 | 4-6/2023 | Change, % | 1-6/2024 | 1-6/2023 | Change, % | 2023 |
|--|----------|----------|-----------|----------|----------|-----------|-------|
| Net sales | 171.5 | 180.3 | -5% | 359.4 | 392.1 | -8% | 743.2 |
| EBITDA | 13.1 | 17.0 | -23% | 38.4 | 40.1 | -4% | 46.6 |
| EBITDA margin | 7.6% | 9.4% | | 10.7% | 10.2% | | 6.3% |
| Adjusted EBITDA | 18.7 | 21.2 | -12% | 45.3 | 47.7 | -5% | 92.3 |
| Adjusted EBITDA margin | 10.9% | 11.8% | | 12.6% | 12.2% | | 12.4% |
| EBITA | 6.9 | 9.9 | -30% | 25.8 | 25.9 | -0% | 14.4 |
| EBITA margin | 4.0% | 5.5% | | 7.2% | 6.6% | | 1.9% |
| Adjusted EBITA | 12.5 | 14.1 | -12% | 32.7 | 33.5 | -2% | 66.3 |
| Adjusted EBITA margin | 7.3% | 7.8% | | 9.1% | 8.6% | | 8.9% |
| EBIT | 5.9 | 9.0 | -35% | 23.7 | 24.0 | -1% | 9.7 |
| EBIT margin | 3.4% | 5.0% | | 6.6% | 6.1% | | 1.3% |
| Profit before tax | 0.9 | 4.2 | -78% | 13.3 | 13.7 | -3% | -9.6 |
| Profit for the period | -0.8 | 2.9 | | 8.7 | 9.6 | -10% | -9.3 |
| Adjusted profit for the period ² | 3.2 | 6.1 | -47% | 13.7 | 15.7 | -13% | 32.2 |
| Earnings per share, basic, EUR | -0.03 | 0.04 | | 0.17 | 0.19 | -12% | -0.32 |
| Adjusted earnings per share, basic, EUR | 0.07 | 0.12 | -44% | 0.29 | 0.34 | -14% | 0.68 |
| Cash flow from operating activities | 5.6 | 8.1 | -30% | 10.4 | 6.8 | 52% | 40.4 |
| Capex | 4.8 | 3.2 | 52% | 8.5 | 7.1 | 20% | 20.3 |
| Adjusted operating cash flow for the last 12 months ¹ | | | | 81.2 | 67.8 | 20% | 75.1 |
| Cash conversion ¹ | | | | 90.3% | 81.2% | | 81.4% |
| Cash and cash equivalents | | | | 90.8 | 97.9 | -7% | 111.7 |
| Net working capital | | | | 93.4 | 111.3 | -16% | 85.4 |
| Operating capital employed | | | | 301.5 | 321.3 | -6% | 294.7 |
| Return on operating capital employed | | | | 3.1% | 10.3% | | 2.9% |
| Net debt | | | | 236.8 | 230.7 | 3% | 219.6 |
| Net debt / Adjusted EBITDA | | | | 2.63 | 2.76 | -5% | 2.38 |
| Equity / Asset ratio | | | | 42.1% | 45.3% | | 43.7% |
| Return on equity | | | | -2.4% | 1.8% | | -2.2% |

¹ Change in net working capital includes assets held for sale. M&A and comparability adjustments totalled EUR 6.3 (7.9) million.

² The definition of adjusted profit for the period has been updated to include tax impact from comparability adjustments from Q4 2023 and the comparative data for Q2 2023 has been restated.

Calculation of key figures

| Key figure | Definition | Reason for use |
|--------------------------------|---|---|
| EBIT | Profit before tax and net financial items (Operating profit). | EBIT is used to measure profitability generated by operating activities of the Group. |
| EBIT margin | EBIT as per centage of net sales. | |
| EBITDA | Operating profit before depreciation, amortisation and impairment. | EBITDA is an indicator to measure the operating performance of the Group, before depreciation, amortisation and impairment. |
| EBITDA margin | EBITDA as per centage of net sales. | |
| EBITA | Operating profit before the amortisation of intangibles including trademarks. | EBITA is an indicator to measure the operating performance of the Group, before amortisation of intangibles including trademarks. |
| EBITA margin | EBITA as per centage of net sales. | |
| Gross profit | Net sales less cost of sales. | |
| Comparability adjustments | Comparability adjustments comprise of direct transaction and integration costs on M&A activities, restructuring costs and costs incurred in connection with performance improvement programmes, other one-off costs such as legal claims or significant out-of-period adjustments and exceptional gains and losses on sale of fixed assets. | Comparability adjustments account for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding to management and investors of the comparable operating activities. |
| Adjusted EBITDA | EBITDA before comparability adjustments. | Adjusted EBITDA, adjusted EBITDA margin, Adjusted EBITA and Adjusted EBITA margin are presented in addition to EBIT, EBITDA and EBITA to reflect the underlying business performance by adjusting for items that the Group considers impacting comparability ('Comparability adjustments'). |
| Adjusted EBITDA margin | Adjusted EBITDA as per centage of net sales. | |
| Adjusted EBITA | EBITA before comparability adjustments. | |
| Adjusted EBITA margin | Adjusted EBITA as per centage of net sales. | |
| Adjusted profit for the period | Profit for the period before comparability adjustments and their tax impact. | |
| Capex | Capex is a measure of capital expenditure for the period which comprises the Group's investments in property plant and equipment and intangible assets derived from the consolidated cash flow statement. | Capex is an indicator of the Group's investments in property plant and equipment and intangible assets. |
| Acquisitions (M&A) | Acquisitions of subsidiaries and investments in associates derived from the consolidated cash flow statement for the period. | Acquisition capex is an indicator for investments in acquisition of businesses that are intended to grow the Group's product or service offering, assets or technologies, productive capacity or performance. |

| Key figure | Definition | Reason for use |
|---|--|--|
| Adjusted operating cash flow for the last 12 months | Adjusted EBITDA on a rolling twelve-month basis less change in net working capital and capex on a rolling twelve-months basis. Change in net working capital and capex are adjusted with M&A, and impairment and write-down charges classified as comparability adjustments. | Adjusted operating cash flow provides information on the Group's operating cash flow on an annualised basis, excluding adjusting items. |
| Cash conversion | Adjusted operating cash flow divided by Adjusted EBITDA based on a rolling twelve-month calculation. | Cash conversion is used to assess Purmo Group's efficiency to convert its operating results into cash. The ratio indicates the Group's capacity to pay dividends and / or generate funds for acquisitions or other transactions. |
| Net working capital | Purmo Group's inventories, operative receivables less trade and other operative liabilities. | Net working capital is a useful measure to monitor the level of direct net working capital tied to the operations and changes therein. |
| Operating capital employed | Net working capital, other intangible assets, property, plant, equipment and right-of-use assets. | Capital employed presents the total investment in the Group's business operations. |
| Return on operating capital employed | EBIT based on a rolling twelve-month calculation divided by quarterly end average operating capital employed. | Measures the return on the capital tied up in the business. |
| Net debt | Non-current and current borrowings (including shareholder loan) and non-current and current lease liabilities less cash and cash equivalents. | To show the net of interest-bearing assets and interest-bearing liabilities. |
| Net debt/Adjusted EBITDA | Net debt divided by Adjusted EBITDA based on a rolling twelve-month calculation. | The ratio indicates how fast the Group can repay its net debt using adjusted EBITDA (expressed in years), and it is a useful measure to monitor the level of the Group's indebtedness. |
| Equity to Asset ratio | Total equity divided by total assets derived from the IFRS consolidated financial statements. | The ratio is a useful indicator to measure how much of the Group's assets are funded by equity rather than through external borrowings. |
| Return on equity | Group's profit for the period based on a rolling twelve-month basis divided by the average total equity. | Shows owners the return on their invested capital. |

From Q4 2023 onwards Purmo Group has revised the definition of adjusted profit for the period to include tax impact from comparability adjustments. The definition has been revised due to significant tax impact from comparability adjustments in Q4 2023. The comparative figures have been restated accordingly.

Reconciliation of Alternative Performance Measures

| EUR million unless otherwise indicated | 4-6/2024 | 4-6/2023 | 1-6/2024 | 1-6/2023 | 2023 |
|--|--------------|--------------|--------------|--------------|-------------|
| Comparability adjustments | | | | | |
| M&A related transactions and integration costs | 0.2 | - | 0.2 | 0.0 | 0.3 |
| Restructuring costs and one-off costs related to efficiency programs | 4.9 | 4.3 | 6.2 | 6.5 | 46.0 |
| Public tender offer related costs | 1.6 | - | 1.6 | - | - |
| Impairment and write-down charges | - | - | - | 1.3 | 5.2 |
| Other | -1.1 | -0.1 | -1.1 | -0.2 | 1.3 |
| Total comparability adjustments affecting in EBITDA and EBITA¹ | 5.6 | 4.2 | 6.9 | 7.6 | 52.8 |
| Taxes relating to comparability adjustments ¹ | -1.6 | -1.0 | -1.9 | -1.5 | -11.2 |
| Total comparability adjustments¹ | 4.0 | 3.2 | 5.0 | 6.1 | 41.6 |
| Net sales | 171.5 | 180.3 | 359.4 | 392.1 | 743.2 |
| EBIT | 5.9 | 9.0 | 23.7 | 24.0 | 9.7 |
| EBIT margin | 3.4% | 5.0% | 6.6% | 6.1% | 1.3% |
| Amortisation and impairment | 1.0 | 0.9 | 2.1 | 1.9 | 4.7 |
| EBITA | 6.9 | 9.9 | 25.8 | 25.9 | 14.4 |
| EBITA margin | 4.0% | 5.5% | 7.2% | 6.6% | 1.9% |
| Depreciation and impairment | 6.2 | 7.1 | 12.6 | 14.1 | 32.2 |
| EBITDA | 13.1 | 17.0 | 38.4 | 40.1 | 46.6 |
| EBITDA margin | 7.6% | 9.4% | 10.7% | 10.2% | 6.3% |
| Adjusted EBITDA | | | | | |
| EBIT | 5.9 | 9.0 | 23.7 | 24.0 | 9.7 |
| Depreciation, amortisation and impairment excluding comparability adjustments | 7.3 | 8.0 | 14.7 | 16.0 | 29.8 |
| Total comparability adjustments affecting in EBITDA and EBITA ¹ | 5.6 | 4.2 | 6.9 | 7.6 | 21.7 |
| Adjusted EBITDA¹ | 18.7 | 21.2 | 45.3 | 47.7 | 61.3 |
| Adjusted EBITDA margin¹ | 10.9% | 11.8% | 12.6% | 12.2% | 8.2% |
| Adjusted EBITA | | | | | |
| EBIT | 5.9 | 9.0 | 23.7 | 24.0 | 9.7 |
| Amortisation excluding comparability adjustments | 1.0 | 0.9 | 2.1 | 1.9 | 3.8 |
| Total comparability adjustments affecting in EBITDA and EBITA ¹ | 5.6 | 4.2 | 6.9 | 7.6 | 21.7 |
| Adjusted EBITA¹ | 12.5 | 14.1 | 32.7 | 33.5 | 35.3 |
| Adjusted EBITA margin¹ | 7.3% | 7.8% | 9.1% | 8.6% | 4.7% |
| Adjusted profit/loss for the period | | | | | |
| Profit/loss for the period | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Total comparability adjustments ¹ | 4.0 | 3.2 | 5.0 | 6.1 | 21.7 |
| Adjusted profit/loss for the period¹ | 3.2 | 6.1 | 13.7 | 15.7 | 12.4 |

¹ The definition of adjusted profit for the period to include tax impact from comparability adjustments has been updated from Q4 2023 and the comparative data for Q2 2023 has been restated.

| EUR million unless otherwise indicated | 30 Jun 2024 | 30 Jun 2023 | 2023 |
|--|--------------|--------------|--------------|
| Adjusted operating cash flow for the last 12 months | | | |
| Adjusted EBITDA for the last 12 months | 89.9 | 83.5 | 92.3 |
| Change in net working capital compared to previous year same period ¹ | 13.0 | 8.1 | 3.2 |
| Capex for last 12 months | -21.7 | -23.8 | -20.3 |
| Adjusted operating cash flow for the last 12 months | 81.2 | 67.8 | 75.1 |
| Cash conversion | | | |
| Adjusted operating cash flow for the last 12 months | 81.2 | 67.8 | 75.1 |
| Adjusted EBITDA in the last 12 months | 89.9 | 83.5 | 92.3 |
| Cash conversion¹ | 90.3% | 81.2% | 81.4% |
| Net working capital | | | |
| Inventories | 156.7 | 178.5 | 143.7 |
| Non-current operative other receivables ² | 5.9 | 0.1 | 4.0 |
| Trade receivables | 85.4 | 98.0 | 75.2 |
| Current operative other receivables ² | 22.6 | 18.9 | 19.4 |
| Operative receivables | 113.8 | 117.0 | 98.6 |
| Non-current operative payables ³ | 0.7 | 1.0 | 1.0 |
| Trade payables | 90.1 | 96.3 | 71.2 |
| Current operative payables ³ | 86.3 | 86.8 | 84.7 |
| Operative liabilities | 177.1 | 184.2 | 156.9 |
| Net working capital | 93.4 | 111.3 | 85.4 |
| Operating capital employed | | | |
| Net working capital | 93.4 | 111.3 | 85.4 |
| Other intangible assets | 43.6 | 44.0 | 45.9 |
| Property, plant and equipment | 128.7 | 127.4 | 127.6 |
| Right-of-use assets | 35.8 | 38.6 | 35.8 |
| Operating capital employed | 301.5 | 321.3 | 294.7 |
| Return on operating capital employed | | | |
| Quarterly end average operating capital employed | 306.6 | 321.5 | 331.9 |
| EBIT for the last 12 months | 9.4 | 33.0 | 9.7 |
| Return on operating capital employed | 3.1% | 10.3% | 2.9% |
| Net debt | | | |
| Loans and borrowings (non-current) | 278.2 | 278.5 | 277.9 |
| Loans and borrowings (current) | 5.7 | 4.4 | 7.3 |
| Loans and borrowings, assets held for sale | 8.5 | 8.5 | 8.6 |
| Lease liabilities (non-current) | 29.8 | 33.5 | 31.7 |
| Lease liabilities (current) | 12.4 | 9.8 | 10.4 |
| Lease liabilities, assets held for sale | 0.0 | 0.3 | 0.0 |
| Cash and cash equivalents | -90.8 | -97.9 | -111.7 |
| Cash and cash equivalents, assets held for sale | -7.0 | -6.4 | -4.6 |
| Net debt | 236.8 | 230.7 | 219.6 |
| Net debt/Adjusted EBITDA | | | |
| Net debt | 236.8 | 230.7 | 219.6 |
| Adjusted EBITDA in the last 12 months | 89.9 | 83.5 | 92.3 |
| Net debt/Adjusted EBITDA | 2.63 | 2.76 | 2.38 |
| Equity/Asset ratio | | | |
| Total equity | 422.2 | 470.0 | 435.7 |
| Total assets | 1,002.2 | 1,036.5 | 997.8 |
| Equity/Asset ratio | 42.1% | 45.3% | 43.7% |
| Return on equity | | | |
| Cumulative last 12-month profit attributable to owners of the company | -10.3 | 7.9 | -9.3 |
| Total equity at the beginning of the period | 435.7 | 403.3 | 403.3 |
| Total equity at the end of the period | 422.2 | 470.0 | 435.7 |
| Total equity average | 428.9 | 436.6 | 419.5 |
| Return on equity | -2.4% | 1.8% | -2.2% |

¹ Change in net working capital includes assets held for sale. M&A and comparability adjustments totalled EUR 6.3 (7.9) million.

² Non-current and current operative other receivables are in the balance sheet presented in non-current and current other receivables.

³ Non-current and current operative payables are presented in the balance sheet in non-current other payables and current trade and other payables.

| EUR million unless otherwise indicated | 4-6/2024 | 4-6/2023 | 1-6/2024 | 1-6/2023 | 2023 |
|---|--------------|-------------|-------------|-------------|--------------|
| Basic earnings per share | | | | | |
| Profit/loss attributable to shareholders of the parent company for class C shares | -0.8 | 2.9 | 8.6 | 9.5 | -9.3 |
| Profit/loss attributable to shareholders of the parent company for class F shares | -0.0 | 0.0 | 0.1 | 0.1 | -0.1 |
| Profit/loss attributable to the owners of the company | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Accumulated interest expenses on hybrid bond after taxes | -0.5 | -1.2 | -1.6 | -1.6 | -3.9 |
| Profit/loss used in calculation of earnings per share | -1.2 | 1.7 | 7.1 | 8.0 | -13.3 |
| Weighted average number of shares outstanding (pcs) ¹ | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 |
| Basic earnings per share, EUR | -0.03 | 0.04 | 0.17 | 0.19 | -0.32 |
| Diluted earnings per share | | | | | |
| Profit/loss attributable to shareholders of the parent company for class C shares | -0.8 | 2.9 | 8.6 | 9.5 | -9.3 |
| Profit/loss attributable to shareholders of the parent company for class F shares | -0.0 | 0.0 | 0.1 | 0.1 | -0.1 |
| Profit/loss attributable to the owners of the company | -0.8 | 2.9 | 8.7 | 9.6 | -9.3 |
| Accumulated interest expenses on hybrid bond after taxes | -0.5 | -1.2 | -1.6 | -1.6 | -3.9 |
| Profit/loss used in calculation of earnings per share | -1.2 | 1.7 | 7.1 | 8.0 | -13.3 |
| Diluted weighted average number of shares outstanding (pcs) ¹ | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 |
| Diluted earnings per share, EUR | -0.03 | 0.04 | 0.17 | 0.19 | -0.32 |
| Adjusted basic earnings per share | | | | | |
| Total comparability adjustments ² | 4.0 | 4.2 | 5.0 | 7.6 | 41.6 |
| Adjusted profit/loss attributable to shareholders of the parent company for class C shares ² | 3.2 | 6.0 | 13.6 | 15.6 | 32.0 |
| Adjusted profit/loss attributable to shareholders of the parent company for class F shares | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 |
| Adjusted profit/loss attributable to the owners of the company² | 3.2 | 6.1 | 13.7 | 15.7 | 32.2 |
| Accumulated interest expenses on hybrid bond after taxes | -0.5 | -1.2 | -1.6 | -1.6 | -3.9 |
| Adjusted profit/loss used in calculation of earnings per share² | 2.7 | 4.9 | 12.1 | 14.1 | 28.3 |
| Weighted average number of shares outstanding (pcs) ¹ | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 |
| Adjusted basic earnings per share, EUR² | 0.07 | 0.12 | 0.29 | 0.34 | 0.68 |
| Adjusted diluted earnings per share | | | | | |
| Total comparability adjustments ² | 4.0 | 4.2 | 5.0 | 6.1 | 41.6 |
| Adjusted profit/loss attributable to shareholders of the parent company for class C shares ² | 3.2 | 6.0 | 13.6 | 15.6 | 32.0 |
| Adjusted profit/loss attributable to shareholders of the parent company for class F shares | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 |
| Adjusted profit/loss attributable to the owners of the company² | 3.2 | 6.1 | 13.7 | 15.7 | 32.2 |
| Accumulated interest expenses on hybrid bond after taxes | -0.5 | -1.2 | -1.6 | -1.6 | -3.9 |
| Adjusted profit/loss used in calculation of earnings per share² | 2.7 | 4.9 | 12.1 | 14.1 | 28.3 |
| Diluted weighted average number of shares outstanding (pcs) ¹ | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 | 41,406,191 |
| Adjusted diluted earnings per share, EUR² | 0.07 | 0.12 | 0.29 | 0.34 | 0.68 |

¹ Including 293,478 class F shares convertible to class C shares at the start of the conversion period on 28 June 2024. The conversion right has not been utilised as of 30 June 2024.

² The definition of adjusted profit for the period has been updated from Q4 2023 to include tax impact from comparability adjustments and the comparative data for Q2 2023 has been restated.

Purmo Group Plc

Half-year financial report January–June 2024



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Interim report, January–September 2024

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