

*This press release does not constitute an offer to purchase securities or any form of solicitation in the United States or in any other country. The offer described below can only be opened once it has been declared compliant by the Autorité des marchés financiers.*

*This document is an English-language translation for convenience only of the press release relating to the filing of the draft response document (“projet de note en réponse”) which was filed with the French Autorité des marchés financiers on May 21, 2021, and which remains subject to its review.*

**PRESS RELEASE DATED MAY 21, 2021 RELATING TO THE FILING OF THE DRAFT  
NOTE PREPARED BY**



**IN RESPONSE**

**TO THE SIMPLIFIED PUBLIC TENDER OFFER FOR THE SHARES OF TARKETT  
INITIATED BY THE COMPANY**

**TARKETT PARTICIPATION**

**Acting in concert with Société Investissement Deconinck (and the members of the Deconinck family acting in concert with the latter) and Trief Corporation SA**



This press release was prepared and made available to the public on May 21, 2021 in accordance with the provisions of article 231-26, II of the AMF’s general regulation.

The draft offer and the draft response document remain subject to review by the *Autorité des marchés financiers*.

The draft response document filed with the AMF on May 21, 2021 (the “**Draft Response Document**”) is available on the websites of Tarkett ([www.tarkett.com](http://www.tarkett.com)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)) and is provided to the public free of charge at the registered office of Tarkett, Tour Initiale - 1, Terrasse Bellini, 92919 Paris La Défense Cedex.

In accordance with article 231-28 of the AMF’s general regulation, the information relating to the legal, financial and accounting relating to Tarkett will be filed with the AMF and will be provided to the public, under the same conditions, no later than the day before the offer opens.

A press release will be published, no later than the day before the offer opens, to inform the public about how this document may be obtained.

## **1. PRESENTATION OF THE OFFER**

In accordance with Title III of Book II and more specifically Articles 233-1 et seq. of the AMF's general regulation, Tarkett Participation, a simplified joint-stock company whose registered office is located at Tour Initiale - 1 Terrasse Bellini, 92919 Paris La Défense Cedex, registered with the Nanterre trade and companies register under number 898 347 877 (the "**Offeror**"), acting in concert within the meaning of Article L. 233-10 of the French Commercial Code with Société Investissement Deconinck<sup>1</sup> ("**SID**" or the "**Historic Shareholder**") and Trief Corporation SA<sup>2</sup> (the "**Investor**") (hereinafter referred to, together with the Offeror, as the "**Concert**"), are making an irrevocable offer to all shareholders of Tarkett, a public limited company governed by a supervisory board and a management board, whose registered office is located at Tour Initiale - 1 Terrasse Bellini, 92919 Paris La Défense Cedex, registered with the Nanterre trade and companies register under number 352 849 327 ("**Tarkett**" or the "**Company**", and together with its direct and indirect subsidiaries the "**Group**"), to acquire all shares in the Company (the "**Shares**") that the members of the Concert do not hold directly or indirectly as of the date of the draft offer document prepared by the Offeror and filed with the AMF (the "**Draft Offer Document**") at a price of 20 euros per Share (the "**Offer Price**") through a simplified public tender offer, the terms of which are more fully described in the Draft Offer Document (the "**Offer**").

The Shares are admitted for trading on compartment B of the Euronext Paris regulated market ("**Euronext Paris**") under ISIN FR0004188670 (ticker: TKTT).

As of the date of the Draft Response Document, the Offeror and the members of the Concert, as well as the members of the Deconinck family acting in concert with the Offeror, together hold 36,319,459 Shares in the Company, representing 55.41% of the share capital and 54.74% of the theoretical voting rights of the Company on the basis of a total number of 65,550,281 shares and 66,358,345 theoretical voting rights of the Company<sup>3</sup>, in accordance with Article 223-11 of the AMF's general regulation.

The Offer is for:

- all Shares not held directly or indirectly by the Offeror, alone or in concert, that are already issued, except for Shares held in treasury by the Company<sup>4</sup>, it being specified that this represents, as of the date of the Draft Response Document, a maximum number of 29,230,822 Shares;

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<sup>1</sup> A simplified joint-stock corporation whose registered office is located at Tour Initiale - 1 Terrasse Bellini, 92919 Paris La Défense Cedex and which is registered with the Nanterre trade and companies register under number 421 199 274, controlled by the Deconinck family.

<sup>2</sup> A public limited company incorporated under Luxembourg law whose registered office is located at 5 rue Pierre d'Aspelt, L-1142 Luxembourg and which is registered with the Luxembourg trade and companies register under number B50162, a wholly owned subsidiary of Wendel SE, 89 rue Taitbout, 75009 Paris.

<sup>3</sup> Based on information as of 30 April 2021 published by the Company on its website in accordance with Article 223-16 of the AMF's general regulation.

<sup>4</sup> It being specified that as of the date of this document, the Company holds 392,427 shares in treasury (of which 125.647 are allocated to awards of performance shares free of charge under the 2018-2021 LTIP).

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- all Shares that may be transferred before the Offer closes as a result of the vesting of free Shares awarded by the Company under the 2018-2021 LTIP, i.e., as of the date of the Draft Response Document, a maximum of 249,377 Shares<sup>5</sup>;

making a total maximum of 29,480,199 Shares.

The Shares held directly by the Deconinck family are included in the Offer and will be contributed to the Offer.

As of the date of the Draft Response Document, there are no equity securities or other financial instruments or rights that may give access, either immediately or in the future, to the Company's share capital or voting rights other than the free Shares awarded by the Company to certain managers and employees described in section 1.2.5 of the Draft Response Document.

The Offer will take place according to the simplified procedure in accordance with Articles 233-1 et seq. of the AMF's general regulation. The Offer will be open for a period of twenty-one (21) trading days.

It should also be noted that the Offeror is required to file the Offer pursuant to Article L. 433-3 I of the French Monetary and Financial Code and Article 234-2 of the AMF's general regulation, following the SID Contribution (as described in Section 5.1 of the Draft Response Document) and the fact that SID and the Investor are acting in concert.

The Offeror intends to implement the squeeze-out procedure for the shares of the Company not tendered to the Offer, at the end of the Offer, pursuant to the provisions of Article L. 433-4 II of the French Monetary and Financial Code and Articles 237-1 et seq. of the AMF's general regulation.

In accordance with Article 231-13 of the AMF's general regulation, Rothschild Martin Maurel, BNP Paribas, Crédit Agricole Corporate and Investment Bank ("CA-CIB") and Société Générale filed the draft Offer and the Draft Offer Document with the AMF on 26 April 2021.

Only BNP Paribas, CA-CIB and Société Générale guarantee, in accordance with Article 231-13 of the AMF's general regulation, the content and irrevocable nature of the undertakings made by the Offeror in connection with the Offer

## **2. REASONED OPINION OF THE COMPANY'S SUPERVISORY BOARD**

The supervisory board of Tarkett is currently composed of:

- Mr. Eric La Bonnardière (chairman of the supervisory board);
- Mr. Didier Deconinck (vice-chairman of the supervisory board);
- Mr. Julien Deconinck;
- Mr. Nicolas Deconinck;
- Mrs. Françoise Leroy\*;
- Mr. Didier Michaud-Daniel\*;
- Mrs. Sabine Roux de Bézieux\*;
- Mrs. Agnès Touraine; et
- Mrs. Véronique Laury.

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<sup>5</sup> As indicated in section 1.2.5 of the Draft Response Document, after application of the performance conditions, 125,647 Shares will definitively vest on July 1, 2021 under the 2018-2021 LTIP.

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*\*Independent members according to the independence criteria of the Afep-Medef Code.*

Mr. Bernard-André Deconinck is an observer (*censeur*) on the Company's supervisory board.

In accordance with the provisions of Article 261-1, III of the AMF's general regulation, the supervisory board, at its meeting of March 31, 2021, upon recommendation of the nomination, compensation and governance committee, decided to set up an *ad hoc* committee composed of:

- Mrs. Françoise Leroy (chairwoman of the *ad hoc* committee);
- Mr. Didier Michaud-Daniel;
- Mrs. Sabine Roux de Bézieux.

At the same meeting of March 31, 2021, upon recommendation of the *ad hoc* committee, the supervisory board appointed, in accordance with article 261-1, I, 1°, 2° and 4° and II of the AMF's general regulation, Finexsi, represented by Mr. Olivier Péronnet and Mr. Olivier Courau, as independent expert in charge of issuing a report on the financial terms of the Offer.

At its meeting of April 23, 2021, the members of the supervisory board:

- noted the main characteristics of the draft Offer;
- noted that (i) Mr. Didier Michaud-Daniel intended, as a precaution, to abstain from participating in the work and deliberations of the *ad hoc* committee going forward due to the selection by the Deconinck family of Wendel as a minority financial partner, Wendel being a significant shareholder of Bureau Veritas, of which he is the chief executive officer (a situation likely, in his view, to give rise to an appearance of conflict of interest even if his independent judgment is not affected) and, consequently, (ii) the *ad hoc* committee will continue its mission without the participation of Mr. Michaud-Daniel who is abstaining, while remaining composed of its three original members; and
- upon recommendation of the *ad hoc* committee, positively welcomed, in principle, the draft Offer, and approved the draft press release that could be published upon announcement of the draft Offer, as of April 23, 2021, after the close of trading.

In accordance with the provisions of article 231-19 of the AMF's general regulation, the members of the Company's supervisory board met on May 20, 2021, under the chairmanship of Mr. Eric La Bonnardière, chairman of the supervisory board, in order to review the draft Offer and to issue a reasoned opinion on the interest and consequences of the draft Offer for the Company, its shareholders and its employees. All the members of the supervisory board were present in person or by videoconference.

Prior to the meeting, the members of the supervisory board were provided with:

- the Draft Offer Document filed by the Offeror with the AMF on April 26, 2021, including the context and the reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer and the elements for assessing the Offer Price;
- the draft reasoned opinion prepared by the *ad hoc* committee in accordance with article 261-1, III of the AMF's general regulation;
- the report of Finexsi, the independent expert; and
- the Draft Response Document of the Company prepared in accordance with article 231-19 of the AMF's general regulation.

The supervisory board of the Company, at the said meeting of May 20, 2021, has therefore issued the following reasoned opinion by the unanimity of its members, including the independent members who participate in the work of the *ad hoc* committee, the other members of the Supervisory Board agreeing with the opinion of the *ad hoc* committee:

**“[...] *Work of the independent expert***

*At its meeting of March 31, 2021, upon recommendation of the ad hoc committee, the Company's Supervisory Board appointed Finexsi, represented by Messrs. Olivier Péronnet and Olivier Courau, as independent expert in accordance with the provisions of Article 261-1, I, 1°, 2° and 4° and II of the AMF's general regulation, in charge of issuing a report on the financial terms of the Offer. The process and the basis for the appointment of the independent expert will be explained by the ad hoc committee during the presentation of its work.*

*The Chairman indicates that the ad hoc committee has had several exchanges with the independent expert and followed up his work.*

*Finexsi, represented by Messrs. Olivier Péronnet and Olivier Courau, summarizes the conclusions of its work to the Supervisory Board:*

*“We consider the DCF approach as the most appropriate to estimate the intrinsic value of TARKETT shares. Based on management's business plan and our sensitivity analyses, this criterion results in a range of values per share between €14.4 and €17.2, with a central value of €16.2. The Offer price of €20 per TARKETT share represents a premium of +23.3% compared to this central value. On this basis, the Offer price provides “full value” without having to bear the risk of executing this ambitious business plan in terms of profitability in an uncertain and volatile market context.*

*In addition, the liquidity and the free float's turnover of TARKETT shares are at sufficient levels to retain the share price as a principal reference. The Offer price represents a premium of +25.8% compared to the Spot price before the announcement of the Offer, and of +44% on the basis of the 60-day VWAP.*

*Moreover, the DCF valuation range is corroborated by the result of the trading comparables' method implemented as a secondary criterion and by the analysts' price targets, also presented as a secondary criterion, the upper bound corresponds to the HSBC price target, which nonetheless stopped covering TARKETT shares since March 2021.*

*As for the comparable transactions method, which is presented for indicative purposes only, the range that results from its application, is considered to be a “low value” insofar as the average multiple used over the last five years applies to the non-normative profitability levels observed in 2019 and 2020. In this respect, it should be emphasized that this method does not take into account the Company's development prospects and in particular the improvement in profitability expected in the business plan.*

*The examination of the related agreements that could have a significant influence on the assessment of the Offer, as presented in the draft Information Memorandum, namely (i) the Investment Agreement and its annexes, including the terms and conditions for the financing of the Offer and the refinancing of the existing debt, (ii) the Shareholders' Agreement, (iii) the compensation mechanism for certain managers and (iv) the liquidity mechanism, did not reveal any provision that could, in our opinion, call into question the fairness of the Offer from a financial point of view.*

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*Accordingly, we believe that the Offer price of €20 per TARKETT share is fair from a financial point of view for TARKETT shareholders.*

*This conclusion also applies to the indemnity provided for the mandatory squeeze-out, which is equal to the Offer price, i.e. €20 per share.”*

#### ***Work and recommendation of the ad hoc committee***

*Ms. Françoise Leroy, in her capacity as chair of the ad hoc committee, then reports on its mission and briefly summarizes the work accomplished in this context:*

#### ***Process for appointing the independent expert***

*Two firms were identified as being able to meet the criteria of competence required by the applicable regulations.*

*On March 1, 2021, the prospective members of the ad hoc committee met with representatives of the two firms approached, including Finexsi. The ad hoc committee carried out an in-depth review of the profile and experience of these firms, as well as the transactions they may have conducted with the Company that could affect their independence.*

*Following this review, during the first formal meeting of the ad hoc committee on March 31, 2021, which followed its appointment by the Supervisory Board, Finexsi was selected by the committee because of its recent experience in comparable and complex transactions, its reputation and the absence of any conflict of interest.*

*Finexsi has confirmed not to be in a conflict of interest situation and that it has sufficient material resources and the necessary availability to carry out its mission in the contemplated timetable. In view of the above, the ad hoc committee decided to recommend the appointment of Finexsi to the Supervisory Board, which ratified this proposal on March 31, 2021.*

#### ***Work of the ad hoc committee and interactions with the independent expert***

- *As from the establishment of the ad hoc committee, the members of the ad hoc committee met 14 times between March 31, 2021 and May 20, 2021 for the purpose of their mission, including 13 times in the presence of the independent expert, as detailed below. Given the health constraints related to the Covid-19 pandemic, almost all the meetings of the ad hoc committee and the exchanges of its members with the various people involved took place by telephone or videoconference,*
- *Weekly follow-up meetings were set up, at the occasion of which the legal and financial advisers of the Offeror, of the Company and of the ad hoc committee kept the members of the ad hoc committee informed, in the presence of the independent expert, of the progress of the draft Offer, and more particularly of the evolutions of the contemplated timetable, of the discussions relating to the draft agreements between the various parties (including the project of refinancing of the Group) and the evolution of the stock market activity. On each occasion, the ad hoc committee ensured that the independent expert was provided with all the information needed to date to carry out its mission and that it was able to carry out its work under satisfactory conditions,*
- *On April 2, 2021, the Company’s business plan was presented to the independent expert, in the presence of the members of the ad hoc committee, who were also able to discuss for the first time valuation issues with the independent expert;*
- *On April 16, 2021, the members of the ad hoc committee attended a meeting during which (i) their legal advisor presented and explained certain legal aspects of the proposed Offer*

*and (ii) the independent expert updated the members of the ad hoc committee on his valuation work. On this occasion, the ad hoc committee and the independent expert exchanged in particular on the preliminary analyses relating to the valuation methods used by the financial advisors of the Offeror for the valuation of the Company;*

- On April 20, 2021, the members of the ad hoc committee, with the participation of the independent expert and their legal advisor, attended a meeting to present the envisaged terms and conditions of the financing of the proposed Offer and the refinancing of the Group by the management of the Company and the financial and legal advisors of the Offeror, during which the members of the ad hoc committee had the opportunity to ask questions on the reasons, the terms, the consequences and the possible alternatives of the envisaged refinancing of the Group and to request precise information with respect to the allocation of the resulting financing and refinancing costs between the Company and the Offeror;*
- On April 21, 2021, the members of the ad hoc committee, with the participation of their legal advisor, attended a meeting to present the elements of assessment of the valuation of the Company by the financial advisors of the Offeror, during which they had in particular the opportunity to ask questions and to discuss the methods and assumptions of valuation retained. On this occasion, the ad hoc committee noted that in the current state of its work, the independent expert had not identified any elements calling into question the valuation presented by the Offeror's financial advisers;*
- On April 22, 2021, the members of the ad hoc committee were individually informed of the investment offer made by Wendel and of the price envisaged for the draft Offer and received, in response to their questions, additional information regarding the allocation of financing and refinancing costs between the Offeror and the Company;*
- On that date of April 22, the members of the ad hoc committee had received and reviewed various documents relating to the proposed Offer, including a draft offer document from the Offeror as well as presentations prepared by the Offeror's financial advisors on the terms and costs of the Group's refinancing, a comparative presentation of the financial terms of recent Term Loan B issues on the market and elements of the Company's valuation. Finally, they had been able to consult an opinion issued by the bank Rothschild & Co for the use of the members of the ad hoc committee on the favourable nature of the financial conditions obtained in the context of the envisaged refinancing of the Group in with respect to the market;*
- On April 23, 2021, the members of the ad hoc committee met with their legal advisor and the independent expert in order to (i) review in detail the financial terms and conditions of the draft Offer and discuss its potential consequences for the Group and (ii) decide on the recommendation to be made to the Supervisory Board regarding the welcome of the draft Offer, the recommendation regarding the authorization of related-party agreements in connection with the draft Offer pursuant to Article L. 225-86 of the French Commercial Code and the review of a draft press release. The members of the ad hoc committee unanimously decided to propose to the Supervisory Board to positively welcome the draft Offer proposed by the Offeror. As a reminder, the draft Offer was announced on April 23, 2021, after closing of the stock exchange;*
- On April 30, 2021, the members of the ad hoc committee met with the independent expert to be updated in detail on the expert's valuation work;*
- On May 4, 2021, the members of the ad hoc committee, with the participation of their legal advisor and the independent expert, attended a meeting with representatives of the*

*Offeror and Wendel, during which they were able to discuss Wendel's motivations and intentions as a minority financial partner of the Deconinck family, as well as their vision of the future of the Group. In particular, they noted that Wendel supported the continuation of the current management team of Tarkett and the pursuit of the company's strategic orientations;*

- *On May 6, 2021, the members of the ad hoc committee, with the participation of their legal advisor and the independent expert, attended a meeting with the respective legal advisors of the management team and of the Offeror, during which they received a detailed presentation of the plan of investment and profit-sharing of the main executives of the Group in the capital of the Offeror (in the form of the subscription of ordinary shares known as "pari passu" and preference shares known as "ratchet", and free allotments of ordinary and preference shares known as "ratchet"), during which the members of the ad hoc committee received, among other things, confirmation that these investments were made at a market price consistent with the price of the Offer. During this same meeting, liquidity agreements proposed by the Offeror in the context of the draft Offer to the beneficiaries of free allocations of shares of the Company, as long as these shares will not have been delivered at the end of the Offer or will be subject to retention obligations until a date subsequent to the end of the Offer were presented to the members of the ad hoc committee;*
- *On May 6, 2021, a letter was sent by the management company Tweedy, Browne Company LLC, a significant minority shareholder of the Company, to the independent members of the Supervisory Board (corresponding in fact to the members of the ad hoc committee). This letter, of which the Chair of the ad hoc committee acknowledged receipt on May 8, 2021, contained observations claiming an insufficient Offer price and the lack of relevance of the stock market price as a reference for the value of the Company in view of, in particular, according to them (i) a lack of liquidity of the Tarkett share on the stock market, (ii) certain analysts' notes concerning the Offer price and (iii) Tarkett's potential to generate EBIT on the basis of a "normative" EBIT calculated by the minority shareholder;*
- *On May 9, 2021, the ad hoc committee met in the presence of its legal advisor and the independent expert to review the arguments raised in the letter received from the minority shareholder mentioned above;*
- *On May 17, 2021, the ad hoc committee met in the presence of its legal advisor and the independent expert. The independent expert presented to the ad hoc committee the preliminary conclusions of its report and exchanged with the members of the ad hoc committee on its work as well as the answers given to the observations of the minority shareholder mentioned above. The independent expert specified, in particular, that, subject to the finalization of its work, its preliminary report concluded to the fairness of the Offer. The ad hoc committee then prepared on this basis its recommendations to the Supervisory Board with respect to its reasoned opinion on the Offer;*
- *On May 20, 2021, the ad hoc committee held a meeting prior to the Supervisory Board meeting in charge of issuing its reasoned opinion on the Offer with the participation of the independent expert. During this meeting, the ad hoc committee (i) reviewed the final report of the independent expert, (ii) finalized its recommendations to the Supervisory Board with respect to its opinion on the Offer (iii) reviewed the latest version of the draft note in response of the Company as well as a draft press release to be published by the Company at the time of the filing of the said note in response and (iv) ensured once again that the independent expert was provided with all the information needed to carry out its mission and that it was able to carry out its work under satisfactory conditions;*

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- *The ad hoc committee also ensured that the business plan of the Company presented to the independent expert (i) was the latest business plan prepared by the Management Board and communicated to the Supervisory Board and that it therefore reflected, at the time of the Offer, the best possible estimate of the Company's forecasts and (ii) that there were no other relevant forward-looking data. Finally, the ad hoc committee ensured that the Company's financial communication (in particular, the 2021 outlook and medium-term objectives confirmed to the market on April 23, 2021 at the time of the publication of the 2021 Q1 turnover) was consistent with the outlook set out in the business plan;*
- *The ad hoc committee has noted that, except for the above-mentioned letter, no question or reflexion from shareholders has been addressed to the ad hoc committee or to the independent expert, including via the AMF;*

#### *Conclusions and recommendations of the ad hoc committee*

- *The ad hoc committee has noted the elements resulting from the intentions and objectives declared by the Offeror in its draft offer document;*
- *It reviewed the interests of the Offer for the Company, for the shareholders and for the employees and considered that the Offer was in line with the interests of the Company, its employees and its shareholders. Consequently, following its meeting of May 20, 2021, it recommends to the Supervisory Board to resolve accordingly, it being recalled that Mr. Didier Michaud-Daniel has abstained from participating in the debates and deliberations of the ad hoc committee since April 23, 2021 (including this recommendation);*
- *It is specified that due to the holding shares obligations of the members of the Supervisory Board provided in the articles of association, the members of the ad hoc committee intend not to tender their Tarkett shares to the Offer.*

#### ***Reasoned opinion of the Supervisory Board***

- *The Supervisory Board notes the work of the ad hoc committee and its recommendations on the Offer as well as the conclusions of the independent expert.*
- *With regard to the interest of the Offer for the Company, the Supervisory Board notes that:*
  - *the Deconinck family has been a shareholder of the Company since its origins, when Sommer Allibert SA and Tarkett AG merged in 1997. Since then, it has accompanied the company through all the stages of its development, including its latest IPO in 2013. The members of the Deconinck family, acting in concert with the Offeror through SID and with the Investor, currently hold, directly and indirectly, a total of 55.41% of the capital and 54.74% of the voting rights;*
  - *the Offeror is controlled by SID and co-owned with the Investor (a wholly-owned subsidiary of Wendel SE) as a long-term minority financial partner, which has notably undertaken, under the terms of a shareholders' agreement with the SID, to hold its shares in the capital of the Offeror for a period of five years;*
  - *the Deconinck family wishes to "strengthen its control" over the Company through the Offeror, which intends "with the financial support provided by the Investor and with the help of the Company's current management team,*

*intends to pursue the main strategies being implemented by the Company and SID and to support the Company's development",*

- *the Offeror also intends, in the context of the proposed transaction, to set up in favour of certain directors and managers of the Company an investment and incentive plan providing in particular for (i) an investment in ordinary shares and so-called "ratchet" performance shares at the level of the Offeror "conferring on their holders a portion of the capital gain realized" in the event of a subsequent IPO or transfer of control, and (ii) the free allocation of such ordinary and performance shares;*
  - *the refinancing of most of the Group's indebtedness in the context of the draft Offer presents financial advantages for the Group and an equitable allocation of the related costs between the Offeror and the Company (taking into account, in particular, the commitment of the Offeror to the Company to bear a share of the costs to which the Group would be exposed as a result of the refinancing, up to an amount of 5.95 million euros depending on the final amount of such costs), which enabled the Supervisory Board, at its meeting of April 23, 2021, to consider that the refinancing agreements concerned were in the interest of the Company and to authorize their conclusion, and*
  - *the Offeror does not intend to merge the Offeror with the Company.*
- *With regard to the interest of the Offer for the shareholders, in financial terms, the Supervisory Board notes that:*
- *the offered price of 20 euros per share represents a premium of +25.8% compared to the last closing price before the announcement of the Offer and of +44% based on the average closing price weighted by the daily volumes of the last 60 trading days preceding the announcement of the Offer;*
  - *the discounted cash flow (DCF) valuation approach, considered to be the most appropriate by the independent expert to estimate the intrinsic value of the Tarkett share, leads, on the basis of the Company's business plan and the expert's sensitivity analyses, to a central value per share of €16.2, i.e. a premium of +23.3% compared to this value, the contribution to the Offer thus allowing to capture the full value of the Company without having to bear the risk of executing a business plan considered ambitious in terms of profitability in an uncertain and volatile market context;*
  - *the independent expert noted that the offered price of 20 euros showed a premium in relation to all the valuation criteria that it retained as main criteria and that this price was fair, from a financial point of view, for the shareholders of the Company who would decide to tender their shares to the Offer. The ad hoc committee agrees with the conclusions of the independent expert that the financial terms offered in the Offer are fair;*
  - *the main observations made by Tweedy, Browne Company LLC on May 6, 2021 as to the Offer price have been the subject of detailed responses in section 9 of the independent expert's report, which indicates in particular that (i) the liquidity and turnover of the free float are at sufficient levels to retain the stock market price as a relevant valuation reference (with, for example, a turnover of the free float of 69.2% over the 12 months preceding the announcement of the Offer) (ii) the pre-announcement price targets of two analysts who had made mixed judgments on the Offer price were respectively €17.1 and €18 per Tarkett share (the Offer price showing respectively premiums of +17.0% and +11.0% on these price targets) and (iii) the*

*application of the "normative" EBIT multiple valuation method proposed by Tweedy, Browne Company LLC should in fact result in a value per Tarkett share of €16.94, significantly lower than the Offer price;*

- *the Offer allows each shareholder of the Company to transfer immediately, if they so wish, their shareholding whatever the number of shares they holds and thus to benefit from a greater liquidity than that offered by the market prior to the announcement of the Offer, the ad hoc committee drawing the shareholders' attention to the lesser liquidity which could exist on the market after the Offer in the absence of a squeeze-out;*
  - *with regard to dividends, the Offeror, which is already the Company's majority shareholder, has indicated that "[i]n the next twelve months, the Offeror intends to maintain a dividend policy in line with that adopted in 2020 and 2021, i.e., not to make any dividend payments".*
- *With regard to the interest of the Offer for the employees, the Supervisory Board notes that:*
- *the Offeror indicates that the contemplated transaction "forms part of a plan in which the Company's business activities and development are to continue" and that the Offer "should not in itself result in any particular impact on the Company's workforce, wage policy or human resource management policy" it being noted, however, that (i) certain functions "specifically related to the listing" could be affected in the event of a squeeze-out and (ii) the Offeror has indicated that in the event of a squeeze-out the Company would be transformed into a simplified joint stock company managed by a president, which would result in the disappearance of the Supervisory Board on which the employees currently have the right to appoint a representative;*
  - *the Offeror will propose to the beneficiaries of free Tarkett shares during the vesting period and to the holders of Tarkett shares during the holding period to enter into liquidity agreements with the Offeror allowing them to transfer their shares at a price determined according to a formula consistent with the price of the Offer (in the form of call and put options exercisable in case of lack of liquidity of the market of the share or of delisting), it being specified that in the event of implementation of the squeeze-out, the shares subject to this liquidity mechanism will be assimilated to the shares held by the Offeror in accordance with article L. 233-9 I, 4° of the French Commercial Code and will therefore not be covered by the said squeeze-out, and*
  - *the "FCPE" (company investment funds) set up in favour of the Group's employees will have the possibility, upon decision of its supervisory board, to contribute the Tarkett shares it holds to the Offer.*
- *The Supervisory Board notes that the Offeror intends to implement a squeeze-out of the Tarkett shares at the end of the Offer if the shares of the Company not tendered to the Offer do not represent more than 10% of the capital and voting rights of the Company.*

*In view of the elements submitted and in particular (i) the objectives and intentions expressed by the Offeror, (ii) the valuation elements prepared by the presenting institutions Rothschild Martin Maurel, BNP Paribas and Crédit Agricole Corporate and Investment Bank, (iii) the conclusions of the report of the independent expert on the financial conditions of the Offer, including its answers to the written observations received from a minority shareholder concerning the Offer price, (iv) the conclusions of the review work of the ad hoc committee, (v) the draft press release submitted to the Supervisory Board and (vi) the elements set out above, the Supervisory Board, after deliberation, unanimously by its members present or represented*

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*(including the independent members who participate in the work of the ad hoc committee, the other members of the Supervisory Board agreeing with the opinion of the ad hoc committee) considers that the Offer is in line with the interests of the Company, its shareholders and its employees and decides:*

- to issue, in the light of the work, conclusions and recommendations of the ad hoc committee, a favorable opinion on the proposed Offer, which may be followed by a squeeze-out of the Company's shares if the conditions for such squeeze-out are met, as presented to it,*
- accordingly, to recommend to the Company's shareholders to tender their shares to the Offer,*
- to acknowledge, as necessary, the fact that, since the treasury shares held by the Company are not covered by the Offer, the Company will not tender them to the Offer, [...]"*

### **3. REPORT OF THE INDEPENDENT EXPERT PURSUANT TO ARTICLE 261-1 OF THE AMF'S GENERAL REGULATION**

In accordance with Article 261-1, I, 1°, 2° and 4° and II of the AMF's general regulation, Finexsi, represented by Messrs. Olivier Péronnet and Olivier Courau, has been appointed as independent expert by the Company's supervisory board on March 31, 2021 in order to issue a report on the financial terms of the Offer and the possible squeeze-out.

The conclusion of this report, dated May 20, 2021, is reproduced below:

*"We consider the DCF approach as the most appropriate to estimate the intrinsic value of Tarkett shares. Based on management's business plan and our sensitivity analyses, this criterion results in a range of values per share between €14.4 and €17.2, with a central value of €16.2. The Offer price of €20 per Tarkett share represents a premium of +23.3% compared to this central value. On this basis, the Offer price provides "full value" without having to bear the risk of executing this ambitious business plan in terms of profitability in an uncertain and volatile market context.*

*In addition, the liquidity and the free float's turnover of Tarkett shares are at sufficient levels to retain the share price as a principal reference. The Offer price represents a premium of +25.8% compared to the Spot price before the announcement of the Offer, and of +44% on the basis of the 60-day VWAP.*

*Moreover, the DCF valuation range is corroborated by the result of the trading comparables' method implemented as a secondary criterion and by the analysts' price targets, also presented as a secondary criterion, the upper bound corresponds to the HSBC price target, which nonetheless stopped covering Tarkett shares since March 2021.*

*As for the comparable transactions method, which is presented for indicative purposes only, the range that results from its application, is considered to be a "low value" insofar as the average multiple used over the last five years applies to the non-normative profitability levels observed in 2019 and 2020. In this respect, it should be emphasized that this method does not take into account the Company's development prospects and in particular the improvement in profitability expected in the business plan.*

*The examination of the related agreements that could have a significant influence on the assessment of the Offer, as presented in the draft Information Memorandum, namely (i) the*

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*Investment Agreement and its annexes, including the terms and conditions for the financing of the Offer and the refinancing of the existing debt, (ii) the Shareholders' Agreement, (iii) the compensation mechanism for certain managers and (iv) the liquidity mechanism, did not reveal any provision that could, in our opinion, call into question the fairness of the Offer from a financial point of view.*

*Accordingly, we believe that the Offer price of €20 per Tarkett share is fair from a financial point of view for Tarkett shareholders.*

*This conclusion also applies to the indemnity provided for the mandatory squeeze-out, which is equal to the Offer price, i.e. €20 per share.”*

This report is reproduced in its entirety in Section 7 of the Draft Response Document and forms an integral part of it.

#### **4. PROVISION OF COMPANY'S OTHER INFORMATION**

Other information relating to the Company, in particular its legal, financial and accounting characteristics will be filed with the AMF no later than the day before the opening of the Offer. Pursuant to Article 231-28 of the AMF's general regulation, these information will be made available on Tarkett's website ([www.tarkett.com](http://www.tarkett.com)) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)) the day before the opening of the Offer and may be obtained free of charge at Tarkett's registered office, Tour Initiale - 1, Terrasse Bellini, 92919 Paris La Défense Cedex.

##### **Information for U.S. holders**

The Offer described in this press release is made for the securities of Tarkett and is subject to the laws of France. It is important that U.S. holders understand that the Offer and this press release are subject to disclosure and takeover laws and regulations in France that may be different from those in the United States. To the extent applicable, Tarkett Participations will comply with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Tarkett Participations intends to treat the Offer as one to which the “Tier II” exemption mentioned in Rule 14d-1(d) under the Exchange Act applies. Pursuant to an exemption from Rule 14e-5 under the Exchange Act, Tarkett Participations may, from time to time, purchase or make arrangements to purchase shares outside the Offer from the time the Offer was announced until the expiration of the acceptance period of the Offer, to the extent permitted under the applicable French laws and regulations and provided certain other conditions are met.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has (a) approved or disapproved the Offer; (b) passed upon the merits of fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in this press release. Any representation to the contrary is a criminal offense in the United States.