

**THIS DOCUMENT IS AN UNOFFICIAL ENGLISH-LANGUAGE TRANSLATION OF THE DRAFT OFFER DOCUMENT (PROJET DE NOTE D'INFORMATION) WHICH WAS FILED WITH THE FRENCH AUTORITÉ DES MARCHÉS FINANCIERS ON 24 FEBRUARY 2025, AND WHICH REMAINS SUBJECT TO ITS REVIEW. IN THE EVENT OF ANY DIFFERENCES BETWEEN THIS UNOFFICIAL ENGLISH- LANGUAGE TRANSLATION AND THE OFFICIAL FRENCH DRAFT OFFER DOCUMENT, THE OFFICIAL FRENCH DRAFT OFFER DOCUMENT SHALL PREVAIL.**

**PROPOSED PUBLIC BUY-OUT OFFER FOLLOWED BY A SQUEEZE-OUT CONCERNING THE  
COMPANY'S SHARES**



**INITIATED BY**

**TARKETT PARTICIPATION**

**PRESENTED BY**



**PRESENTING BANK**

**AND**



**PORTZAMPARC**  
BNP PARIBAS GROUP



**CRÉDIT AGRICOLE**  
CORPORATE & INVESTMENT BANK



**CRÉDIT AGRICOLE**  
MIDCAP ADVISORS



**SOCIÉTÉ  
GÉNÉRALE**

**PRESENTING AND GUARANTEEING BANKS**

**DRAFT OFFER DOCUMENT PREPARED BY TARKETT PARTICIPATION**

**OFFER PRICE**

17 euros per Tarkett ordinary share

**DURATION OF THE PUBLIC BUY-OUT OFFER**

10 trading days

The timetable for the offer will be determined by the French Financial Markets Authority (the "AMF") in accordance with its general regulation.



This draft offer document (the "Draft Offer Document") was prepared and filed with the AMF on 24 April 2025 in accordance with Articles 231-13, 231-16, 231-18, 236-3, 237-1 of the AMF's general regulation.

*The draft offer and this draft offer document remain subject to review by the AMF.*

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**IMPORTANT DISCLOSURE**

Subject to a clearance decision from the AMF, at the end of the public buy-out offer to which this draft offer document relates, the squeeze-out procedure described in Article L. 433-4 II of the French Monetary and Financial Code will be implemented. Subject to the exceptions set out in this draft offer document, the Tarkett shares concerned by the public buy-out offer that have not been tendered to the offer will be transferred to Tarkett Participation in return for compensation in cash equal to the increased offer price, net of all costs.

This draft offer document should be read in conjunction with the other documents published in relation to the draft offer. In particular, in accordance with Article 231-28 of the AMF's general regulation, a description of the legal, financial and accounting information relating to Tarkett Participation will be provided to the public no later than the day before the public buy-out offer opens. A press release will be published to inform the public about how these documents may be obtained.

This draft offer document is available on the Tarkett website ([www.tarkett-group.com](http://www.tarkett-group.com)) and the AMF website ([www.amf-france.org](http://www.amf-france.org)) and can be obtained free of charge on request from:

**Tarkett Participation**

Tour Initiale - 1, Terrasse  
Bellini  
92919 Paris La Défense Cedex

**Rothschild & Co Martin Maurel**

29 Avenue de Messine  
75008 Paris

**Portzamparc BNP Paribas**

1 Boulevard Haussmann  
75009 Paris

**Crédit Agricole Corporate and  
Investment Bank**

12, place des Etats-Unis  
CS 70052

**Société Générale**

GLBA/IBD/ECM/SEG  
75886 Paris Cedex 18

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

### **1.1. Presentation of the Offer and identity of the Offeror**

In accordance with Title III of Book II, and more specifically Articles 236-3 and 237-1 *et seq.* of the AMF's general regulation, Tarkett Participation, a *société par actions simplifiée* with its registered office 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**")<sup>1</sup> makes an irrevocable offer to the shareholders of Tarkett, a *société anonyme* with a supervisory board and 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 or indirect subsidiaries, the "**Group**") to buy in cash all of the Company's shares held by them (the "**Shares**") within the framework of a Public Buy-out Offer (the "**Public Buy-out Offer**"), which will be immediately followed by a squeeze-out (the "**Squeeze-Out**" and, with the Public Buy-out Offer, the "**Offer**") at a price increased from 16 euros to 17 euros per Share (the "**Increased Offer Price**") payable entirely in cash, subject to the conditions described below.

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

As of the date of the Draft Offer Document, the Offeror holds:

- directly: 59,207,028 shares and 117,187,257 voting rights in the Company representing 90.32% of the share capital and 94.66% of theoretical voting rights of the Company; and
- indirectly:
  - 18,559 shares held in treasury by Tarkett;
  - 4,000 Shares held by members of the Deconinck family, acting in concert with the Offeror; and
  - 27,768 Free Shares Under Retention (as defined in Section 2.4.1 and covered by the Liquidity Mechanism with Mr Fabrice Barthélemy) held by Mr Fabrice Barthélemy and 4,441 Free Shares Under Retention (as defined in Section 2.4.1 and covered by the Liquidity Mechanism with Mr Raphael Bauer) held by Mr Raphael Bauer.

It is specified that the Offer does not include:

- the 18,559 shares held in treasury by Tarkett; and
- the 32,209 Free Shares Under Retention (these Shares being legally and technically unavailable and cannot be tendered in the Offer), (together, the "**Excluded Shares**").

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<sup>1</sup> It is specified that the Offeror, controlled by Société Investissement Deconinck, a *société par actions simplifiée* with its registered office at Tour Initiale - 1 Terrasse Bellini, 92919 Paris La Défense Cedex, and registered in the Nanterre Trade and Companies Register under number 421 199 274, controlled by the Deconinck family ("**SID**"), is acting in concert with Expansion 17 S.C. A., a reserved alternative investment fund in the form of a *société en commandite par actions*, "Tarkett" compartment, with its registered office at 11-15, avenue Emile Reuter, L - 2420 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B180975 and Global Performance 17 S.C. A., a reserved alternative investment fund in the form of a *société en commandite par actions*, "Millésime 3" compartment, with its registered office at 11-15, avenue Emile Reuter, L - 2420 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B180980 (both of which are part of the Wendel group) (the "**Investor**"), Mr. Fabrice Barthélemy, Chairman of the Company's Management Board and Chairman of the Offeror, and members of the Deconinck family who directly own shares in the Company.

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In total, the Offeror directly and indirectly holds, alone and in concert, 59,261,796 Shares representing, as of the date of the Draft Offer Document, 90.41% of the share capital and 94.72% of the theoretical voting rights of the Company<sup>2</sup>.

The Public Buy-out Offer concerns all Shares not held directly or indirectly by the Offeror that are already in issue (except Excluded Shares) representing, to the Offeror's knowledge, a maximum of 6,292,485 Shares<sup>3</sup>, or 9.60% of the share capital and 5.29% of theoretical voting rights of Tarkett as of the date of this Draft Offer Document, calculated in accordance with Article 233-11 of the AMF's general regulation.

The duration of the Public Buy-out Offer will be 10 trading days, in accordance with Article 236-7 of the AMF's general regulation.

Subject to a clearance decision from the AMF, at the end of the Public Buy-out Offer, the Squeeze-Out described in Article L. 433-4, II of the French Monetary and Financial Code and Article 237-1 *et seq.* of the AMF's general regulations will be implemented. The Shares concerned that are not tendered to the Public Buy-out Offer will be transferred to the Offeror in return for payment in cash equal to the Increased Offer Price of €17 per Share, net of all costs.

To the Offeror's knowledge, there are no equity securities or any financial instruments issued by the Company or rights granted by the Company that could give access, either immediately or in the future, to the Company's share capital or voting rights other than the Shares. There are no current stock option plans or free share award plans within the Company that could give access, either immediately or in the future, to the Company's share capital or voting rights.

In accordance with Article 231-13 of the AMF's general regulation, Rothschild & Co Martin Maurel, Portzamparc BNP Paribas, Crédit Agricole Corporate and Investment Bank (« **CACIB** ») and Société Générale (the « **Presenting Banks** ») filed the draft Offer initially denominated at a unit price of 16 euros per Share (the « **Initial Offer** ») and a draft offer document (the « **Initial Draft Offer Document** ») with the AMF on 24 February 2025 on behalf of the Offeror. On 24 April 2025, the Offeror announced an increase in the Initial Offer price to 17 euros per Share (the « **Increased Offer** »). The Initial Draft Offer Document was amended on 24 April 2025 to reflect the Increased Offer Price.

This Increased Offer and the Draft Offer Document supersede, respectively, the Initial Offer and the Initial Draft Offer Document.

It is specified that only Portzamparc BNP Paribas, CACIB 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.

## **1.2. Background and reasons for the Offer**

### **1.2.1. Background of the Offer**

Tarkett is a worldwide leader in innovative flooring and sports surface solutions. With its experienced staff and sales in more than 100 countries, the Group has gained in-depth knowledge and an excellent

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<sup>2</sup> Based on 65,550,281 shares representing 123,798,800 theoretical voting rights as at 31 March 2025 in accordance with Article 223-11 of the AMF's general regulation.

<sup>3</sup> It is specified that the 4,000 Shares held directly by members of the Deconinck family, which are deemed to be held indirectly by the Offeror within the meaning of Article L. 233-9 of the French Commercial Code, are included in the 6,292,485 Shares concerned by the Public Buy-out Offer and will be tendered to the offer.

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understanding of customers' cultures, tastes and requirements, regulations and customs regarding floor coverings in each country.

In the year ended 31 December 2024, Tarkett generated consolidated revenue of €3,331.9 million.

The Group was formed through the 1997 combination between Société française Sommer Allibert S.A., listed in Paris, and Tarkett AG, listed in Frankfurt. Tarkett's shares were admitted to trading on the Paris stock exchange in 2013.

On 26 April 2021, the Offeror filed a draft simplified public tender offer with the AMF for all Tarkett shares not held by the Offeror (the **"Previous Offer"**).

The Previous Offer, which was cleared by the AMF on 8 June 2021, was opened on 10 June 2021 and closed on 9 July 2021.

After the Previous Offer, as announced in a press release dated 15 July 2021, the Offeror directly held 56,300,463 shares, representing, as of this date, 85.89% of the share capital and 84.98% of the voting rights of Tarkett, and in total 56,548,018 shares representing 86.27% of the share capital and 85.36% of the voting rights of Tarkett, including the 247,555 shares held in treasury by Tarkett and therefore indirectly held by the Offeror.

As a result of various acquisitions on the market and off-market following the close of the Previous Offer, Tarkett announced in a press release dated 28 October 2021 that the Offeror directly and indirectly held 90.41% of the Company's share capital and that Tarkett's minority shareholders now held less than 10% of the share capital and voting rights.

For the purposes of simplification and organisational efficiency, the Offeror decided to explore the possibility of delisting Tarkett in order to allow the Company to implement its strategy in a calmer environment.

As declared on 20 February 2025 in a joint press release from the Company and the Offeror, the principle of the draft Initial Offer was welcomed by the Company's Supervisory Board, which set up an ad hoc committee consisting mainly of independent members, in charge of overseeing the work done by the independent appraiser and making recommendations to the Company's Supervisory Board regarding the Offer. In the context of the preparation of the draft Offer, and on the recommendation of the ad hoc committee, the Supervisory Board appointed Finexsi – Expert & Conseil Financier, represented by Mr Olivier Peronnet and Mr Olivier Courau, as independent appraiser with the task of preparing a report on the financial terms of the Offer and the possible Squeeze-Out in accordance with Article 261-1(I)(1), (2) and (4) and Article 261-1(II) of the AMF's general regulation (the **"Independent Appraiser"**). It is specified that the AMF has determined that, in the context of the Offer, the independence of Mr. Didier Michaud-Daniel (member and chairman of the ad hoc committee) with respect to Wendel (co-minority shareholder of Tarkett Participation acting in concert with SID) could not be established, but the AMF confirmed that it did not object to the choice of the Independent Appraiser (Finexsi), in accordance with the provisions of Article 261-1-1 of the AMF's general regulation.

### **1.2.2. Presentation of the Offeror**

The Offeror is a simplified joint-stock corporation incorporated under French law, created by SID on 16 April 2021 for the purposes of the Previous Offer.

As of the date of this Draft Offer Document, the Offeror's share capital and voting rights are held as follows:

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Shareholder	Number of shares	Number of theoretical voting rights	% of share capital	% of voting rights
SID	381,188,474	381,188,474	72.74%	72.74%
Investor	134,667,415	134,667,415	25.70%	25.70%
Management	7,287,766	7,287,766	1.39%	1.39%
Treasury	902,737	902,737	0.17%	0.17%
<b>Total</b>	<b>524,046,392</b>	<b>524,046,392</b>	<b>100%</b>	<b>100%</b>

### 1.2.3. Ownership of the Company's share capital and voting rights

To the Offeror's knowledge, as of the Draft Offer Document, the Company's share capital totals €327,751,405, divided into 65,550,281 shares with par value of €5 each.

The table below shows, to the Offeror's knowledge, the ownership of Tarkett's share capital and theoretical voting rights as of the date of the Draft Offer Document:

Shareholder	Number of shares	Number of theoretical voting rights	% of share capital	% of voting rights
Offeror	59,207,028	117,187,257	90.32%	94.66%
Other shareholders	6,324,694	6,592,984	9.65%	5.33%
Treasury	18,559	18,559	0.03%	0.01%
<b>Total</b>	<b>65,550,281</b>	<b>123,798,800</b>	<b>100%</b>	<b>100%</b>

### 1.2.4. Acquisitions of Shares in the last 12 months

The Offeror did not acquire any shares in Tarkett in the 12 months before the draft Offer was filed.

### 1.2.5. Reasons for the Offer

As the Offeror holds more than 90% of the share capital and voting rights of Tarkett, pursuant to Articles 236-3 and 237-1 et seq. of the AMF's general regulation, it has filed with the AMF this draft Public Buy-out Offer, which will be immediately followed by a Squeeze-Out, in order to acquire all of the shares in Tarkett with the exception of Excluded Shares not covered by the Public Buy-out Offer and delist the Company's shares.

The Offer is for the purpose of simplification and organisational efficiency. The Offeror believes that delisting the Company's shares will simplify its operation and remove the regulatory and legislative constraints (including financial communications) and the costs associated with its listing on Euronext Paris.

Furthermore, the listing is of limited use to the Company. Recent acquisitions have shown the Company to be capable of financing its development without turning to the capital markets. In addition, maintaining the listing no longer seems justified given the Company's current shareholding structure and the shares' low trading volume.

The Company's minority shareholders, which represent 9.65% of the Company's share capital, will therefore receive immediate payment in cash for all their shares, on the basis of the Increased Offer Price, while the shares currently have limited liquidity.



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Rothschild & Co Martin Maurel, Portzamparc BNP Paribas, Crédit Agricole Midcap Advisors (“**CAMA**”, a wholly-owned subsidiary of CACIB) and Société Générale have performed a valuation of Tarkett shares, a summary of which is reproduced in Section 3 below.

Furthermore, the fairness of the financial terms of the Offer will be the object of a fairness opinion by the Independent Appraiser.

**1.3. Intentions of the Offeror over the next 12 months**

**1.3.1. Industrial, business and financial strategy and future activity**

The Offeror, with the help of the Company’s current management team, intends to pursue the main strategies implemented by the Company and to continue to develop the Company.

**1.3.2. Intentions regarding employment**

The Offer forms part of a plan in which the Company’s business activities and development are to continue. As a result, it should not result in any particular impact on the Company’s workforce, wage policy or human resource management policy.

**1.3.3. Intentions of the Offeror regarding the composition of the Company’s corporate bodies and management**

After the Squeeze-Out is implemented following the Public Buy-out Offer, it is planned that the Company will be turned into a simplified joint-stock corporation for the purpose of simplification.

**1.3.4. Dividend distribution policy**

The Company did not pay any dividends in respect of the financial years ended 31 December 2023, 2022 and 2021.

After the Offer, the Company’s dividend policy and any changes to this policy will continue to be determined by its corporate bodies in accordance with the law and the Company’s articles of association, and on the basis of the Company’s ability to make distributions, financial position and funding needs.

**1.3.5. Synergies**

The Offeror is a holding company that was incorporated on 16 April 2021 and its purpose is to own an equity stake in and manage the Company. As a result, the Offeror does not anticipate any cost or revenue synergies with the Company, other than savings resulting from delisting the Company.

**1.3.6. Intentions regarding merging or integration**

There are no plans for the Offeror to merge with the Company.

**1.3.7. Advantages for the Company and the shareholders**

The Offeror is offering the Company’s shareholders who tender their Shares to the Offer the opportunity to obtain immediate liquidity for all of their interest at an attractive price.

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The Increased Offer Price represents a premium of 40,6% and 46,1% to the daily volume-weighted average closing price in the 20 and 60 stock exchange trading sessions preceding the Offer announcement respectively, and a 25,5% premium to the closing price preceding the Offer announcement (February 20, 2025).

Information for assessing the Increased Offer Price is presented in Section 3 of the Draft Offer Document.

### **1.3.8. Squeeze-out**

As the conditions set out in Article L. 433-4 II of the French Monetary and Financial Code and Articles 237-1 *et seq.* of the AMF's general regulation have already been met, the Public Buy-out Offer will be followed immediately by a Squeeze-Out concerning all Shares not tendered to the Public Buy-out Offer, in return for compensation equal to the Increased Offer Price of €17 per share, net of all costs.

It is specified that this procedure will result in the delisting of Tarkett shares from compartment B of Euronext Paris on the day the Squeeze-Out becomes effective.

## **1.4. Agreements that may materially affect the assessment of the Offer or its outcome**

To the Offeror's knowledge, no agreements that may materially affect the assessment of the Offer or its outcome were entered into apart from the Liquidity Mechanism described in Section 1.4.1 below.

### **1.4.1. Liquidity Mechanism**

The Offeror offered holders of Free Shares Under Retention the option of entering into agreements to buy and sell their Free Shares Under Retention to enable them to benefit from cash for the Shares that could not be tendered to the Public Buy-out Offer or transferred within the framework of the Squeeze-Out (the "**Liquidity Mechanism**").

Under the Liquidity Mechanism, the Offeror will grant to each holder of Free Shares Under Retention a call option, exercisable from the date the Shares subject to a Liquidity Mechanism become transferable due to the end of the legal lock-up period, and each holder of Free Shares Under Retention will grant a put option to the Offeror, exercisable from the end of the exercise period of the call option and only if that call option is not exercised.

It is specified that the promises made under the Liquidity Mechanism must be exercised before the end of 2025, taking into account the Offeror's intention to transform the Company into a *société par actions simplifiée* (simplified joint-stock company), as described in Section 1.3.3.

Taking into account the duration of the promises made, the exercise price per Free Share Under Retention will be equal to the Increased Offer Price.

The Free Shares Under Retention, covered by the Liquidity Mechanism, are equivalent to the Shares held by the Offeror in accordance with Article L. 233-9 I, 4 of the French Commercial Code, and will not be concerned by the Squeeze-Out.

### **1.4.2. Other agreements of which the Offeror is aware**

As a reminder, the following agreements entered into within the framework of the Previous Offer remain in force:

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- the shareholders' agreement formed between SID and the Investor on 23 April 2021, as amended, governing relations between SID and the Investor regarding the Offeror and the subsidiaries it controls (including the Company) for a period of 15 years (the **"Shareholders' Agreement"**). It is specified that the main terms of the Shareholders' Agreement remain unchanged from what was described in the offer document relating to the Previous Offer, apart from the agreement of the parties to the Shareholders' Agreement to have a slightly lower rate of independence on the Company's Supervisory Board than that recommended by the Afep-Medef Code; and
- the investment and performance share allotment plan implemented after the Previous Offer by SID and the Investor involving the Offeror for certain executives and senior managers of the Company (the **"Plan"**). To make the Plan more attractive in a challenging economic context for the Group and help retain talent, the Offeror amended the Plan in July 2024. In particular, aside from the exit cases, the Plan beneficiaries now benefit from partial liquidity in portions of one third of the ordinary shares they hold in the fifth, sixth and seventh years of their investment. The other main terms of the Plan mentioned in the offer document relating to the Previous Offer remain unchanged from what was described, and additional allocations have been made<sup>4</sup>.

## **2. DETAILS OF THE OFFER**

### **2.1. Arrangements of the Offer**

In accordance with Articles 231-13, 236-3 and 237-1 of the AMF's general regulation, the Presenting Banks, acting on behalf of the Offeror as presenting institutions, filed the draft Initial Offer with the AMF on 24 February 2025 in the form of a Public Buy-out Offer followed by a Squeeze-Out concerning the Shares in Tarkett not held by the Offeror, as well as the Initial Draft Offer Document. The Increased Offer and the Draft Offer Document at the Increased Offer Price were filed on April 24, 2025, following the increase in the Initial Offer price decided by the Offeror and announced to the market on April 24, 2025.

Portzamparc BNP Paribas, CACIB 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.

In accordance with Articles 236-1 *et seq.* of the AMF's general regulation, the Offeror makes the irrevocable undertaking for a period of ten (10) trading days to offer the Company's shareholders the option of tendering their shares to the Public Buy-out Offer in return for cash of €17 per Share.

Within the framework of the Squeeze-Out, shares not held by the Offeror that are not tendered to the Public Buy-out Offer (apart from the Excluded Shares) will be transferred to it in return for compensation equal to the Increased Offer Price, net of all costs, of €17 per Share.

The draft Offer and the Draft Offer Document remain subject to review by the AMF.

In accordance with Article 231-16 of the AMF's general regulation, a press release setting out the main details of the Offer and how the Draft Offer Document may be obtained will be made public on the Tarkett website ([www.tarkett-group.com](http://www.tarkett-group.com)).

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<sup>4</sup> As described in Section 2.3.4 of the Company's 2024 universal registration document.

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The Draft Offer Document is available to the public free of charge from Tarkett's registered office and from the registered office of the Presenting Banks, and will be posted on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and the Tarkett website ([www.tarkett-group.com](http://www.tarkett-group.com)).

The AMF will clear the Offer after it has ensured that it complies with applicable legal and regulatory requirements and will publish its clearance decision on its website ([www.amf-france.org](http://www.amf-france.org)). This clearance decision will represent the AMF's approval of the offer document and can only be given after the Company files a draft response document to the Draft Offer Document.

The offer document approved by the AMF and the document containing "Other Information" relating in particular to the legal, financial and accounting characteristics of the Offeror will be available to the public, in accordance with Articles 231-27 and 231-28 of the AMF's general regulation, from the Tarkett's registered office and from the registered office of the Presenting Banks, no later than the day preceding the opening of the Offer. These documents will also be posted on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and the Tarkett website ([www.tarkett-group.com](http://www.tarkett-group.com)).

A press release indicating how these documents may be obtained will be published no later than the day preceding the opening of the Offer in accordance with Articles 231-27 and 231-28 of the AMF's general regulation.

Prior to the opening of the Public Buy-out Offer, the AMF will publish a notice announcing the opening and timetable of the Public Buy-out Offer, and Euronext Paris will publish a notice announcing the arrangements and timetable of the Public Buy-out Offer.

## **2.2. Number and type of shares covered by the Offer**

As of the date of the Draft Offer Document, to the Offeror's knowledge, there are a total of 65,550,281 Tarkett Shares, representing 123,798,800 theoretical voting rights, calculated in accordance with Article 223-11 of the AMF's general regulation.

It is specified that as of the date of the Draft Offer Document, the Offeror holds:

- directly: 59,207,028 shares and 117,187,257 voting rights in the Company representing 90.32% of the share capital and 94.66% of theoretical voting rights of the Company; and
- indirectly:
  - 18,559 shares held in treasury by Tarkett;
  - 4,000 Shares held by members of the Deconinck family, acting in concert with the Offeror; and
  - 27,768 Free Shares Under Retention (as defined in Section 2.4.1 and covered by the Liquidity Mechanism with Mr Fabrice Barthélemy) held by Mr Fabrice Barthélemy and 4,441 Free Shares Under Retention (as defined in Section 2.4.1 and covered by the Liquidity Mechanism with Mr Raphael Bauer) held by Mr Raphael Bauer.

It is specified that the Offer does not include:

- the 18,559 shares held in treasury by Tarkett; and
- the 32,209 Free Shares Under Retention (these Shares being legally and technically unavailable and cannot be tendered in the Offer).

In total, the Offeror directly and indirectly holds, alone and in concert, 59,261,796 Shares representing, as of the date of the Draft Offer Document, 90.41% of the share capital and 94.72% of the theoretical voting rights of the Company.

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The Public Buy-out Offer concerns all Shares not held directly or indirectly by the Offeror that are already in issue (except Excluded Shares) representing, to the Offeror's knowledge, a maximum of 6,292,485 Shares<sup>5</sup>, or 9.60% of the share capital and 5.29% of theoretical voting rights of Tarkett as of the date of the Draft Offer Document, calculated in accordance with Article 233-11 of the AMF's general regulation.

Within the framework of the Squeeze-Out, shares not held by the Offeror will be transferred to the Offeror in return for compensation equal to the Increased Offer Price, net of all costs, apart from shares held in treasury by the Company on the date of the Squeeze-Out and Free Shares Under Retention (6,292,485 shares on the date of the Draft Offer Document).

To the Offeror's knowledge, there are no equity securities or any financial instruments issued by the Company or rights granted by the Company that could give access, either immediately or in the future, to the Company's share capital or voting rights other than the Company's existing shares. There are no current stock option plans or free share award plans within the Company that could give access, either immediately or in the future, to the Company's share capital or voting rights.

### **2.3. Conditions that apply to the Offer**

The Offer is not subject to any requirement to obtain regulatory approval.

### **2.4. Position of the beneficiaries of free shares and liquidity mechanism**

#### **2.4.1. Position of the beneficiaries of free shares**

To the Offeror's knowledge, there are no free share plans implemented by the Company as of the date of the Draft Offer Document.

In addition, some Shares currently held by beneficiaries of certain previous free share plans are locked up as of the date of the Draft Offer Document and will remain so until the estimated closing date of the Offer (the "**Free Shares Under Retention**"), including some Shares whose vesting period has ended as of the date of the Draft Offer Document.

The Free Shares Under Retention correspond to a maximum of 32,209 Shares under retention in accordance with Article L. 225-197-1 II of the French Commercial Code, under which Tarkett's Supervisory Board has required Tarkett's corporate officers to retain their Shares until the end of their terms of office (the "**Additional Retention Period**");

To the Offeror's knowledge, as of the filing date of the Draft Offer Document and subject to cases of early transferability provided for by law, the Free Shares Under Retention will not be capable of being tendered to the Offer to the extent that the Additional Retention Period has not ended before the closing of the Offer.

#### **2.4.2. Liquidity Mechanism**

The Liquidity Mechanism that will be proposed to holders of Free Shares Under Retention is described more fully in Section 1.4.1 of the Draft Offer Document.

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<sup>5</sup> It is specified that the 4,000 Shares held directly by members of the Deconinck family, which are deemed to be held indirectly by the Offeror within the meaning of Article L. 233-9 of the French Commercial Code, are included in the 6,292,485 Shares concerned by the Public Buy-out Offer and will be tendered to the offer.

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**2.5. Terms of the Offer**

The Offeror makes the irrevocable undertaking to acquire from the Company's shareholders, other than the Offeror and excluding the Excluded Shares, all the Shares concerned by the Public Buy-out Offer that are tendered to the Public Buy-out Offer, at the Increased Offer Price of €17 per share, payable only in cash, for a period of ten (10) trading days.

Apart from the Shares held in treasury and the Free Shares Under Retention, the Shares covered by the Offer that are not tendered to the Public Buy-out Offer will be transferred to the Offeror within the framework of the Squeeze-Out following the Public Buy-out Offer, in return for compensation equal to the Increased Offer Price of €17 per share.

**2.6. Adjustment of the Offer terms**

Any distribution of a dividend, interim dividend, reserve, issue premium or any other distribution (in cash or in kind) decided by the Company where the ex-date or any capital reduction would take place before the Public Buy-out Offer closes will give rise to a reduction, on a euro-for-euro basis, in the price per share offered in the Increased Offer.

**2.7. Procedure for tendering shares to the Public Buy-out Offer**

The Public Buy-out Offer will be open for ten (10) trading days, in accordance with Article 236-7 of the AMF's general regulation.

Shares tendered to the Public Buy-out Offer must be freely negotiable and free of any lien, charge, pledge, other guarantee or any restriction on the free transfer of their ownership. The Offeror reserves the right to reject any shares that do not comply with this condition.

Shares held in registered form must be converted into bearer form in order to be tendered to the Public Buy-out Offer. As a result, shareholders whose Shares are in registered form and who wish to tender them to the Public Buy-out Offer must request their conversion into bearer form at the earliest opportunity in order to tender them to the Public Buy-out Offer. Orders to tender shares to the Public Buy-out Offer are irrevocable. It is specified that the conversion of registered shares to bearer shares will result in these shareholders losing the benefits associated with ownership of these shares in registered form.

Shareholders whose Shares are registered in an account managed by a financial intermediary and who wish to tender them to the Public Buy-out Offer must send to the financial intermediary that is the custodian of their Shares an irrevocable order to tender or sell the Shares at the Increased Offer Price, using the template provided by that intermediary in good time to allow their order to be executed and no later than the day on which the Public Buy-out Offer closes, subject to the processing times of the financial intermediary concerned..

The Public Buy-out Offer will be carried out solely by means of acquisitions on the market in accordance with Article 233-2 of the AMF's general regulation. Tarkett shareholders wishing to tender their Shares to the Public Buy-out Offer must send back their sale order by the last day of the Public Buy-out Offer and settlement will take place as and when orders are executed, two (2) trading days after the execution of each order, it being stipulated that trading fees (including related brokerage fees and VAT) will remain payable by the shareholder selling the Shares in the market.

Portzamparc BNP Paribas, an investment service provider authorised as a market member, will buy the Shares sold in the market on behalf of the Offeror, in accordance with applicable regulations.

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The transfer of ownership of Shares tendered to the Public Buy-out Offer and all associated rights (including the right to dividends) will take place on the date of registration in the Offeror's account, in accordance with Article L. 211-17 of the French Monetary and Financial Code.

## **2.8. Squeeze-Out**

In accordance with Articles L.433-4 II of the French Monetary and Financial Code and 237-1 and 237-7 of the AMF's general regulation, after the Public Buy-out Offer, the Shares in the Company that have not been tendered to the Public Buy-out Offer (apart from Excluded Shares) will be transferred to the Offeror (regardless of the country of residence of the holder of said Shares) in return for compensation of €17 per Share in the Company.

The AMF will publish a notice of implementation of the Squeeze-Out and Euronext Paris will publish a notice announcing the timetable for implementation of the Squeeze-Out.

A notice informing the public of the Squeeze-Out will be published by the Offeror in a legal announcements bulletin in the place of the Company's registered office in accordance with Article 237-5 of the AMF's general regulation.

The amount of compensation equal to the Increased Offer Price of €17 will be paid, net of all costs, after the Public Buy-out Offer, into a blocked account opened for this purpose with Uptevia, the centralising agent in charge of compensation payments.

In accordance with Article 237-8 of the AMF's general regulation, unallocated funds corresponding to compensation for the Company's shares for which the beneficial owners are unknown (i.e. unclaimed or similar shares, in particular those of shareholders whose contact details are not known) will be held in custody (and, if applicable, upon request for payment of compensation from the beneficial owners during this period, paid net of all costs by Uptevia on behalf of the Offeror) for a period of ten (10) years from the date of the Squeeze-Out and paid to Caisse des Dépôts et Consignations at the end of this period. These funds will be available to beneficial owners subject to the 30-year limitation period, after which they are transferred to the French government.

It is specified that this procedure will result in the Tarkett shares being delisted from compartment B of Euronext Paris on the day the Squeeze-Out becomes effective.

## **2.9. Applicable law**

This Offer and all related documents are governed by French law. Any dispute or conflict of any kind relating to this Offer will be brought before the competent courts.

## **2.10. Indicative timetable of the Offer**

Prior to the opening of the Offer, the AMF will publish a notice stating the opening and timetable of the Offer, and Euronext Paris will publish a notice announcing the arrangements and opening of the Offer.

An indicative timetable is provided below, which is still subject to review by the AMF:

Date	Main stages of the Offer
24 February 2025	- Draft Initial Offer and Initial Draft Offer Document filed with the AMF

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	<ul style="list-style-type: none"> <li>- Initial Draft Offer Document made available to the public at the registered offices of the Offeror and the Presenting Banks and published on the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company's website (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> <li>- Publication of the press release on the filing and availability of the Initial Draft Offer Document</li> </ul>
<b>24 April 2025</b>	<ul style="list-style-type: none"> <li>- Filing with the AMF of the draft Increased Offer and the Draft Offer Document at the Increased Offer Price of €17</li> <li>- Publication of the Draft Offer Document at the Increased Offer Price of €17 at the registered offices of the Offeror and the Presenting Banks and on the websites of the AMF (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> <li>- Distribution of the press release announcing the filing and availability of the Draft Offer Document at the Increased Offer Price of €17</li> <li>- Filing of the Company's draft response document with the AMF, including the reasoned opinion of the Company's Supervisory Board and the report of the Independent Appraiser</li> <li>- Company's draft response document made available to the public at the registered office of the Company and posted on the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company's website (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> <li>- Publication of the press release relating to the filing and availability of the Company's draft response document</li> </ul>
<b>23 May 2025</b>	<ul style="list-style-type: none"> <li>- Publication of the AMF's clearance decision relating to the Offer, signifying approval of the Offeror's offer document and the Company's response document.</li> <li>- Approved offer document made available to the public at the registered offices of the Offeror and the Presenting Banks and posted on the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company's website (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> <li>- Approved response document made available to the public at the registered offices of the Offeror and the Presenting Banks and posted on the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company's website (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> </ul>
<b>26 May 2025</b>	<ul style="list-style-type: none"> <li>- Filing by the Offeror with the AMF of the document "Other information relating to the legal, financial and accounting characteristics" of the Offeror</li> <li>- Document "Other information relating in particular to the legal, financial and accounting characteristics" of the Offeror made available to the public at the registered offices of the Offeror and the Presenting Banks and posted on the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company's website (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> <li>- Publication of a press release from the Offeror relating to the offer document and the document "Other information relating in</li> </ul>



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	<p>particular to the legal, financial and accounting characteristics” of the Offeror being available</p> <ul style="list-style-type: none"> <li>- Filing by the Company with the AMF of the document “Other information relating to the legal, financial and accounting characteristics” of the Company</li> <li>- Document “Other information relating in particular to the legal, financial and accounting characteristics” of the Company made available to the public at the registered office of the Company and posted on the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company’s website (<a href="http://www.tarkett-group.com">www.tarkett-group.com</a>)</li> <li>- Publication of a press release from the Company relating to the reply document and the document “Other information relating in particular to the legal, financial and accounting characteristics” of the Company being available</li> </ul>
<b>27 May 2025</b>	- Opening of the Public Buy-out Offer
<b>9 June 2025</b>	- Close of the Public Buy-out Offer
<b>10 June 2025</b>	- Publication by the AMF and Euronext Paris of the notice stating the result of the Public Buy-out Offer
<b>As soon as possible after the publication of the notice announcing the results of the Public Buy-out Offer</b>	<ul style="list-style-type: none"> <li>- Implementation of the Squeeze-Out</li> <li>- Delisting of Tarkett shares from compartment B of Euronext Paris</li> </ul>

## **2.11. Financing of the Offer**

### **2.11.1. Expenses relating to the Offer**

The overall amount of all expenses, costs and disbursements incurred by the Offeror solely in connection with the Offer, including the fees and other expenses of its external financial, legal and accounting advisors, along with those of appraisers and other consultants, and publicity and communication expenses, is estimated at approximately €2.7 million (excluding VAT).

### **2.11.2. Arrangements for financing the Offer**

On the basis of the Increased Offer Price, the acquisition by the Offeror of all the Shares concerned by the Offer represents a maximum of €106,972,245.00 (excluding commission and associated fees).

The Offeror has sufficient equity capital and credit lines, particularly under its existing credit facilities, to finance the Offer and will carry out additional financing rounds on the market without these being necessary for the financing of the Offer.

### **2.11.3. Reimbursement of brokerage fees**

No expenses will be reimbursed and no commission will be paid by the Offeror to a shareholder tendering their Shares to the Offer, or to any intermediary or any person soliciting the tendering of Shares to the Offer.

## **2.12. Restrictions on the Offer outside France**

No request to register the Offer or to obtain approval has been made to a financial market supervisory authority other than the AMF and no such request will be made.

As a result, the Offer is made to shareholders of the Company located in France and outside France, provided that the local laws to which they are subject allow them to take part in the Offer without the Offeror being required to complete any additional formalities.

The publication of the Draft Offer Document, the Offer, the acceptance of the Offer and the delivery of the Shares may in some countries be subject to specific regulations or restrictions. As a result, the Offer is not addressed to persons subject to such restrictions, either directly or indirectly, and is not capable of being accepted in a country in which the Offer is subject to restrictions.

Neither the Draft Offer Document nor any other document relating to the Offer constitutes an offer to buy or sell financial instruments or a solicitation of an offer in any country in which such offer or solicitation would be illegal, could not be legally made or would require the publication of a prospectus of any other formality in accordance with local financial laws. The holders of securities located outside of France may participate in the Offer only to the extent that such participation is authorised by the local laws to which they are subject.

As a result, persons in possession of the Draft Offer Document are required to inform themselves about any applicable local restrictions and to comply with them. A failure to comply with these restrictions may constitute a violation of applicable stock exchange laws and regulations.

The Offeror will not be liable for the violation of applicable legal or regulatory restrictions by any person.

### *United States of America*

No document relating to the Offer, including the Draft Offer Document, constitutes an extension of the Offer to the United States and the Offer is not being made, directly or indirectly, in the United States, to persons resident in the United States or “US persons” (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended) by means of postal services or any other means of communication or instrument of trade (including, without limitation, sending by fax, telex, telephone or email) in the United States or by means of the services of a stock exchange in the United States. As a result, no copies of the Draft Offer Document, and no other documents relating to the Draft Offer Document or to the Offer, can be sent by post, or communicated and disseminated via an intermediary or any other person in the United States in any way. No shareholders of the Company will be able to tender their shares to the Offer if they are not able to certify that (i) they are not a US Person; (ii) they have not received in the United States a copy of the Draft Offer Document or any other document relating to the Offer, and that they have not sent such documents in the United States; (iii) they have not used, directly or indirectly, postal services, telecommunications or other instruments of trade or the services of a stock exchange in the United States in connection with the Offer; (iv) they were not in the United States when they accepted the terms of the Offer, or sent their order to transfer shares; and (v) they are not an agent or representative acting on behalf of a principal that sent their instructions outside the United States. Approved intermediaries may not accept orders to tender shares that have not been made in accordance with the above requirements, unless there is any authorisation or instruction on the contrary from or for the Offeror, at the Offeror’s discretion. Any acceptance of the Offer that may be assumed to result from a breach of these restrictions will be deemed invalid.

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The Draft Offer Document does not constitute an offer to buy or sell or a solicitation for an order to buy or sell securities in the United States, and has not been filed with the United States Securities and Exchange Commission.

For the purposes of the above two paragraphs, the United States refers to the United States of America, their territories and possessions, or any of these States and the District of Columbia.

## **2.13. Tax treatment of the Offer**

This section presents, for general information purposes, certain tax consequences under current French tax laws and regulations that may apply to shareholders of the Company participating in the Offer.

Shareholders' attention is drawn to the fact that this information:

- is based on the French legislative and regulatory provisions in force as of the date of the Draft Offer Document and may therefore be affected by possible changes in French tax rules, which could have a retroactive effect or apply to the current calendar year or accounting period, and by any interpretation of them that could be made by the French tax authorities or in the case law;
- is only a summary of the main tax regimes applicable under French legislation currently in force and is not intended to be an exhaustive analysis of all situations and tax effects that may apply to them.

In this context, shareholders are therefore invited to contact their usual tax advisor in order to inform themselves about the tax regime applicable to their particular situation.

People who are not resident in France for tax purposes must also comply with the tax laws in force in their State of residence and with the provisions of any international tax treaty signed by France and that State.

### **2.13.1. Shareholders who are natural persons resident in France for tax purposes, holding shares as part of their private assets and not trading on the markets on a regular basis (i.e. in a way that is not the same as that which characterises an activity carried out by a professional) and not holding shares as part of a company or group savings plan or an employee share ownership plan (involving free shares or stock options)**

Natural persons who (i) carry out stock market transactions under conditions similar to those that characterise an activity carried out by a person conducting such operations on a professional basis or (ii) hold shares acquired through a company savings plan or through an employee share ownership arrangement (such as those involving stock options or free shares) are invited to check with their usual tax advisor the tax rules applying to their specific situation.

#### **A. Ordinary regime**

##### **a. Personal income tax**

In accordance with Articles 200 A, 158, 6 bis and 150-0 A of the French General Tax Code ("FGTC"), net capital gains resulting from the sale of securities by natural persons who are resident in France for tax purposes are, in principle, subject to a 12.8% single flat tax by operation of law, without the application of any allowance. This represents an overall rate of 30% taking account of social security contributions (see below). In accordance with Article 150-0 D(1) of the FGTC, net capital gains are the difference between the Increased Offer Price, net of expenses and levies paid by

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the seller, and the tax-deductible acquisition cost of shares tendered to the Offer or subject to the Squeeze-Out.

However, in accordance with Article 200 A(2) of the FGTC, net capital gains from sales of securities and similar rights may, as an exception from the flat tax and based on an express and irrevocable election by the taxpayer, be taken into account when determining the taxpayer's overall net income subject to income tax on the progressive scale. The election is global and applies on a yearly basis to all investment income and income from securities falling within the scope of the 12.8% single flat tax and arising during the same year. It is made each year when filing the tax return and must be made by the filing deadline.

If such an election is made, net capital gains resulting from the sale of shares, acquired or subscribed before 1 January 2018 will be taken into account for the purposes of determining the overall net income subject to the income tax on the progressive scale after application of a proportional allowance based on the holding period, as provided for in Article 150-0 D (1 *ter*) of the FGTC, equal to:

- 50% of their amount where the shares have been held for at least two years and less than eight years, at the date of their sale;
- 65% of their amount where the shares have been held for at least eight years, at the date of their sale.

For this allowance to apply, the holding period is, subject to special cases, computed from the share subscription or acquisition date and ends on the date on which their legal ownership is transferred. In any event, no such allowance will apply to shares acquired or subscribed on or after 1 January 2018.

Shareholders who intend to elect for all net capital gains and income falling within the scope of the single flat tax to be subject instead to income tax on the progressive scale are invited to contact their usual tax advisor to determine the consequences of making that election.

Taxable net capital gains will be calculated, in accordance with Article 150-0 D(11) of the FGTC, after deducting capital losses of the same nature arising during the same year and then, if the balance is positive, capital losses of the same nature arising in previous years up to and including the tenth year. The aforementioned allowance based on the holding period will apply, subject to the conditions set out above, to the resulting balance after taking into account available capital losses.

Taxpayers with net capital losses that can be carried forward or who realise capital losses on the sale of shares in the Company in the context of the Offer are invited to consult their usual tax advisor in order to review the conditions for using such capital losses.

As the case may be, tendering shares in the Company to the Offer may end any tax deferral or rollover relief that may have been available to the holders of those shares in prior transactions and/or jeopardise specific tax reductions. Those concerned are also invited to consult their usual tax advisor to determine the consequences that apply to their specific situation.

**b. Social security contributions**

Net capital gains realised on disposals of securities as part of the Offer by the aforementioned natural persons are also subject, before the application of any allowance based on the holding period as mentioned in (a) above, to social security contributions at the overall rate of 17.2%, breaking down as follows:

- 9.2% with respect to the general social security contribution (“CSG”);

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- 0.5% with respect to the social debt repayment contribution (“**CRDS**”); and
- 7.5% with respect to the solidarity levy (“*prélèvement de solidarité*”).

If the net capital gains resulting from the sale of shares are subject, with respect to income tax, to the aforementioned 12.8% flat tax, none of these social security contributions are deductible from the taxable income. However, if the taxpayer elects for those gains to be subject to income tax on the progressive scale, the CSG is partially deductible, at a rate of 6.8%, from taxable income in the year during which it is paid. The other social security contributions listed above are not deductible from taxable income.

c. Exceptional contribution on high incomes

Article 223 *sexies* of the FGTC provides that taxpayers subject to personal income tax are also subject to an exceptional contribution on high incomes applicable when their reference income for tax purposes exceeds certain thresholds.

This contribution is calculated by applying a rate of:

- 3% to the portion of reference income (i) in excess of €250,000 and less than or equal to €500,000 for taxpayers who are single, widowed, separated or divorced and (ii) in excess of €500,000 and less than or equal to €1,000,000 for taxpayers subject to joint taxation;
- 4% to the portion of reference income (i) in excess of €500,000 for taxpayers who are single, widowed, separated or divorced and (ii) in excess of €1,000,000 for taxpayers subject to joint taxation.

For the purposes of such rules, the reference income of a tax household is defined in accordance with Article 1417(IV)(1) of the FGTC, without application of the “quotient” rules defined under Article 163-0 A of the FGTC.

The aforementioned reference income includes net capital gains resulting from the sale of shares by the relevant taxpayers, before the application of the allowance arising from the holding period, if such an allowance is applicable in accordance with the conditions described above, in the event that the taxpayer elects for taxation according to income tax on the progressive scale in accordance with (a) above.

d. Exceptional contribution on high incomes

The 2025 French Finance Bill introduced a differential contribution on high incomes (“**DCHI**”) only in relation to 2025 income (apart from income subject to withholding taxes paid before the publication of the 2025 Finance Bill), with the aim of ensuring a minimum effective tax rate of 20% for all taxpayers (i) resident for tax purposes in France within the meaning of Article 4 B of the FGTC (ii) whose reference income (as defined within the meaning of this provision) is more than €250,000 for taxpayers who are single, widowed, separated or divorced, and €500,000 for taxpayers who pay their taxes jointly.

The DCHI is equal to the positive difference between:

- (i) 20% of reference income for tax purposes as defined within the meaning of this provision; and
- (ii) the total amount of income tax (after certain adjustments), exceptional contribution on high incomes (not taking account of the specific quotient for this contribution) and withholding

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taxes on income as mentioned in Article 1417 IV 1 c of the FGTC (plus €1,500 per dependent and €12,500 for taxpayers who pay their taxes jointly).

An advance must be paid between 1 December 2025 and 15 December 2025 equal to 95% of the amount of the DCHI estimated by the taxpayer on the basis of their earnings to 1 December 2025, as well as an estimate of potential earnings between 1 December 2025 and 31 December 2025. It is specified that a specific penalty of 20% is applied in the event of failure to pay or late payment of the advance and if the amount is underestimated, when the amount of the advance paid is more than 20% less than 95% of the final amount of the DCHI due (in which case, the penalty is equal to 20% of the difference between 95% of the amount of the DCHI and the advance paid). The individuals who may be concerned are invited to consult their usual tax advisor.

**B. Specific regime applicable to shares held in a PEA equity savings plan or a PEA to finance SMEs**

Persons holding shares in the Company in an equity savings plan (“*plan d’épargne en actions*”) or an equity savings plan to finance small and medium-sized enterprises (for the purposes of the Draft Offer Document, referred to interchangeably as “**PEA**”) will be able to take part in the Offer.

Subject to certain conditions, a PEA offers:

- during the lifetime of the PEA, an exemption from personal income tax and social security contributions with respect to capital gains and other income derived from the investments made through the PEA, provided, in particular, that such income and capital gains are kept within the PEA; and
- when the PEA is closed or if a partial withdrawal is made from the PEA (if the closure or partial withdrawal occurs more than five years after the PEA is opened), an exemption from income tax on the net gain arising since the PEA was opened.

That net gain is not taken into account for the calculation of the exceptional contribution on high incomes, described in Section 0(A)(c) above, but remains subject to the social security contributions at the rate in force on the date of the event that triggered the capital gain for PEAs opened since 1 January 2018. The overall rate of social security contributions as of the date of the Draft Offer Document is 17.2%, as described above. For PEAs opened before 1 January 2018, the applicable rate of social security contributions may vary. The taxpayers concerned are invited to consult their usual tax advisor.

Specific provisions, not described in the Draft Offer Document, apply if capital losses are realised, if the PEA is closed before the end of the fifth year following the opening of the PEA or if a withdrawal is made from the PEA in the form of an annuity. The individuals concerned are invited to consult their usual tax advisor.

Persons holding shares of the Company as part of a PEA who wish to participate in the Offer are invited to consult their usual tax advisor in order to determine the tax consequences of the sale of their shares held as part of a PEA in the context of the Offer.

**2.13.2. Shareholders that are legal entities resident in France for tax purposes and subject to corporate income tax according to the ordinary regime**

**A. Ordinary regime**

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Unless a special regime applies, net capital gains realised on the sale of Shares as part of the Offer will in principle be included in income subject to corporate income tax at the ordinary rate which, for accounting periods starting on or after 1 January 2022, is 25%. If their revenue is more than €7,630,000 excluding VAT per year (adjusted if necessary to reflect a 12-month period), these gains will also be subject, as the case may be, to a social security levy on corporate income tax at a rate of 3.3%, based on the amount of corporate income tax after applying an allowance not exceeding €763,000 per 12-month period, in accordance with Article 235 ter ZC of the FGTC.

However, in accordance with Article 219 I b of the FGTC, companies whose revenue excluding VAT per year (adjusted if necessary to reflect a 12-month period), is less than €10,000,000 and at least 75% of whose share capital, fully paid-up, has been held continuously during the tax year in question by natural persons or by companies that themselves meet those conditions, pay corporate income tax at a reduced rate of 15% subject to a limit of €42,500 of taxable income per 12-month period, as regards taxation of income for periods ended after 31 December 2022. Those companies are also exempt from the aforementioned social security levy on corporate income tax at the rate of 3.3%.

In addition, the 2025 Finance Bill introduced, in respect of the first year ending after 31 December 2025, an exceptional contribution on the earnings of large companies subject to corporate income tax that generate revenue in France of €1 billion or more (generated by the tax consolidation group, if applicable) in respect of the year in which the contribution is due or in respect of the previous year (adjusted if necessary to reflect a 12-month period). This contribution is based on the average corporate income tax due (i) in respect of the year during which the contribution is due and (ii) in respect of the previous year (calculated on the basis of income taxable at the rate specified in Article 219 of the FGTC, before deducting tax reductions, tax credits and tax receivables of any kind) and the rate in principle is equal to:

- 20.6% for taxpayers whose revenue for the year in which the contribution is due and in respect of the previous year is less than €3 billion; or
- 41.2% for taxpayers whose revenue for the year in which the contribution is due and in respect of the previous year is €3 billion or more.

The contribution may result in an early payment equal to 98% of the estimated amount in respect of the current year at the time of payment of the most recent corporate income tax advance (if applicable, the balance is paid at the same time as the balance of corporate income tax). The shareholders who may be concerned by this exceptional contribution are invited to consult their usual tax advisor.

The capital losses realised on the sale of the Shares in the context of the Offer will, in principle and except for the special regime described below, be deducted from the corporate income taxable by the legal entity.

In addition, (i) some of the above-mentioned thresholds follow specific rules if the taxpayer is a member of a tax consolidation group or if its capital is held by certain collective investment undertakings and similar companies, and (ii) tendering Shares to the Offer may end any tax deferral or rollover relief that may have been available to the holders of those Shares in prior transactions and/or jeopardise specific tax reductions.

Taxpayers are invited to consult their usual tax advisor to determine the rate applicable to their situation.

**B. Special regime for long-term capital gains from selling equity securities**

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In accordance with Article 219 I-a *quinquies* of the FGTC, net capital gains realised when selling “equity securities” within the meaning of that article that have been held for at least two years at the time of sale are exempt from corporate income tax, provided that a portion of expenses and charges equal to 12% of the gross amount of realised capital gains are added back to taxable income. This proportion is subject to corporate income tax at the ordinary rate plus, as the case may be, the above-mentioned 3.3% social security levy.

For the application of the provisions of Article 219 I-a *quinquies* of the FGTC, equity securities comprise (i) shares that qualify as equity securities in accounting terms, (ii) securities acquired through a public tender or exchange offer by the company initiating that offer, and (iii) shares giving access to the parent/subsidiary tax regime (as defined in Articles 145 and 216 of the FGTC) provided that the holder holds at least 5% of the issuing company’s voting rights, if the securities are entered in an equity securities account or a special subdivision of another balance-sheet account corresponding to their accounting designation, except for securities in mainly property-focused companies (as defined in Article 219 I-a *sexies-0 bis* of the FGTC).

Those who may be concerned are invited to consult their usual tax advisor in order to assess whether or not the shares in the Company they hold qualify as “equity securities” within the meaning of Article 219 I-a *quinquies* of the FGTC.

The use of long-term capital losses is subject to specific rules, and taxpayers are invited to contact their usual tax advisor in relation to this matter.

### **2.13.3. Shareholders who are not resident in France for tax purposes**

Shareholders who are not resident in France for tax purposes are invited to consult their usual tax advisor regarding their particular situation in order to take into consideration the tax regime applicable both in France and in the State in which they reside for tax purposes.

Subject to any international tax treaties and any specific rules that may apply to shareholders who are natural persons who are not resident in France for tax purposes and have acquired their shares through an employee share ownership plan, capital gains on the sale of shares as part of the Offer by natural persons who are not domiciled in France for tax purposes within the meaning of Article 4B of the FGTC or by legal entities that are not resident in France for tax purposes (and where the ownership of the shares is not connected to a fixed base or a permanent establishment subject to taxation in France on whose balance sheet the shares are recorded as an asset) are in principle exempt from tax in France provided that:

- entitlements held, directly or indirectly, by the seller (natural person, legal entity or organisation) together with the seller’s spouse, ascendants and descendants, to the company’s profits have not at any time in the five years preceding the sale exceeded 25% of those profits (resulting from the provisions of Articles 244 bis (B) and (C) of the FGTC);
- the company is not predominantly a property investment company within the meaning of Article 244 A of the FGTC; and
- the seller is not domiciled, established or incorporated outside of France in a non-cooperative state or territory within the meaning of Article 238-0 A of the FGTC (hereinafter “**NCST**”) other than those mentioned in subsection (2bis)(2) of that Article.

In the latter case, subject to the provisions of any international tax treaties that may be applicable, regardless of the percentage of entitlements to the Company’s profits held, capital gains will be taxed at the flat rate of 75%, unless it is demonstrated that the principal purpose or effect of the transactions triggering such gains is not simply to allow them to be located in an NCST.



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The list of NCSTs is published by ministerial order<sup>6</sup> and may be updated at any time, and in principle at least once per year, in accordance with Article 238-0 A(2) of the FGTC, and applies from the first day of the third month following the publication of the order. In this respect, readers are reminded that French act no. 2018-898 of 23 October 2018 on the fight against fraud, which came into force on 1 December 2018, expanded the list of NCSTs as defined in Article 238-0 A of the FGTC to jurisdictions on the European list of non-cooperative countries and territories (the “blacklist”) published by the Council of the European Union and updated regularly.

The sale of shares in the context of the Offer may also end any payment deferral that may apply to individuals subject to the “exit tax” rules set out in Article 167 bis of the FGTC in the context of the transfer of their tax residence outside of France. The individuals concerned are invited to consult their usual tax advisor.

**2.13.4. Shareholders subject to a different tax regime**

Shareholders of the Company taking part in the Offer and subject to a tax regime other than those referred to above, in particular taxpayers whose transactions in transferable securities go beyond the management of personal assets, taxpayers that have recorded their shares as assets on their business balance sheet or natural persons who hold their shares received as part of an employee savings plan (including via an employee savings mutual fund) or employee incentive plan (e.g. free share award plans), shareholders subject to a lockup agreement (e.g. the Dutreuil pact as specified in Article 787 B of the FGTC) or investment funds, trusts and partnerships, are invited to consider their particular tax circumstances with their usual tax advisor.

**2.13.5. Transfer tax or financial transactions tax**

In accordance with Article 235 *ter* ZD of the FGTC, the financial transactions tax (“FTT”) applies to acquisitions against payment of equity securities admitted to trading on a French, European or foreign regulated market, issued by a company whose registered office is located in France and whose market capitalisation is over €1 billion on 1 December of the year before the tax year in question. A list of companies falling within the scope of application of the French FTT is published each year. The Company is not included in the list of companies falling within the scope of application of the French FTT as at 1 December 2024 (BOI-ANX-000467-23/12/2024). Therefore, the FTT will not be due on Shares acquired within the framework of the Offer.

In principle, no registration duty is payable in France on the sale of shares in a company whose registered office is in France unless the sale is recorded by a legal instrument. In this case, the sale of shares must be registered within one month of the date of the legal instrument. In accordance with Article 726(I)(1) of the FGTC, this registration results in the payment of a transfer levy of 0.1% (apart from securities in unlisted companies that are predominantly real estate investment companies or units of companies whose share capital is not divided into shares) based on the higher of the selling price or the actual value of the securities, subject to certain exceptions mentioned in Article 726(II)

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<sup>6</sup> In accordance with the order of 16 February 2024, amending the order of 12 February 2010 in application of the second paragraph of Article 238-0 A(1) of the FGTC, the list of NCSTs within the meaning of Article 238-0 A of the FGTC is as follows: Anguilla, Bahamas, Turks and Caicos, Vanuatu, Antigua and Barbuda, Belize, Fiji, Guam, the US Virgin Islands, Panama, Palau, Russia, Samoa, American Samoa, Seychelles, Trinidad and Tobago.

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of the FGTC. In accordance with Article 235 *ter* ZD (II) (d) of the FGTC, the 0.1% transfer levy mentioned in Article 726(I)(1) of the FGTC is only due when the French FTT applies.

### **3. ASSESSMENT OF THE INCREASED OFFER PRICE**

The assessment of the Increased Offer Price set out below has been prepared by Portzamparc BNP Paribas, Rothschild & Co Martin Maurel and Société Générale acting as Presenting Banks on behalf of the Offeror and Crédit Agricole Midcap Advisors (a wholly owned subsidiary of CACIB, Presenting Bank). The assessment has been based on a multi-criterion approach involving standard valuation methods as set out below, selected taking into account the Company's specific features such as its size, geographical exposure and business sector. It has been prepared on the basis of publicly available information and written and oral information provided by the Company. The information has not been independently checked by Portzamparc BNP Paribas, Crédit Agricole Midcap Advisors (a wholly owned subsidiary of CACIB), Rothschild & Co Martin Maurel and Société Générale, in particular regarding its accuracy or completeness.

The information, quantitative data and analysis contained in the Offer Document, other than historical data, reflect forward-looking information, expectations and assumptions that involve risk, uncertainty and other factors, in respect of which no guarantee can be given, and actual events and results may differ materially from the contents of the Offer Document.

The price offered by the Offeror is €17.00 in cash per Tarkett share.

The following main information was used when carrying out the valuation work:

- Tarkett's universal registration documents for the financial years ended 31 December 2023 and 31 December 2022, published on 27 March 2024 and 24 March 2023 respectively;
- Tarkett's interim financial report for the six-month period ended 30 June 2024, published on 1 August 2024;
- Tarkett's financial report for the financial year ended 31 December 2024, published on 20 February 2024;
- The 2025-2029 Business Plan prepared by Tarkett's management, finalised in July 2024, updated in December 2024 (following the change in the geopolitical situation and Tarkett's operating and sales performance in Russia) and approved by the Supervisory Board on 12 December 2024;
- Research reports on Tarkett published by CIC, the only financial analyst covering the stock (last report published in December 2024);
- Research reports published on companies in the flooring sector;
- The number of treasury shares (as at 31 December 2024, which has since remained unchanged);
- Bloomberg and FactSet databases for stock market data;
- The IHS database for long-term macroeconomic forecasts (2050).

N.B. The valuation methods applied, the sources used for market data and macroeconomic forecasts, the sample of comparable companies and financial aggregates used are the same as those presented

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within the framework of the Previous Offer. As the Company's geopolitical situation and local operating and sales performance calls for a specific approach in relation to its activities in Russia (including subsidiaries in Belarus and Kazakhstan dependent on Russia – the “**RBK**” scope), the Tarkett group's valuation has been split between the scope excluding RBK and the RBK scope.

The impairment testing carried out by Tarkett in respect of the financial year ended 31 December 2024 shows impairment of €95.5 million for the CEI CGU (which includes primarily the RBK scope) therefore results in the impairment of all goodwill.

### **3.1. Valuation methods and criteria**

The Increased Offer Price was assessed using a multi-criterion approach described below, based on commonly used valuation methods and criteria.

In view of the specific nature of the RBK scope in terms of both the geopolitical situation and local operating and sales performance, only the discounted cash flow method has been used. As a result, the resulting value of the RBK scope is added to that of the scope excluding RBK obtained using the different methods described below.

#### **3.1.1. Valuation methods and criteria used**

##### **A. Main methods and criteria used**

*(i) Historical share prices*

The Company's share capital is made up of a single class of ordinary shares admitted to trading on the Euronext Paris regulated market (Compartment B) under code ISIN FR0004188670.

The historical share price-based approach consists of comparing the Increased Offer Price with the Company's share price over various periods preceding the announcement of the Offer. Note that since the Previous Offer, the free float is 9.6% of share capital, giving a relatively low level of liquidity and limiting the usefulness of the share price as an indicator of value.

*(ii) Discounted free cash flow (DCF)*

This method is based on the principle that a company's enterprise value is the sum of its future free cash flows, before the impact of financing methods, discounted to present value using the weighted average cost of capital (“**WACC**”).

##### **B. Methods and criteria used for information only**

*(i) Research analyst target prices*

The target price-based approach consists of comparing the Increased Offer Price with the target prices published by the financial analysts who cover the Company. Tarkett is only covered by one financial analyst (CIC). The Presenting Banks and CAMA used this method for information only.

*(ii) Listed peer's trading multiples*

The approach based on peer's trading multiples consists of valuing the Company by taking the financial balances in the Company's Business Plan, applying to them multiples observed in a sample of listed peers, and comparing the resulting figures with the Increased Offer Price.

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Given the Company's specific operational and financial profile (scale, geographical presence, product range, margins, capital intensity, etc.), there are no listed companies that are directly comparable with Tarkett. The Presenting Banks and CAMA applied the peers' trading multiples for information only.

### **3.1.2. Valuation methods and criteria not used**

*(i) Comparable transaction multiples*

The approach based on multiples from comparable transactions consists of assessing a company by taking its financial balances and applying to them multiples arising from acquisitions of companies, both listed and unlisted, which recently took place in the business sector of the entity being valued. The Presenting Banks and CAMA ruled out the comparable transactions approach for the following reasons:

- transactions in the sector have involved target companies with different market positions and/or financial profiles from those of the Company;
- applying the method requires reliable information on the companies involved in the transactions;
- unlike most transactions in the sector, the planned transaction will not generate synergies given the nature of the Offeror (family holding company and financial investor);
- finally, the method is not a relevant way of assessing the price offered in the intended simplified offer, a particular feature of which is that it will not involve any change of control.

*(ii) Net book value and net asset value*

These methods consist of assessing a company based on the carrying amount of its assets or their carrying amount adjusted for unrealised capital gains and losses not reflected in the balance sheet. These methods do not reflect the company's future prospects and are not appropriate when valuing a company as a going concern. In addition, they are often used to assess holding and real-estate companies that own and operate assets whose value is independent from their inclusion in any operating processes.

For information, the Company's consolidated net book value at 31 December 2024 was €12.57<sup>7</sup> per Share.

*(iii) Discounted theoretical future dividends*

This method consists of assessing a company's equity by discounting to present value, using the company's cost of capital as the discount rate, the dividends that it is expected to pay to its shareholders. The method was not applied because it is redundant given the use of the discounted free cash flow method.

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<sup>7</sup> Based on equity attributable to equity holders of the parent of €818 million on the consolidated balance sheet at 31 December 2024 and 65,550,281 shares taken into account in the valuation.

### **3.2. Financial data used for valuation purposes**

#### **3.2.1. Financial projections**

The Presenting Banks and CAMA performed their valuation work on the basis of historic published financial data and the Company's Business Plan.

The 2025-2029 Business Plan was finalised by Tarkett's management in July 2024, updated in December 2024 (following the change in the geopolitical situation and Tarkett's operating and sales performance in Russia) and approved by the Supervisory Board on 12 December 2024.

In view of the acquisitions in the United States finalised in late 2024 and early 2025 (Benchmark, PCC, Mid-Atlantic) or potentially to be finalised in the coming months (Société D.- code name, for reasons of confidentiality), the effects of these acquisitions have been taken into account separately in the Business Plan.

The main financial elements of the Company's Business Plan are as follows:

- Assumption of a 2024a-2029e revenue CAGR at constant scope of 2.4%, reflecting in particular:
  - Annual revenue growth in the EMEA region of 1.3% following a sharp reduction in volumes in 2024 (9%);
  - Annual revenue growth of 4.6% and 3.6% respectively for the North America and Sports divisions;
  - A structural decline in business volume for the RBK scope with revenue down 2.8% a year over the period.
    - This organic growth is in line with Tarkett's revenue trajectory since its IPO (average reported revenue growth of 2.6% a year between 2013 and 2024);
    - The revenue growth of acquisitions included in the Business Plan is 5.0% between 2025 and 2029, which automatically reinforces the consolidated growth trajectory.
- Adjusted consolidated EBITDA margins vary from 10.2% to 10.3% over the period of the Business Plan, representing a pre-IFRS 16 margin of 8.9-9.0% compared with 7.4% and 8.6% in 2023 and 2024 respectively:
  - Deterioration in margin of 10 basis points between 2025 and 2029 reflects the assumption of post-IFRS 16 EBITDA margin for the RBK scope of 12.7% in 2029 compared with 13.9% in 2025;
  - Furthermore, the acquisitions included in the Business Plan are assumed to generate a pre-IFRS 16 margin of 14.9% between 2025 and 2029, which also reinforces the consolidated trajectory.
- The amount of CapEx as a percentage of revenue remains relatively stable over the period of the Business Plan, converging towards 2.5% in 2029 (compared with 2.9% in 2024), with the same assumption for acquisitions included in the Business Plan.

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- The variation in the working capital requirement converges towards around 15% of annual revenue growth over the period of the Business Plan:
  - o The working capital requirement is around 10% for acquisitions included in the Business Plan.

### **3.2.2. Enterprise value to equity value bridge**

In their valuation work, the Presenting Banks and CAMA estimated the bridge from enterprise value to equity value published as of 31 December 2024, on the basis of the timetable for the transaction and the availability of detailed annual cash flows for 2024.

The enterprise value paid *ab initio* for the targets acquired in January 2025 and potentially during 2025 (€66.9 million in total) is included in net debt. Cash flows associated with these targets are included in the projections of the Company's Business Plan.

It should be noted that December constitutes the low point of the operating cycle in terms of working capital requirement, which means that a normalised working capital requirement of €120.0 million is taken into account (equal to the difference between the low of December 2024 and the monthly average in 2024), reflecting the position required for Tarkett to continue its activities.

The Company has adopted a non-recourse factoring programme. The amount of deconsolidated receivables (€209.3 million) was restated as debt given the following factors:

- in the group's cash management, this facility is similar to a revolving credit facility (RCF);
- the factoring programme gives rise to interest and credit insurance expenses, which are recognised as financial expenses;
- the future existence of the factoring programme is uncertain and its amount may decrease as a result of reductions in credit limits in the event that the financial position of certain clients deteriorates.

As at 31 December 2024, the cash position included €80.6 million in Russia and considered to be subject to restrictions, in particular regulatory restrictions and related to foreign exchange controls. The Group has not obtained authorisation to increase dividends since the war in Ukraine began in 2021 and is not in a position to determine whether it will receive the necessary approvals. Excluding €15.0 million required for the Company to continue to operate in Russia, this limited liquidity is therefore deducted from Tarkett's cash position in view of its unavailability for the rest of the Group.

The enterprise value to equity value bridge also takes into account minority interests for €2.8 million and provisions for retirement benefit obligations and similar, net of deferred tax assets related to retirement benefit obligations, for €48.0 million (provisions relating primarily to plans in Germany and Sweden).

Net deferred tax assets related to tax loss carry forwards and unused tax credits – recognised as a total of €159.5 million as at 31 December 2024, including €147.9m in relation to Luxembourg – have not been taken into account in the enterprise value to equity value bridge but are reflected in the tax rate applied in the discounted cash flow valuation method. As a reminder, the normalised effective tax rate of 30% used in 2021 within the framework of the Previous Offer is now 25%.

As at 31 December 2024, provisions on the balance sheet totalled €83.4 million. The Company identified provisions for short-term risks and charges representing a total of €14.8 million (mainly customer complaints and HR disputes). Other provisions on the balance sheet totalling €68.6 million were not included in the enterprise value to equity value bridge since the associated costs and

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disbursements are taken into account in the financial balances and cash flows of the Company's Business Plan.

As a result, the total enterprise value to equity value bridge was €836.7 million as at 31 December 2024.

<b>(M€)</b>	<b>Actual 31-Dec-24</b>
<b>(-) Net financial debt (post IFRS 16)</b>	<b>(434,7)</b>
(+) Restatement of IFRS 16 debt	125,4
(-) PF impact of Sports segment acquisitions	(66,9)
<i>(-) Mid-Atlantic - acquisition completed in January 2025</i>	<i>(49,9)</i>
<i>(-) Société D - acquisition scheduled for 2025</i>	<i>(17,0)</i>
(-) After-tax provisions for pension and other post-employment benefit obligations	(48,0)
<i>(-) Pre-tax provisions for pension and other post-employment benefit obligations</i>	<i>(83,0)</i>
<i>(+) Deferred tax assets related to pension obligations</i>	<i>35,0</i>
(-) Provisions for short-term liabilities and charges	(14,8)
(-) Factoring	(209,3)
(-) Minority interests	(2,8)
WCR adjustment at Dec-24 vs. average over last 12 months	(120,0)
<i>(+) WCR - end of period</i>	<i>244,0</i>
<i>(-) WCR - average over last 12 months</i>	<i>(364,0)</i>
Restricted cash and cash equivalents (Russia)	(80,6)
Cash flow required for operational continuity in Russia	15,0
<b>Total adjustments</b>	<b>(836,7)</b>

### 3.2.3. Number of shares

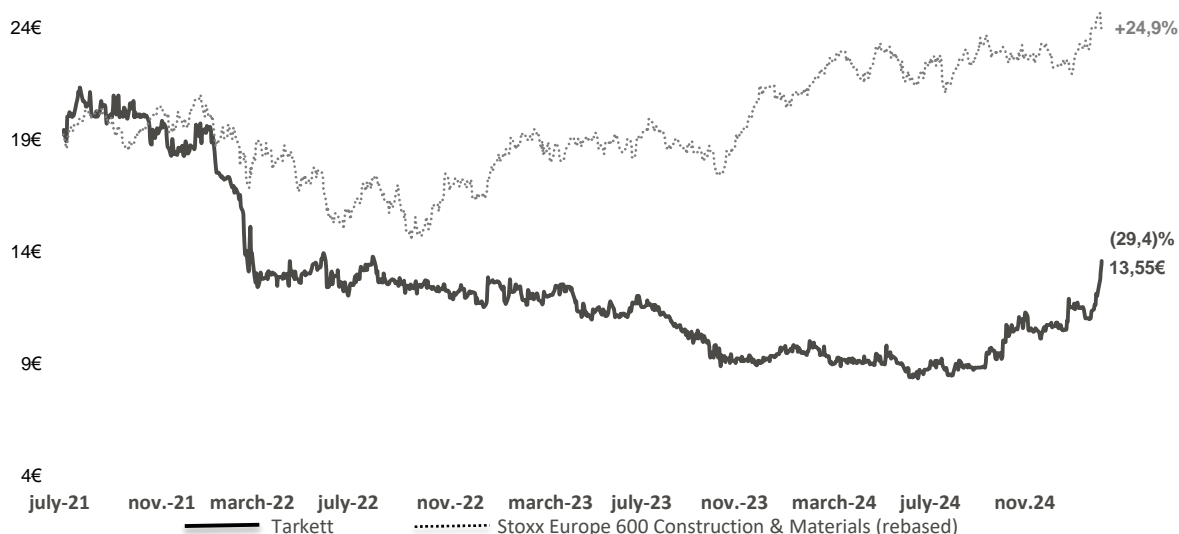
The number of Tarkett shares applied in valuations corresponds to the total number of outstanding shares on the date of the offer, or the total number of outstanding shares as at 31 December 2024 (excluding the 18,559 treasury shares as at 31 December 2024), representing 65,531,722 shares.

It should be noted that long-term incentive plans (“**LTIPs**”) set up by Tarkett do not have a dilute effect as they relate to “phantom shares”:

- The Company's Business Plan includes an annual amount for the estimated cost of covering long-term incentive plans (according to the assumptions made in the Business Plan);
- this annual amount has been taken into account in the discounted free cash flow valuation.

### 3.3. Description of the valuation methods and criteria used

#### 3.3.1. Approach based on Tarkett's historical share prices



Source: FactSet (20 February 2025)

Since the Previous Offer closed on 15 July 2021, the date the definitive results of the offer for the Tarkett shares was published, Tarkett's share price has significantly underperformed the market, with the share price falling by approx. 29% compared with an approx. 25% increase for the Stoxx Europe 600 Construction & Materials index over the same period.

The Tarkett shares are relatively illiquid - on the basis of trading over the last 60 trading days, the average daily trading volume of the Tarkett shares was approx. €245,000, equal to 0.03% of share capital and 0.29% of free float. In addition, the stock is only covered by one financial analyst (CIC). These factors limit the scope of analysis of the share price, even if this is still an important reference point for minority shareholders.

The reference used in the share price-based approach is the closing share price on 20 February 2025 of €13.6, i.e. the last trading day before the Tender Offer, and this approach is also based on the volume-weighted average price (VWAP) as at 20 February 2025.

The table below shows the premiums offered compared with the closing price on 20 February 2025 and compared with VWAPs over 20, 60, 120, 180 and 250 days.

	Share price (€)	Minimum (€)	Maximum (€)	Premium induced by the price (%)
Closing date: February 20, 2025	13,6			+25,5%
VWAP 20 trading days	12,1	11,0	13,4	+40,6%
VWAP 60 trading days	11,6	10,1	13,4	+46,1%
VWAP 120 trading days	11,1	8,7	13,4	+53,7%
VWAP 180 trading days	10,9	8,3	13,4	+55,3%
VWAP 250 trading days	10,7	8,3	13,4	+58,8%

Source: FactSet (20 February 2025)

The Increased Offer Price represents a premium range between +25.5% and +58.8% of the last quoted price for the Shares and the VWAPs in question.



### **3.3.2. Discounted free cash flow**

Given the Offer timetable, the date of 31 December 2024 was used when valuing the Company according to the discounted cash flow method.

Tarkett's Business Plan was used when applying this valuation method.

#### **A. Method for determining the WACC**

The weighted average cost of capital was separated out for the scope excluding RBK and the RBK scope, and calculated on the basis of:

- Scope excluding Russia / Belarus / Kazakhstan (excluding RBK):
  - o The adjusted unlevered beta of Tarkett's listed peers (regression of weekly share price variations over 2 years and average for Mohawk, Interface and Forbo);
  - o Market risk premiums (Bloomberg – 1-month average) for the euro area and the United States;
  - o An assumed cost of debt based on a premium (in line with the yield on the TLB issued by Tarkett) of 350 basis points to the risk-free rate in the euro area and the United States respectively;
  - o A standard tax rate of 25%;
  - o A target gearing of 30% (ratio of net debt to value of equity);
  - o Long-term local-currency inflation rates (euro, dollar) on the basis of IHS long-term forecasts (2050);
  - o The theoretical WACC values obtained were weighted on the basis of 2024 EBITDA generated in the EMEA and North America regions (including Sports).
- Russia / Belarus / Kazakhstan (RBK) scope:
  - o All the assumptions used for the scope excluding RBK, apart from the market risk premium and cost of debt:
    - Market risk premium Damodaran, January 2025) for Russia;
    - An assumed cost of debt based on a premium (in line with the yield on the TLB issued by Tarkett) of 350 basis points to the Russian risk-free rate (average 1-month return on Russian government bonds redeemable in 2036 issued in euros, and therefore free of the risk associated with exchange rate variations).

The WACCs obtained are 10.0% for the scope excluding RBK and 23.5% for the RBK scope.

#### **B. Calculation of the perpetuity growth rate**

The Presenting Banks and CAMA estimated the Company's perpetuity growth rate based on projected long-term real growth rates in gross domestic product (real 2050 growth rate – source: IHS).

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For the scope excluding RBK, estimated real growth rates for the euro area and the United States were weighted on the basis of 2024 EBITDA generated in the EMEA and North America regions (including Sports). The perpetuity growth rate obtained is 2.0%.

For the RBK scope, the estimated real rate of GDP growth in Russia in 2050 of 2.3% was taken into account.

**C. Other normative operational assumptions**

Following the end of the 2025-29 business plan, a normal year was defined. In addition to the perpetuity growth rate, the following main parameters were used:

- Scope excluding Russia / Belarus / Kazakhstan (excluding RBK):
  - o A normalised pre-IFRS 16 EBITDA margin of 8.7% in line with the final year of the Business Plan;
  - o A ratio of depreciation and amortisation to revenue in line with the normal capex rate;
  - o A normalised effective tax rate of 25% (information provided by the Company);
  - o A projected variation in WCR of 14% of the variation in revenue, in line with the final year of the Business Plan;
  - o A normal capex rate of 2.3% of revenue, in line with the final year of the Business Plan;
  - o Terminal year growth in cash flow from acquisitions included in the Business Plan in line with the perpetuity growth rate of 2.0% described above.
- Russia / Belarus / Kazakhstan (RBK) scope:
  - o Perpetuity growth rate of 2.3%, in line with IHS long-term estimates (2050) of real GDP growth for Russia, despite contraction in revenue expected by the Company over the period of the Business Plan;
  - o A normalised pre-IFRS 16 EBITDA margin of 11.7% in line with the final year of the Business Plan;
  - o A ratio of depreciation and amortisation to revenue in line with the normal capex rate;
  - o A normalised effective tax rate of 25% (information provided by the Company);
  - o Zero change in the variation in WCR, in line with the final years of the Business Plan;
  - o A normal capex rate of 4.2% of revenue, in line with the final year of the Business Plan;

**D. Results of the DCF valuation**

A sensitivity analysis of the value obtained using this method was carried out, with:

- a WACC of 9.50% to 10.50% for the scope excluding RBK and 22.00% to 25.00% for the RBK scope;

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- a perpetuity growth rate of 1.80% to 2.20% for the scope excluding RBK and 2.10% to 2.50% for the RBK scope;

The resulting enterprise values are presented below:

- Scope excluding RBK:

Enterprise value (M€)		WACC				
		9,50%	9,75%	10,00%	10,25%	10,50%
TCP	1,80%	1 664,8	1 609,1	1 556,8	1 507,7	1 461,4
	1,90%	1 678,7	1 621,9	1 568,7	<b>1 518,6</b>	1 471,6
	2,00%	1 693,0	1 635,1	<b>1 580,8</b>	1 529,9	1 482,0
	2,10%	1 707,7	<b>1 648,6</b>	1 593,3	1 541,4	1 492,6
	2,20%	1 722,8	1 662,5	1 606,1	1 553,2	1 503,5

- RBK scope:

Enterprise value (M€)		WACC						
		22,00%	23,00%	23,25%	23,50%	23,75%	24,00%	25,00%
TCP	2,10%	77,7	74,4	73,6	72,8	72,1	71,3	68,6
	2,20%	77,8	74,5	73,7	72,9	<b>72,2</b>	71,5	68,7
	2,30%	78,0	74,6	73,8	<b>73,1</b>	72,3	71,6	68,8
	2,40%	78,2	74,8	<b>74,0</b>	73,2	72,4	71,7	68,9
	2,50%	78,3	74,9	74,1	73,3	72,6	71,8	69,0

The resulting variations in the price per share are summarised below:

Price per share (€)			WACC				
			9,50%	9,75%	10,00%	10,25%	10,50%
Group WACC excluding RBK			23,00%				
RBK WACC			23,25%				
TCP Group excluding RBK			23,50%				
TCP RBK			23,75%				
TCP	1,80%	2,10%	13,8	12,9	12,1	11,3	10,6
	1,90%	2,20%	14,0	13,1	12,3	<b>11,5</b>	10,8
	2,00%	2,30%	14,2	13,3	<b>12,5</b>	11,7	10,9
	2,10%	2,40%	14,4	<b>13,5</b>	12,7	11,9	11,1
	2,20%	2,50%	14,7	13,7	12,9	12,0	11,3

Based on this sensitivity analysis and the previously established enterprise value to equity value bridge of €836.7 million, the DCF approach gives a value per share of between €11.5 and €13.5 for a variation of +/-10 basis points for the TCP and +/-25 basis points for the WACC for the RBK scope and the scope excluding RBK, with a central value of €12.5. As a result, the Increased Offer Price represents a 36.3% premium to the mid-point of the DCF valuation range, a 25.8% premium to the lower end of the range and a 47.7% premium to the upper end of the range respectively.

It is specified that an update of this sensitivity analysis with the latest data available as at April 22, 2025 would not result in any different induced price per share, - insofar as since February 24, 2025, the date of publication of the Initial Draft Offer Document (i) the Company has not drawn up a new business plan, and (ii) the discount rates for the non-RBK and RBK perimeters, calculated on the basis of market data as at April 22, 2025 and using an identical methodology, are similar to those presented above (10% and 24% respectively).

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**3.3.3. Research analyst target prices (for information only)**

Just one analyst, CIC, covers Tarkett. The Presenting Banks and CAMA therefore did not use this as a reference in the main methods used, unlike the analyses presented within the framework of the Previous Offer. As a reminder, in 2021, Tarkett was covered on a regular basis by eight research analysts.

The target price published by CIC on 12 December 2024 was €10.0, representing a discount of 6.5% to the Tarkett share price on the date of publication. The Increased Offer Price therefore represents a 70% premium to the only published target price.

**3.3.4. Listed peer trading multiples (for information only)**

The date of 31 December 2024 was used when valuing the Company according to the listed peer multiples method.

**A. Sample of listed peers and method for calculating multiples**

*(i) Sample of listed peers*

The list of Tarkett's listed peers was based on usual operational and financial criteria. Given the specific nature of the Company's business model, there are no companies that are fully comparable with it.

Nevertheless, a sample was used that is the same as that used within the framework of the Previous Offer, with no IPOs that could be added. It consists of Mohawk Industries, Interface and Forbo.

*(ii) Valuation multiples applied*

The Presenting Banks and CAMA used EV/EBIT multiples, which take into account companies' profitability and differences in capital intensity within the sample. It is also a multiple that is generally used in the floor coverings sector and more generally in the building materials sector.

Three multiples were excluded:

- EV/revenue, which does not take into account the profitability of the comparable companies;
- EV/EBITDA, due to the wide variation in profitability levels between Tarkett and its listed peers, and due to the bias arising from methods for recognising lease expenses (IFRS 16);
- P/E, because of the wide variations in capital intensity and capital structures among the peers' trading multiples.

2025 and 2026 were used as the reference years, i.e. 12 and 24 months rolling from the valuation date of 31 December 2024.

*(iii) Calculation of multiples*

The EV/EBIT (pre-IFRS 16) peer trading multiples were calculated by dividing each company's enterprise value by projected EBIT for 2025 and 2026 based on FactSet consensus figures as of 20 February 2025.

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*(iv) Peers' trading multiples*

The multiples of peers used in the valuation process are presented in the table below:

Company	Country	Capi. <sup>1</sup>	EV	EV / Revenue			EV / EBIT pre IFRS 16			CAGR REVENUE	CAGR EBIT	EBIT Margin
		(M€)	(M€)	2024e	2025e	2026e	2024e	2025e	2026e	24-26	24-26	2025e
Mohawk	United States	7 418	8 643	0,8x	0,8x	0,8x	13,0x	11,3x	9,5x	+1,3%	+16,8%	7,4%
Interface	United States	1 323	1 573	1,2x	1,2x	1,1x	11,9x	10,9x	9,7x	+4,3%	+10,7%	11,0%
Forbo	Switzerland	1 310	1 313	1,1x	1,1x	1,0x	9,5x	8,8x	8,1x	+2,5%	+7,9%	11,9%
<b>Overall average</b>		<b>3 350</b>	<b>3 843</b>	<b>1,0x</b>	<b>1,0x</b>	<b>1,0x</b>	<b>11,4x</b>	<b>10,3x</b>	<b>9,1x</b>	<b>+2,7%</b>	<b>+11,8%</b>	<b>10,1%</b>
Overall median		1 323	1 573	1,1x	1,1x	1,0x	11,9x	10,9x	9,5x	+2,5%	+10,7%	11,0%

**Notes:** Pre-IFRS 16 financial data. <sup>1</sup> Based on the 1-month VWAP at the close on 20 February 2025

Source: FactSet (20 February 2025)

Application of this method in this case gives rise to the following difficulties:

- Lack of listed peers similar to Tarkett (revenue breakdown by business line, geographical exposure, margins and capital intensity). Comparing the Company's financial profile with those of its listed peers shows that its profitability is considerably below the average (with organic consolidated pre-IFRS 16 EBIT margin for 2025e of 6.0% expected for Tarkett);
- Relatively limited analyst coverage of companies in the sample and varying analyst projections in a relatively volatile market;
- Significant size difference between the Company and some of its listed peers.

Note that the companies in the peer sample benefit from an increasing de facto premium related to their place of listing – the United States and Switzerland respectively. As a reminder, average P/E multiples (share value/projected 12-month earnings per share) for US industrial groups (Dow Jones index), Swiss issuers (SMI index) and French issuers (SBF 120 index) are currently around 21x, 17.5x and 14.5x respectively, representing an average multiple at a premium to France of around 40% for the United States and 20% for Switzerland. This *de facto* premium is combined with the higher margins mentioned above and growth prospects related to certain technological niches, such as machine tapes at Forbo, for example.

On the basis of this information, the Presenting Banks and CAMA concluded that the listed peer multiples method could only be used for information purposes as it is not able to reflect Tarkett's specific operational and financial profile.

## **B. Valuation based on EV/EBIT multiples**

In view of the specific nature of the RBK scope in terms of both the geopolitical situation and local operating and sales performance, only the discounted cash flow method has been used. The resulting value of the RBK scope is therefore added to that of the scope excluding RBK obtained on the basis of peers' EBIT multiples.

Furthermore, research analysts do not take account of the effect of bolt-on mergers and acquisitions that are not yet integrated on an operational basis or future transactions for Tarkett's listed peers.

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Organic EBIT values excluding RBK for 2025e and 2026e are therefore used for Tarkett. In addition, the effect on Tarkett's debt is cancelled out in the enterprise value to equity value bridge (€85.4 million, including €18.5 million in respect of transactions carried out at the end of 2024) for all acquisitions carried out or to be carried out, excluding Classic Turf, which is included in the organic trajectory of the Company's Business Plan.

Net deferred tax assets related to tax loss carry forwards and unused tax credits are taken into account by means of an annual adjustment of €3.0 million, added to EBIT for 2025e and 2026e, and corresponding to the expected net effect on taxes to be paid.

The peer comparison approach has been used by way of illustration, determining:

- a minimum value (€13.8) obtained by applying listed peers' average 2026 EV/EBIT multiple of 9.1x to Tarkett's 2026 EBIT;
- a maximum value (€15.6) obtained by applying listed peers' average 2025 EV/EBIT multiple of 10.3x to Tarkett's 2025 EBIT.

The Increased Offer Price therefore represents a premium of +9.3% to the upper end of the range and +23.2% to the lower end of the range.

	Reference year 2025	Reference year 2026
<b>EV/EBIT multiple</b>	<b>10,3x</b>	<b>9,1x</b>
Organic EBIT excluding RBK (M€)	175	185
Other adjustments (pensions, LTIP, other) (M€)	(14)	(14)
Annual use of tax losses (net effect)	3	3
<b>Organic EBIT excluding RBK (M€)</b>	<b>165</b>	<b>174</b>
RBK enterprise value (M€)	73	73
<b>Induced enterprise value (M€)</b>	<b>1 771</b>	<b>1 656</b>
(-) Adjustments VE - VFP (M€)	(837)	(837)
(+) Restatement of PF impact of M&A (M€)	86	86
Induced equity value (M€)	1 019	904
<b>Induced value per share (€)</b>	<b>15,6 €</b>	<b>13,8 €</b>

It should be noted that since February 24, 2025, the date of publication of the Initial Draft Information Document which took into account market data as at February 20, 2025, the US government's announcements concerning customs duties have significantly downgraded growth and profitability forecasts for Tarkett's stock market comparables. Their share prices and multiples at the present date clearly reflect this change.

Thus, since February 20, 2025, share prices have fallen by (17)% on average, and EBIT multiples for 2025e and 2026e by (0.8x) and (0.7x), respectively, as at April 22, 2025 - for an identical sample of stock market comparables and methodology. The induced prices per share would therefore be around €2 below those presented above (€13.5 and €11.8 per share respectively, i.e. premiums induced by the Offer Price of 25.9% and 43.6%).

### 3.4. Summary of valuation work

The Increased Offer Price proposed by the Offeror is €17.00, and based on the valuation work, presents the following premiums:

*The draft offer and this draft offer document remain subject to review by the AMF*  
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	Value per Share <sup>1</sup> (€)	Premium induced by the Offer Price (%)
Offer price per Share (€)	17,0	-
<b>Principal methods used</b>		
<b>Stock market references</b>		
Closing price prior to project announcement <sup>2</sup>	13,6	+25,5%
VWAP - 20 days	12,1	+40,6%
VWAP - 60 days	11,6	+46,1%
VWAP - 120 days	11,1	+53,7%
VWAP - 250 days	10,7	+58,8%
<b>DCF</b>		
Mid-range of the company's business plan	12,5	+36,3%
Top of the range of the company's business plan	13,5	+25,8%
Bottom of the range of the company's business plan	11,5	+47,7%
<b>Indicative methods</b>		
<b>Target prices CIC</b>		
Target price (12 December 2024)	10,0	+70,0%
<b>Stock market comparables</b>		
EV / EBIT 2025	15,6	+9,3%
EV / EBIT 2026	13,8	+23,2%
<b>Stock market comparables (at April 22, 2025)</b>		
EV / EBIT 2025	13,5	+25,9%
EV / EBIT 2026	11,8	+43,6%

**Notes:** <sup>1</sup> Value per Share based on 65,531,722 Shares, excluding the 18,889 Shares held in treasury. <sup>2</sup> 20 February 2025

#### 4. PERSONS RESPONSIBLE FOR THE DRAFT OFFER DOCUMENT

##### 4.1. For the Offeror

*“To the best of my knowledge, the information contained in this draft offer document is true and accurate and contains no omission likely to alter the interpretation thereof.”*

Fabrice Barthélemy  
In his capacity as Chairman

##### 4.2. For the presenting institutions

*“In accordance with Article 231-18 of the AMF’s general regulation, Rothschild & Co Martin Maurel, Portzamparc BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale, as the presenting institutions in relation to the Offer, certify that, to the best of their knowledge, the presentation of the Offer, which they examined on the basis of information provided by the Offeror, and the valuation criteria for the proposed price are true and accurate and contain no omission likely to alter the interpretation thereof.”*

Rothschild & Co  
Martin Maurel

Portzamparc  
BNP Paribas

Crédit Agricole  
Corporate and  
Investment Bank

Société Générale