THIS DOCUMENT IS AN UNOFFICIAL ENGLISH-LANGUAGE TRANSLATION OF THE DRAFT RESPONSE DOCUMENT (PROJET DE NOTE EN REPONSE) WHICH WAS FILED WITH THE FRENCH AUTORITÉ DES MARCHÉS FINANCIERS ON 24 APRIL 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 RESPONSE DOCUMENT, THE OFFICIAL FRENCH DRAFT RESPONSE DOCUMENT SHALL PREVAIL.

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

Tarkett

INITIATED BY

TARKETT PARTICIPATION

DRAFT RESPONSE DOCUMENT PREPARED BY TARKETT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This draft response document (the "**Draft Response Document**") was filed with the Autorité des marchés financiers (the "**AMF**") on April 24, 2025, in accordance with the provisions of Article 231-26 of its general regulation. It was prepared in accordance with the provisions of Article 231-19 of the AMF's general regulation.

The draft offer and this Draft Response Document remain subject to review by the AMF.

IMPORTANT DISCLOSURE

In accordance with the provisions of Articles 231-19 and 261-1 of the AMF's general regulation, the report issued by Finexsi – Expert & Conseil Financier, acting as an independent appraiser, is included in this Draft Response Document.

The Draft Response Document is available on the Tarkett (www.tarkett-group.com) and AMF (www.amf-france.org) websites and can be obtained free of charge upon request from:

Tarkett

Tour Initiale - 1, Terrasse Bellini

92919 Paris La Défense Cedex

In accordance with the provisions of Article 231-28 of the AMF's general regulation, the information relating to the legal, financial and accounting characteristics of Tarkett will be filed with the AMF and made available to the public, at the latest on the day before the opening of the public buy-out offer, in accordance with the same terms as this Draft Response Document.

A press release will be issued, at the latest the day before the public buy-out offer opens, to inform the public of how this information will be made available.

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1. OVERVIEW OF THE MAIN TERMS AND CONDITIONS OF THE OFFER

1.1. Description of the Offer

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**")[1] 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).

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 (the "**Draft Offer Document**").

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.

As of the date of the Draft Response 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

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[1] 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.

– 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 **Erreur ! Source du renvoi introuvable.** of the Draft Response Document and covered by the Liquidity Mechanism entered into with Mr Fabrice Barthélemy) held by Mr Fabrice Barthélemy and 4,441 Free Shares Under Retention (as defined in Section **Erreur ! Source du renvoi introuvable.** of the Draft Response Document and covered by the Liquidity Mechanism entered into 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**").

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[2].

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[3], or 9.60% of the share capital and 5.29% of theoretical voting rights of Tarkett as of the date of this Draft Response 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.

As of the date of this Draft Response Document, 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.

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[2] 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.

[3] 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.

The characteristics of the Offer are described in further detail under section 2 of the Draft Offer Document.

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 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.

The Company reiterates, as stated in the Company's 2024 universal registration document, that it considers Mr. Didier Michaud-Daniel to be independent of Tarkett Participation within the meaning of recommendation 10.5 of the Afep-Medef code, as the Company considers that he meets all the criteria.

1.2.2. 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.

1.3. Main characteristics of the Offer

1.3.1. Main terms and conditions of the Offer

The Initial Draft Offer Document was filed with the AMF on 24 February 2025 by the Presenting Banks, acting on behalf of the Offeror as presenting institutions, in accordance with the provisions of Articles 231-13, 236-3 and 237-1 of the AMF's general regulation. A filing of the draft Increased Offer and of the Draft Offer Document at the Increased Offer Price was carried out on 24 April 2025, as a result of the increase in the price of the Initial Offer decided by the Offeror and announced to the market on 24 April 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.

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.

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

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). This clearance decision will represent the AMF's approval of the offer document prepared by the Offeror and of the response document prepared by the Company.

In the event the AMF issue a clearance decision, the response document approved by the AMF and the document containing "Other Information" relating in particular to the legal, financial and accounting characteristics of Tarkett will be posted on the AMF website (www.amf-france.org) and the Tarkett website (www.tarkett-group.com) and will be made available to the public free of charge, no later than the day preceding the opening of the Offer.

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.

1.3.2. Number and type of shares covered by the Offer

As of the date of the Draft Response 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 **Erreur ! Source du renvoi introuvable.** of the Draft Response Document and covered by the Liquidity Mechanism entered into with Mr Fabrice Barthélemy) held by Mr Fabrice Barthélemy and 4,441 Free Shares Under Retention (as defined in Section **Erreur ! Source du renvoi introuvable.** of the Draft Response Document and covered by the Liquidity Mechanism entered into 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 Response Document, 90.41% of the share capital and 94.72% of the theoretical voting rights of the Company.

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[4], or 9.60% of the share capital and 5.29% of theoretical voting rights of Tarkett as

[4] 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.

of the date of the Draft Response Document, calculated in accordance with Article 233-11 of the AMF's general regulation.

As of the date of this Draft Response Document, 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.

1.3.3. Position of the beneficiaries of free shares and liquidity mechanism

1.3.3.1. Position of the beneficiaries of free shares

As of the date of this Draft Response Document, 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 Response 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 Response 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**");

The Offeror declared that, 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.

1.3.3.2. 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 of the Draft Offer Document.

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.

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

The Draft Offer Document states that 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.

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 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.

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.

1.3.5. Squeeze-Out

In accordance with Artiles 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 detailed terms of the Squeeze-out are described in section 2.8 of the Draft Offer Document.

1.3.6. Restrictions on the Offer outside France

Section 2.12 of the Draft Offer Document indicates that:

- 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.

The restrictions concerning the Offer outside France described in section 2.12 of the Draft Offer Document apply to this Draft Response Document.

As a result, persons in possession of the Draft Offer Document and/or the Draft Response 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 Response 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 Response Document, and no other documents relating to the Draft Response 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.

The Draft Response 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.

1.3.7. Timetable of the Offer

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening date and the timetable for the Offer.

An indicative timetable is provided in section 2.10 of the Draft Offer Document prepared by the Offeror.

2. REASONED OPINION OF THE COMPANY'S SUPERVISORY BOARD

2.1. Composition of the Supervisory Board

As of the date of the Draft Response Document, the Supervisory Board of Tarkett is currently composed of:

- Mr. Eric La Bonnardière, Chairman of the Supervisory Board;
- Mr. Julien Deconinck, Vice-chairman of the Supervisory Board;
- Mr. Nicolas Deconinck, member of the Supervisory Board;
- Mrs. Marie Deconinck, member of the Supervisory Board;
- Mrs. Marine Charles, member of the Supervisory Board;
- Mrs. Tina Mayn, member of the Supervisory Board;
- Mr. Didier Michaud-Daniel, independent member of the Supervisory Board;
- Mrs. Sabine Roux de Bézieux, independent member of the Supervisory Board;
- Mrs. Caroline Tith, member of the Supervisory Board representing employees;
- Mr. Philippe Willion, member of the Supervisory Board representing employees;
- Mr. Bernard-André Deconinck, observer (*censeur*); et

- Mr. Claude Ehlinger, observer (*censeur*).

2.2. Summary of the Supervisory Board's previous decisions regarding the Offer

The members of the Company's Supervisory Board met on 24 January 2025 to review the Offer contemplated by the Offeror. In accordance with the provisions of Article 261-1 of the AMF general regulation, the Supervisory Board, at this meeting, established an ad hoc committee composed of Mr. Didier Michaud-Daniel (*Président*) and Mrs. Sabine Roux de Bézieux as independent members, and Mrs. Marine Charles.

The ad hoc committee, after receiving two proposals from independent appraisers, decided to appoint Finexsi – Expert & Conseil Financier to ensure, in particular, a consistent approach in valuing the Company in line with the Previous Offer.

The Supervisory Board of the Company, upon the recommendation of the ad hoc committee and in accordance with the provisions of Article 261-1, I, 1°, 2°, 4° and II of the AMF's general regulation, has decided to appoint Finexsi – Expert & Conseil Financier, represented by Mr. Olivier Péronnet and Mr. Olivier Courau, as Independent Appraiser, with the task of issuing a report on the financial terms of the Offer.

The ad hoc committee has been instructed to supervise the work of the Independent Appraiser and to provide the Company's Supervisory Board with recommendations concerning the Offer.

The establishment of the ad hoc committee and the appointment of the Independent Appraiser were the subject of a press release published by the Company on 20 February 2025, concomitantly with the announcement of the Offer by the Offeror.

The members of the Company's management team and the ad hoc committee were able to discuss matters with the Independent Expert on several occasions and monitor the progress of his work. Details of these discussions can be reviewed in the Independent Appraiser's report.

At its meeting of 20 February 2025, the members of the Supervisory Board:

- have reviewed the main characteristics of the Offer; and

- upon the recommendation of the ad hoc committee, welcomed the draft Offer in its principle and approved the draft press release that could be published jointly by the Company and the Offeror on the Company's website upon the announcement of the draft Offer, as of 20 February 2025, after the close of trading.

2.3. Reasoned opinion of the Supervisory Board

In accordance with the provisions of article 231-19 of the AMF's general regulation, the members of the Company's Supervisory Board met on 24 April 2025, under the chairmanship of Mr. Eric La Bonnardière, chairman of the Supervisory Board, in order to review the draft Offer and to issue a reasoned opinion on the interest and consequences of the draft Offer for the Company, its shareholders and its employees. All the members of the Supervisory Board were present in person or by videoconference.

Prior to the meeting, the members of the Supervisory Board were provided with:

- the Initial Draft Offer Document filed by the Offeror with the AMF on 24 February 2025 and the Draft Offer Document filed with the AMF on 24 April 2025, including the context and the reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer and the elements for assessing the Increased Offer Price;

- the draft reasoned opinion prepared by the ad hoc committee in accordance with article 261-1, III of the AMF's general regulation;

- the report of Finexsi, the Independent Appraiser; and

- the Draft Response Document of the Company prepared in accordance with article 231-19 of the AMF's general regulation.

The Supervisory Board of the Company, at the said meeting of 24 April 2025, has therefore issued the following reasoned opinion by the unanimity of its members, including the members who participate in the work of the ad hoc committee, the other members of the Supervisory Board agreeing with the opinion of the ad hoc committee:

« *The President reminds the members of the Supervisory Board that they have been convened following the filing with the Autorité des marchés financiers (the "***AMF***") of a proposed public buy-out offer (the "***Public Buy-out Offer***") which will be immediately followed by a squeeze-out (the "***Squeeze-Out***" and, together with the Public Buy-out Offer, the "***Offer***") by Tarkett Participation (the "***Offeror***"), with a view to acquiring all of the Company's existing shares not held, directly or indirectly, by the Offeror (with the exception of the shares held by the Company as treasury shares and unavailable free shares).*

*The President states that 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***") were filed with the AMF on 24 February 2025 on behalf of the Offeror. The Offeror indicated that it is considering an increase of the price of the Initial Offer to 17 euros per share (the "***Increased Offer Price***"). The Initial Draft Offer Document has been amended to reflect the Increased Offer Price (the "***Draft Offer Document***"). This Offer at the Increased Offer Price (the "***Increased Offer***") and the Draft Offer Document respectively supersede the Initial Offer and the Initial Draft Offer Document.*

The President recalls that the following documents were made available to the members of the Supervisory Board prior to the meeting:

- *the Initial Draft Offer Document filed by the Offeror with the AMF on 24 February 2025 and the Draft Offer Document that will be filed by the Offeror with the AMF concurrently with the filing of the draft response document prepared by the Company, containing, in particular, the context and the reasons for the Increased Offer, the intentions of the Offeror, the terms and conditions of the Increased Offer (including an indicative timetable), as well as the elements for assessing the Increased Offer Price;*

- *the draft response document of the Company, it being specified that in accordance with the applicable rules, the filing of said draft response document would be followed by the publication, by the Company, of a press release summarizing the main characteristics of the draft response document;*

- *the report dated 24 April 2025 outlining the opinion of Finexsi – Expert & Conseil Financier, acting as an independent appraiser appointed in accordance with the provisions of Article 261-1, I, 1°, 2° and 4° and II of the AMF's general regulation and represented by Messrs. Olivier Peronnet and Olivier Courau (the "***Independent Appraiser***"), on the fairness of the financial terms of the Offer; and*

- *the draft reasoned opinion prepared by the ad hoc committee on the interest of the Increased Offer for the Company, its shareholders and its employees, in accordance with Article 261-1, III of the AMF General Regulations.*

The President states that it is the responsibility of the Supervisory Board, in accordance with Article 231-19 of the AMF's general regulation, to issue a reasoned opinion on the merits of the Offer and its consequences for the Company, its shareholders and its employees.

1. Overview of the establishment of the ad hoc committee and the appointment of the Independent Appraiser.

*The President recalls that, in accordance with the provisions of Article 261-1, III of the AMF's general regulation, the Supervisory Board, at its meeting on 24 January 2025, set up an ad hoc committee (the "**Ad Hoc Committee**") responsible for proposing to the members of the Supervisory Board the appointment, under the conditions set out in AMF's instruction 2006-08, the independent appraiser in charge of preparing a report on the financial conditions of the Offer, monitor the work of this independent appraiser, ensuring the proper conduct of the appraisal mission and the due diligence that the latter must implement, in particular by ensuring access to the information he needs; and issue a recommendation to the Supervisory Board on the merits of the Offer for the Company, its employees and its shareholders and on the merits of the shareholders tendering their shares to the Offer.*

The Ad Hoc Committee is composed of Mr. Didier Michaud-Daniel (President) and Mrs. Sabine Roux de Bézieux, as independent members, and Mrs. Marine Charles.

The members of the Ad Hoc Committee, after deliberation, decided to propose to the Supervisory Board that Finexsi – Expert & Conseil Financier be appointed as independent appraiser, given its experience in similar assignments. On January 24, 2025, the Company's Supervisory Board decided, on the recommendation of the ad hoc committee, to appoint Finexsi – Expert & Conseil Financier as independent appraiser to prepare a report on the financial terms of the Offer pursuant to Article 261-1, I, 1°, 2° and 4° and II of the AMF's general regulations.

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..

The Company reiterates, as stated in the Company's 2024 universal registration document, that it considers Mr. Didier Michaud-Daniel to be independent of Tarkett Participation within the meaning of recommendation 10.5 of the Afep-Medef code, as the Company considers that he meets all the criteria.

The members of the Ad Hoc Committee also decided to appoint Brandford Griffith & Associés as legal advisor to assist the committee with the offer.

2. Work of the Ad Hoc Committee

Mr. Didier Michaud-Daniel, in his capacity as president of the Ad Hoc Committee, then reports on his mission and briefly summarizes the work accomplished by the Ad Hoc Committee.

(i) Work of the Ad Hoc Committee and monitoring of the work of the Independent Appraiser

Between 24 January 2025 and 24 April 2025, the Ad Hoc Committee met 10 times, at the Company's registered office or by videoconference. The members of the Ad Hoc Committee exchanged views with the Independent Expert throughout the process in the context of regularly convened meetings and during informal exchanges.

The members of the Ad Hoc Committee met for the purposes of their mission:

- *on 24 January 2025, the Ad Hoc Committee, having reviewed the profiles of several independent appraisers prior to the meeting and, based on their profiles, decided to recommend to the Supervisory Board the appointment of Finexsi – Expert & Conseil Financier, which was approved by the Supervisory Board on 24 January 2025;*

- *on 11 February 2025, the Ad Hoc Committee met with the Company's Management Board to discuss the exchanges that had taken place between the Management Board and the Independent Appraiser, particularly with regard to the Company's business plan, which had been unanimously approved by the Supervisory Board on 12 December 2024;*

- *on 17 February 2025, the Ad Hoc Committee met with the Independent Appraiser and the Bredin Prat firm to review the preliminary work of the Independent Appraiser in connection with the Offer and to discuss in detail the financial terms and conditions of the proposed Offer and its consequences for the Company. The Independent Appraiser presented the initial elements for assessing the Company's valuation, and the members of the Ad Hoc Committee had the opportunity to ask questions and discuss the valuation methods and assumptions used;*
- *on 19 February 2025, the Ad Hoc Committee held an internal discussion on the preliminary work presented by the Independent Appraiser and the valuation assumptions and provisional values retained;*

- *on 20 February 2025, the Ad Hoc Committee met to review the progress to date regarding the preliminary evaluation work of the Independent Appraiser in the context of the Offer and to discuss the different valuation methods used to assess the Initial Offer price;*

- *on 3 March 2025, the Ad Hoc Committee met to consider the arguments raised in the letters received from minority shareholders that were forwarded to the members of the Ad Hoc Committee, as well as the appropriate answers to these questions. The Independent Appraiser also presented the progress of his evaluation work.*

  Following this meeting, the Independent Appraiser shared with the members of the Ad Hoc Committee the additional letters received from minority shareholders, including a letter dated 27 February 2025 from the management company Tweedy, Browne Company LLC, a significant minority shareholder of the Company. This letter raised concerns regarding the inadequacy of the Initial Offer price in a context of a significant improvement in the Company's financial metrics (revenue, EBITDA and net debt) and a challenge to the factors used to assess the Initial Offer price presented by the presenting banks in the Offeror's Initial Draft Offer Document, in particular with regard to (i) the decision to use only the DCF method as the main method and to use the stock market comparables method on an indicative basis, even though there are comparable companies and this method was used during the OPAS in 2021, (ii) the lack of relevance of the stock market price as a reference for the Company's value, particularly in view of, according to the author, a lack of liquidity of the Tarkett share on the market, and (iii) certain adjustments to the net debt that had not been included in the assessment of the offer price in 2021. The author also points out that the multiple that was applied to calculate the price of the directors' shares under the free share plan (8.1x EBITDA minus financial debt) results in a higher share value than the Initial Offer price (€27.93 under this method).

- *on 19 March 2025, the Ad Hoc Committee met again to review the additional letters received from minority shareholders and to examine the arguments raised and the appropriate answers to provide, in the presence of the Independent Appraiser;*

- *on 31 March 2025, the Ad Hoc Committee met to review the progress of the draft Offer with the law firm Brandford Griffith & Associé;*

- *on April 2, 2025, the Ad Hoc Committee met to review the draft evaluation report of the Independent Appraiser;*

- *on 24 April 2025, the Ad Hoc Committee held a meeting prior to the Supervisory Board meeting called to issue its reasoned opinion on the Offer, with the participation of the Independent Appraiser. The Independent Appraiser presented the conclusions of his report to the Ad Hoc Committee and discussed his work and the responses to the minority shareholders' observations with the members of the Ad Hoc Committee. The Independent Appraiser stated in particular that his report concluded that the Offer at the Increased Offer Price was fair. The Ad Hoc Committee ensured that all letters from minority shareholders were addressed in the Independent Appraiser's report. During this meeting, the Ad Hoc Committee (i) reviewed the Independent Appraiser's final report and (ii) finalized its recommendations and the draft reasoned opinion.*

During its meetings, the Ad Hoc Committee ensured that the Independent Appraiser had all the information required to carry out his mission and that he was able to conduct his work under satisfactory conditions.

The Ad Hoc Committee noted that the Independent Appraiser had access, as part of his mission, to the Company's business plan, which was drawn up according to the usual procedures and approved by the Supervisory Board under the same procedures and to all information necessary for the fulfilment of its mission, and that it had been able to carry out its work in satisfactory conditions.

The timetable of discussions between the Ad Hoc Committee and the Independent Appraiser is included in the appraisal report by Finexsi – Expert & Conseil Financier.

The Ad Hoc Committee also states that it has not been informed of, nor has it identified, any evidence that might cast doubt on the proper conduct of the Independent Appraiser's work.

(ii) Conclusions of the Independent Appraiser's report

The President hereby presents to the Supervisory Board the conclusions of the report drawn up by Finexsi – Expert & Conseil Financier under the supervision of the Ad Hoc Committee, and appointed in accordance with the provisions of Article 261-1, I, 1°, 2° and 4° and II of the AMF's general regulation:

> *« This Public Buy-out Offer at a price of €17.0 per share will be followed by a Squeeze-Out, with compensation equal to the Offer price.*
>
> *We consider the DCF approach to be the most appropriate method for estimating the intrinsic value of Tarkett shares. The Offer price represents a premium of 10.8% over the central value derived from this method, based on the management's business plan, which appears broadly balanced in an uncertain and volatile macroeconomic environment, particularly marked by the increase in customs duties recently announced by the US government.*
>
> *The highest value under this method (€16.8) factors in an improvement in the situation in Russia and remains below the Offer price, which thus gives shareholders full value without having to bear the full risk of a slowdown in business in Russia.*
>
> *The Offer price represents a premium of 25.5% over the last stock market price prior to the announcement of the Offer, and a premium of 44.4% over the average stock market price over the last 60 days, it being specified that this reference is presented on a secondary basis due to low liquidity with limited free float turnover.*
>
> *The DCF valuation range is corroborated by the results of the market comparison method, used as a secondary method due to a limited sample with limited comparability with the Company. Based on this criterion, the Offer price represents premiums of between 11.5% and 26.0% based on EBIT multiples, and premiums/discounts of between -0.2% and 9.1% based on EBITDA-CAPEX multiples.*

The review of agreements that could have a significant impact on the valuation or outcome of the Offer, as presented in the draft offer document, namely (i) the liquidity mechanism, and (ii) the amendments to other agreements entered into in connection with the 2021 OPAS (Shareholders' Agreement and compensation mechanism for certain executives), did not reveal any provisions that, in our opinion, would call into question the fairness of the Offer from a financial point of view.

Consequently, as of the date of this report, we are of the opinion that the Offer price of €17.0 per share proposed in connection with the Squeeze-Out is fair from a financial point of view for Tarkett shareholders. »

3. Main written observations received from shareholders pursuant to stock market regulations

The president of the Ad Hoc Committee indicates that, since filing of the Offer by the Offeror on 24 February 2025, the Independent Appraiser has received and/or that the AMF has forwarded to the Independent Appraiser written observations from 35 minority shareholders.

An analysis and assessment of these observations by minority shareholders is included in the report drawn up by Finexsi – Expert & Conseil Financier.

4. Reasoned opinion proposed by the Ad Hoc Committee

On 24 April 2025, the Ad Hoc Committee finalized its recommendation to the Supervisory Board, particularly with regard to the draft report of the Independent Appraiser. It communicates the terms thereof to the members of the Supervisory Board.

- *With regard to the interest of the Offer for the Company*

  The Ad Hoc Committee notes that the proposed Offer is of strategic interest to Tarkett in several respects.

  The Ad Hoc Committee has taken note of the Offeror's intentions, as described in the Draft Offer Document, and in particular the Offeror's intention, with the help of the Company's current management team, to pursue the main strategies implemented by the Company and to continue to develop the Company.

  The Ad Hoc Committee notes that the purpose of the proposed Offer notably is to delist Tarkett, with a view to simplifying its operational functioning, and has taken note of the Offeror's willingness for the Company to be transformed into a simplified joint-stock corporation for the purpose of simplification.

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

  Finally, the Ad Hoc Committee emphasizes that the Initiator indicated in its Draft Offer Document that will be filed on 24 April 2025 that (i) 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 and (ii) there are no plans for the Offeror to merge with the Company.

  In view of the above, the Ad Hoc Committee deems the Offer to be in the Company's interest.

- *With regard to the interest of the Offer for the shareholders*

  The Ad Hoc Committee acknowledges that the Offeror proposes to acquire, in cash and at a price of 17 euros per share, all the shares of the Company that it does not hold as of the date of filing of the Offer (excluding treasury shares and free shares under retention).

The Ad Hoc Committee recalls that insofar as the Offeror already holds more than 90% of the share capital and voting rights of the Company, the proposed Public Buy-out Offer will be immediately followed, regardless of the outcome, by the Squeeze-Out targeting all of the Company's shares not yet held by the Offeror upon completion of the Public Buy-out Offer.

The Ad Hoc Committee has taken note of the assessment of the Increased Offer Price of 17 euros per share provided by the presenting institutions of the Offer in the Draft Offer Document of the Offeror.

The Ad Hoc Committee has reviewed the report prepared by Finexsi – Expert & Conseil Financier in its capacity as Independent Appraiser, together with its analysis, and has determined that the Increased Offer Price proposed by the Offeror is fair from a financial point of view to the Company's shareholders.

The Committee acknowledges that the firm Finexsi – Expert & Conseil Financier states in its report that the price of 17 euros per share offered to the Company's minority shareholders as part of this Offer:

- *is fair from a financial standpoint for Tarkett shareholders;*
- *represents a premium of 10.8% over the central value derived from this method, based on the management's business plan, which appears broadly balanced in an uncertain and volatile macroeconomic environment, particularly marked by the recent announcement of increased tariffs by the US government;*
- *represents a premium of 25.5% over the last stock market price prior to the announcement of the Offer, and a premium of 44.4% over the average stock market price over the last 60 days; and*
- *reflects premiums of between 11.5% and 26.0% based on EBIT multiples, and premiums/discounts of between -0.2% and 9.1% based on EBITDA-CAPEX multiples.*

Finally, the Company or the members of the Ad Hoc Committee have received letters or emails from minority shareholders regarding the Offer, relating in particular to (i) the comparison of the Initial Offer price with the 2021 offer price in relation to an improvement of the financial performance since 2021, (ii) the situation in Russia and the depreciation of assets, (iii) the comparison of the Initial Offer price with the share buyback price for minority shareholders, (iv) the valuation method applied and (v) the independence of the Independent Appraiser. The Ad Hoc Committee has examined these communications and ensured that they are subject to a specific review by the Independent Appraiser, who has discussed these matters with the Company and the Offeror. The Independent Appraiser's discussions with the minority shareholders and the responses to their observations are included in section 10 of his report. The Ad Hoc Committee is satisfied with the responses provided by the Independent Appraiser.

The Ad Hoc Committee therefore considers that the Offer represents an opportunity for shareholders to benefit from immediate liquidity, under pricing conditions considered to be fair by the Independent Appraiser.

The Ad Hoc Committee also notes the absence of provisions in related agreements and transactions that could be detrimental to the interests of minority shareholders.

- *With regards to the interest of the Offer for the employees*

The Ad Hoc Committee acknowledges that the Offeror has indicated that the draft Offer is part of a strategy of continuing the activity and development of the Company.
In addition, the Offeror has stated that the Offer should not result in any particular impact on the Company's workforce, wage policy or human resource management policy.

The Ad Hoc Committee notes that the Company's employee representative bodies were informed of the draft Offer on 21 February 2025. The draft Offer did not raise any substantial questions from the members of Tarkett's employee representative bodies.

In view of the above, the Ad Hoc Committee considers that the Offer as described in the Offeror's Draft Offer Document is in the interests of the Company's employees and should not entail any specific consequences in terms of employment.

Having reviewed the work of the Independent Appraiser and the aforementioned information, the Ad Hoc Committee, by unanimous vote of its members, **recommends** *that the Supervisory Board conclude that the Offer is in the interest of the Company, its shareholders and its employees.*

5. Deliberation and opinion of the Supervisory Board

In view of the elements submitted and in particular (i) the objectives and intentions expressed by the Offeror, (ii) the valuation elements prepared by the presenting institutions Rothschild & Co Martin Maurel, Portzamparc BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale, (iii) the conclusions of the Independent Appraiser's report on the financial conditions of the Offer, including its responses to the written comments received from the minority shareholders, (iv) the conclusions of the review work of the Ad Hoc Committee, and (vi) the elements set out above, the Supervisory Board, after deliberation, by unanimous vote of its members present or represented, including the independent members who participate in the work of the Ad Hoc Committee, the other members of the Supervisory Board agreeing with the opinion of the Ad Hoc Committee considers that the Offer is in line with the interests of the Company, its shareholders and its employees and decides:

- ***to issue****, in the light of the work, conclusions and recommendations of the Ad Hoc Committee, a favorable opinion on the proposed Offer, as presented to it;*
- *accordingly,* **to recommend** *to the Company's shareholders to tender their shares to the Offer;*
- ***to acknowledge****, as necessary, the fact that the treasury shares held by the Company and the free shares under retention are not covered by the Offer, and* **to confirm***, as necessary, that the Company will not tender the treasury shares to the Offer;*
- ***to approve*** *the draft response document of the Company as presented;*
- ***to authorize****, as necessary, the President of the Management Board to:*
  - *finalize the draft response document pertaining to the Offer, as well as any document that may be necessary in the context of the Offer, and in particular the document "Other Information" relating to the legal, financial and accounting characteristics of the Company;*
  - *draft, sign and file with the AMF all documentation required in connection with the Offer;*
  - *sign all statements required as part of the Offer; and*
  - *more generally, take all steps and measures necessary or useful for the completion of the Offer, including entering into and signing, in the name and on behalf of the Company, all transactions and documents necessary and related to the completion of the Offer, including any press release.* »

3. INFORMATION OF THE EMPLOYEE REPRESENTATIVE BODIES

The Company's employee representative bodies were informed of the draft Offer on 21 February 2025. On this occasion, they were presented with the content of the Offer and the Offer timetable.

The draft Offer did not raise any substantial questions.

4. Intentions of the members of the Supervisory Board of the Company

In accordance with article 17 of the Company's articles of association and article 2.8 of the internal regulations of the supervisory board of the Company dated 12 December 2024, which require each member of the Supervisory Board to hold 1,000 shares in the Company, each member of the Supervisory Board directly holds at least 1,000 shares, except Marie Deconinck.

The members of the Company's Supervisory Board who attended the meeting at which the Supervisory Board issued its reasoned opinion reproduced in Section 2 of the Draft Response Document stated their intentions as follows:

Name	Position	Number of Shares held at the date of the reasoned opinion	Intention
Mr. Eric La Bonnardière	Chairman of the Supervisory Board	1,000	Contribution of his Shares to the Offer
Mr. Julien Deconinck	Vice-chairman of the Supervisory Board	1,000	Contribution of his Shares to the Offer
Mr. Nicolas Deconinck	Member of the Supervisory Board	1,000	Contribution of his Shares to the Offer
Mrs. Marie Deconinck	Member of the Supervisory Board	0	N/A
Mrs. Marine Charles	Member of the Supervisory Board	1,000	Contribution of her Shares to the Offer
Mrs. Tina Mayn	Member of the Supervisory Board	1,000	Contribution of her Shares to the Offer
Mr. Didier Michaud-Daniel	Member of the Supervisory Board	1,000	Contribution of his Shares to the Offer
Mrs. Sabine Roux de Bézieux	Member of the Supervisory Board	1,000	Contribution of her Shares to the Offer
Mrs. Caroline Tith	Member of the Supervisory Board representing employees	N/A	N/A
Mr. Philippe Willion	Member of the Supervisory Board representing employees	N/A	N/A
Mr. Bernard-André Deconinck	Observer	N/A	N/A
Mr. Claude Ehlinger	Observer	N/A	N/A

5. Intentions of the Company with regard to the treasury shares

As at the date of this Draft Response Document, Tarkett hold 18,559 of its own shares.

The Supervisory Board of 24 April 2025 acknowledged that the 18,559 treasury shares held by the Company are not covered by the Offer and acknowledged, as necessary, that the Company will not tender them to the Offer.

6. AGREEMENTS THAT MAY AFFECT MATERIALLY THE ASSESSMENT OF THE OFFER OR ITS OUTCOME

Except as otherwise provided with respect to the various agreements mentioned in this Section 23 du of the Draft Response Document, the Company is not aware of any other agreement and is not party to any other agreement related to the Offer or that could have a material effect on the assessment of the Offer or its outcome.

6.1. Liquidity Mechanism

The Liquidity Mechanism available to holders of Free Shares Under Retention is described in further detail in Section 1.3.3.2 of the Draft Response Document and in section 1.4.1 of the Draft Offer Document.

6.2. Other agreements of which the Company is aware

As a reminder, as of the date of the Draft Response Document, the following agreements entered into within the framework of the Previous Offer remain in force:

- 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 allotments have been carried out[5].

7. ELEMENTS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A TENDER OFFER

7.1. Information on the shareholder structure and share capital

As of the date of the Draft Response Document, the Company's share capital amounts to 327,751,405 euros, divided into 65,550,281 shares with a nominal value of 5 euros each, and the Company's share capital and voting rights are distributed as follows:

[5] As described in section 2.3.4 of the Company's 2024 universal registration document.

Shareholders	Number of shares	Number of theoretical voting rights	% of 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 shares	18,559	18,559	0.03%	0.01%
Total	**65,550,281**	**123,798,800**	**100%**	**100%**

As of the date of this Draft Response Document, 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.

7.2. Statutory restrictions on the exercise of voting rights and the transfer of Shares, or provisions in agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code

7.2.1. Statutory restrictions on the exercise of voting rights or on transfers of shares

Threshold crossing disclosures requirement

The legal obligations set forth in Article L. 233-7 of the French Commercial Code are applicable.

In addition, article 7 of the Company's articles of association provides for an additional disclosure requirement for any individual or legal entity, acting alone or in concert, who directly or indirectly holds or ceases to hold 1% or more of the Company's share capital or voting rights, or any multiple of this percentage.

Transfer of Shares

There is no provision in the Company's articles of association restricting the transfer of Shares of the Company.

7.2.2. Provision in agreements providing for preferential conditions for the sale or acquisition of shares and relating to at least 0.5% of the Company's capital or voting rights (Article L. 233-11 of the French Commercial Code)

By letters dated April 29, 2021, the Company was informed by SID and Tarkett Participation of the conclusion of the Shareholders' Agreement, constituting an action in concert regarding the Company. The conclusion of the Shareholders' Agreement was also the subject of a notice published by the AMF on May 3, 2021, under number 221C0935, pursuant to Article L. 233-11 of the French Commercial Code. The main provisions of the Shareholders' Agreement are described in the said notice and reminded in Section **Erreur ! Source du renvoi introuvable.** of the Draft Response Document and in section 1.4.2 of the Draft Offer Document.

7.3. Direct and indirect shareholdings in the Company's capital that have been the subject of a threshold crossing disclosure or a declaration of a transaction on securities

As of the date of the Draft Response Document and to the Company's knowledge, the share capital is allocated as indicated in Section **Erreur ! Source du renvoi introuvable.** above.

It is specified that since the 1st of January 2024, the Company has not received any threshold crossing declarations pursuant to Article L. 233-7 of the French Commercial Code.

7.4. List of holders of shares with special control rights and description of these rights

Article 8 of the Company's articles of association states that a double voting right is attached to all fully paid shares held continuously in registered form by the same holder for a minimum period of two (2) years.

This article specifies that in the event of an increase in the Company's share capital through incorporation of reserves, profits or share premiums, this double voting right is granted to the newly issued shares allocated free of charge to a shareholder in relation to his or her existing shares that already carry double voting rights.

Double voting rights terminate if the shares are converted into bearer form or if their ownership is transferred.

7.5. Control mechanisms in a possible employee share ownership plan when control rights are not exercised by employees

None.

7.6. Agreements between shareholders of which the Company is aware that may result in restrictions on the transfer of shares or the exercise of voting rights

With the exception of (i) the agreements described in Section 6 « *Agreements that may materially affect the assessment of the Offer or its outcome* » of the Draft Response Document and in section 1.4 « *Agreements that may materially affect the assessment of the Offer or its outcome* » of the Draft Offer Document, namely the Shareholders' Agreement and the investment and performance share Plans at the level of the Offeror and of the Company, (ii) the agreements described in Section **Erreur ! Source du renvoi introuvable.** « *Provision in agreements providing for preferential conditions for the sale or acquisition of shares and relating to at least 0.5% of the Company's capital or voting rights* » of the Draft Response Document and (iii) the liquidity agreements as described in Section 1.3.3.2 « *Liquidity Mechanism* » of the Draft Response Document, the Company is not aware to date of any agreement in force that could result in restrictions on the transfer of shares and the exercise of voting rights in the Company.

7.7. Rules applicable to the appointment and replacement of members of the Management Board and to the amendment of the Company's articles of association

7.7.1. Rules applicable to the appointment and replacement of members of the Management Board

Under the terms of Article 11 of the Company's articles of association, the Company is managed by a Management Board composed of at least two (2) and at most five (5) members.

If a seat is vacant, the Supervisory Board must fill the vacancy within two months. Failing this, any interested party may ask the President of the Commercial Court, ruling in summary proceedings, to make a provisional appointment; the person thus appointed may be replaced at any time by the Supervisory Board. Members of the Management Board must be natural persons. They are appointed by the Supervisory Board and may be dismissed either by the ordinary general meeting of shareholders or by the Supervisory Board. In the absence of cause (*juste motif*), their dismissal may give rise to damages. Removal from office as a member of the Management Board does not have the effect of terminating the employment contract that the concerned person has entered into with the Company.

In accordance with Article 12 of the Company's articles of association, members of the Management Board are appointed for a three-year term of office, except in the event of appointment to replace a vacant seat, in which case the duties of the member appointed by the Supervisory Board as replacement will expire at the end of the period remaining until the Management Board is renewed.

Members of the Management Board are always eligible for re-election. All members of the Management Board are deemed to have resigned at the end of the general meeting called to approve the accounts for the year in which they reach the age of 65.

The Supervisory Board determines the method and amount of remuneration for each member of the Management Board in the appointment decision. Each member of the Company's Management Board must comply with the regulations in force concerning the limitation of multiple offices. They may not hold office as chief executive officer, member of the management board or sole chief executive officer, nor may they hold more than one office as director or as member of the Supervisory Board in listed companies outside the Group. Each member of the Management Board must seek the opinion of the Supervisory Board before accepting a new corporate office in a listed company over which the Company does not directly or indirectly exercise control.

7.7.2. Rules applicable to the amendment of Tarkett's articles of association

In accordance with Article 25 of the Company's articles of association, ordinary and extraordinary shareholders' meetings vote in accordance with their respective quorum and majority conditions set out by the provisions governing them respectively, and exercise the powers assigned to them by the law.

Consequently, pursuant to Article L.225-96 of the French Commercial Code, the extraordinary general meeting alone is empowered to amend all provisions of the articles of association

Article 4 of the Company's articles of association provides, however, that the registered office may be transferred to any other location in the département of Hauts-de-Seine or in an adjacent département by simple decision of the Supervisory Board, subject to ratification of such decision by the next ordinary general meeting of shareholders, and, everywhere else, by virtue of a resolution of the extraordinary general meeting of shareholders.

7.8. Management Board's powers, in particular to issue or buy back shares

Within the limits of the Company's corporate purpose and subject to any powers expressly reserved by law to the Supervisory Board and general meetings of shareholders and subject to key decisions requiring the prior authorization of the Supervisory Board set forth in Article 16 of the Company's articles of association, the Management Board is vested with the broadest powers vis-à-vis third parties to act in all circumstances on behalf of the Company

In this respect, in accordance with the provisions of Article L.225-68 of the French Commercial Code, guarantees, endorsements and other securities (*cautions, avals et garanties*) beyond a cumulative annual amount set by the Supervisory Board may only be granted by the Management Board after authorization by the Supervisory Board.

In its relationships with third parties, the Company is bound by the decisions of the Management Board even when these do not fall within the corporate purpose, unless the Company proves that the third party knew that the decision went beyond this purpose or that the third party could not have been unaware of that fact in light of the circumstances.

In addition to the legal powers granted to it by law and the Company's articles of association, the Management Board is granted the authorizations and delegations listed below:

Date of the general meeting (Relevant resolution)	Nature of the authorization or delegation granted	Duration (Expiry date)	Maximum nominal amount	Amount spent as of the date of the Draft Response Document
26 April 2024 (18th resolution)	Authorization to be given to the Management Board to trade in the Company's shares	18 months (25 October 2025)	10% of existing shares (1)	None
26 April 2024 (19th resolution)	Authorization to be given to the Management Board to award free shares to employees and/or certain corporate officers of the Company or affiliated companies	General Meeting to approve the financial statements for the year ending 31 December 2024	1% of existing shares	None
21 April 2023 (18th resolution)	Delegation of authority to be granted to the Management Board to increase the share capital by incorporation of premiums, reserves, or otherwise	20 June 2025 (26 months)	50 million euros	None
21 April 2023 (19th resolution)	Delegation of authority to be granted to the Management Board to reduce the share capital through cancellation of treasury shares held by the Company	20 June 2025 (26 months)	10% of existing shares	None

(1) The total amount allocated may not exceed 30 million euros.

7.9. Material agreements entered into by the Company that are amended or terminated in the event of a change of control of Tarkett

Certain of the Company's financing agreements contain an early repayment clause in the event of a change of control of the Company[6]. However, to the Company's knowledge and insofar as, prior to the launch of the Offer, the Company is already controlled by the Offeror, there is no agreement containing a change of control provision that could be triggered by the Offer.

7.10. Agreements providing for indemnities for members of the Management Board, officers or employees of the Company, if they resign or are dismissed without real and serious grounds or if their employment is terminated as a result of a tender offer

As President of the Management Board, Mr. Fabrice Barthélemy has benefitted from a forced departure clause since 14 January 2019. This forced departure severance payment, which is subject to the performance criteria set out below, equates to two years of the gross fixed and variable remuneration received by Mr. Fabrice Barthélemy in the 12 months prior to his forced departure from his office as President of the Management Board

It is subject to a performance criterion, measured on the basis of the level of achievement of the annual objectives set by the Supervisory Board, on proposal by the nomination, compensation and governance committee, which serve to calculate the variable remuneration.

It is equivalent to the average performance achieved by Mr. Fabrice Barthélemy over the 3 calendar years preceding his departure.

If the performance rate is less than 50%, 50% of the severance payment is payable. If the performance rate is between 50% and 100%, the severance payment is calculated in proportion to the performance rate (for example, if the performance rate is 90%, 90% of the severance payment as defined in the first paragraph is payable). If the performance rate is at least 100%, the severance payment is due in full.

This severance is due, subject to the achievement of the performance criteria, in the event of forced departure of the corporate officer, including, in particular, because of a change of control or a disagreement as to strategy, on the initiative of the supervisory board, regardless of the reason for termination of the mandate (dismissal or non-renewal).

No forced departure payment is due if Mr. Fabrice Barthélemy has committed gross misconduct (defined as wrongdoing of an extremely serious nature preventing any continuation of the corporate office) or serious misconduct (defined as wrongdoing of an extremely serious nature committed by an officer with the intention of harming the Company) or has the possibility of claiming his pension rights in the near future.

Should Mr. Fabrice Barthélemy be eligible for both the forced departure severance payment and the non-compete payment, the total amount that Mr. Fabrice Barthélemy would receive is capped to two years of the gross fixed and variable remuneration received in the 12 months prior to his forced departure from his office as President of the Management Board.

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[6] The agreements entered into by the Company that are likely to be subject to renegotiation of their contractual terms in the event of a change of control of the Company are specified in sections 4.3.3 "Financial Debt", 4.3.4 "Conditions of the main credit facilities" and 4.3.5 "Private Placements" of the Company's 2024 universal registration document.

8. Report of the Independant Appraiser

In accordance with Article 261-1 *et seq.* of the AMF's general regulation, Finexsi – Expert & Conseil Financier, represented by Messrs. Olivier Péronnet and Olivier Courau, has been appointed as independent appraiser by the Company's Supervisory Board in order to issue a report on the financial terms of the Offer.

This report, dated 24 April 2025, is provided in its entirety in **Appendix 1** and is an integral part of the Draft Response Document.

9. Provision of the document "Other information" relating to the characteristics, in particular legal, financial and accounting, of the Company

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

10. Person responsible for the response document

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

Tarkett

Represented by Mr. Fabrice Barthélemy, acting in his capacity as President of the Management Board

<u>Appendix 1</u>

Report of the Independant Appraiser

Translation for information purposes only (machine translation) – In case of discrepancy between the French and English version, the French version shall prevail

finexsi

Fairness Opinion

Public Buy-Out Offer (PBO) initiated by Tarkett Participation
followed by a Squeeze-Out

Tarkett

24 April 2025

FINEXSI - EXPERT & CONSEIL FINANCIER
Statutory Audit Firm
Accounting firm registered with the chartered accountants' association of the Paris Île-de-France Region
Member of the organisation A.T.H.
S.A. with a capital of €353,654 - Paris Trade and Companies Register No. B 415 195 189

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Table of Contents

1 Presentation of the Transaction

Tarkett (hereinafter "Tarkett" or the "Company") is a French company specialising in the design, manufacture and marketing of floor coverings and sports surfaces for commercial and residential markets.

The Tarkett group (hereinafter the "Group") is the result of the merger of the French companies Sommer and Allibert (1972) and the merger with the Swedish company Tarkett AG (1997), thus forming the Tarkett Sommer AG group, renamed Tarkett in 2003.

Tarkett has been listed on the regulated market Euronext Paris since 21 November 2013, and on Compartment B since 1 February 2020.

On 26 April 2021, Tarkett Participation[1] initiated a Simplified Tender Offer ("STO") for the shares of Tarkett that it did not already hold, at a price per share of €20.00. At the end of the STO, Tarkett Participation held 86.27% of the Company's capital.

Tarkett Participation continued its purchases of Tarkett securities on and off the market after the closing of the STO and announced, on 28 October 2021, that it held, directly and indirectly, 90.41% of the Company's share capital.

On 20 February 2025, Tarkett Participation (hereinafter the "Offeror") announced to the market its intention to submit a Public Buy-out Offer ("PBO"), followed by a Squeeze-Out ("SO") (hereinafter the "PBO-SO," the "Offer" or the "Transaction") at a price of €16.0 per Tarkett share, which was then increased to €17.0 per Tarkett share on 24 April 2025 ("the Offer Price").

The Offer relates to all the shares already issued not held directly or indirectly by the Offeror, i.e. a total of 6,292,485[2] shares, representing 9.60% of the share capital and 5.29% of the theoretical voting rights. The Offer does not include the 18,559 shares owned by Tarkett or the 32,209 locked-in bonus shares (together, the "Excluded Shares"). The latter are also the subject of a liquidity contract concluded with Messrs Fabrice BARTHÉLEMY and Raphaël BAUER, analysed in section 9 of our report.

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1 Controlled by investment firm Société Investissement Deconinck, itself controlled by the Deconinck family, and acting in concert with Expansion 17 S.C.A., Global Performance 17 S.C.A. (the latter two companies are part of the Wendel group), Mr Fabrice Barthélemy, Chairman of the Company's Management Board and Chairman of the Offeror, and the members of the Deconinck family directly holding shares in the Company.

2 It is specified that the 4,000 shares held directly by members of the Deconinck family (see para. 3.1), deemed to be held by the Offeror, are counted among the 6,292,485 shares subject to the Public Buy-out Offer and will be tendered.

2 Context of our assignment

2.1 Assignment of Finexsi - Expert & Conseil Financier

In connection with the draft PBO-SO, Tarkett's Supervisory Board, at its meeting held on 24 January 2025, appointed, on the recommendation of the Ad Hoc Committee composed of a majority of independent members, the firm Finexsi - Expert & Conseil Financier (hereinafter "Finexsi") as an independent appraiser responsible for assessing the fairness of the financial terms of the Offer.

Subsequent to this appointment, the Company decided to seek confirmation, by a letter sent to the French Financial Markets Authority, the Autorité des Marchés Financiers (the "AMF") on 14 March 2025, of the choice of the independent appraiser in accordance with Article 261-1-1 of the AMF General Regulation. The AMF did not object to the appointment of Finexsi as an independent appraiser.

Our appointment was made on the basis of Articles 261-1 I and II of the AMF General Regulation (hereinafter the "AMF General Regulation") due to (i) the fact that the Company is already controlled by the Offeror (Article 261-1 I 1°), (ii) the existence of agreements between the directors of the Company and the Offeror (Article 261-1 I 2°), (iii) the existence of agreements and related transactions likely to have a significant impact on the price of the Offer (Article 261-1 I 4°), and (iv) the fact that a Squeeze-Out will be implemented at the end of the Offer (Article 261-1 II).

To carry out our assignment, we used publicly-available documents and reviewed accounting and financial information (financial statements, press releases, etc.) that were published or provided to us by the Company or its advisors. These documents and information were regarded as accurate and complete, and were not subject to any particular verification by us. We did not seek to validate the historical and forecast data used, which we only checked for credibility and consistency. The assignment did not include an audit of the financial statements, contracts, litigation and any other documents provided to us.

We cannot be held responsible for the accuracy or completeness of the information collected as part of our assignment.

We would like to point out that this report, drawn up solely for the purposes of the AMF General Regulation in France, does not in any way prejudge any obligations that may arise from foreign legislation, even if the Offer were open to shareholders in other countries.

2.2 Statement of independence

Finexsi, as well as its Partners:

- Are independent within the meaning of Articles 261-1 et seq. of the AMF's general regulation and, as such, are able to draw up the statement of independence provided for in Article 261-4 of the said General Regulation, and do not fall within any of the cases of conflict of interest referred to in Article 1 of AMF Instruction 2006-08;
- Have, on a sustainable basis, the human and material resources necessary to carry out their assignment as well as sufficient insurance or financial resources in relation to the potential risks associated with this assignment;

- Are members of the APEI (a French Professional Association of Independent Appraisers - *Association Professionnelle des Experts Indépendants*), which is recognised by the AMF pursuant to Articles 263-1 et seq. of its General Regulation.

Without calling into question its independence and the objectivity of its judgment in the context of this assignment, Finexsi wishes to point out that it was appointed as an independent appraiser by Tarkett's Supervisory Board on 31 March 2021, upon the recommendation of the ad hoc committee, in connection with the 2021 STO initiated by Tarkett Participation[3] for the Company's shares. That assignment concluded with the submission of our fairness opinion on 20 May 2021.

In the 18 months prior to its appointment in connection with this Transaction (on 24 January 2025), Finexsi did not carry out any work on behalf of the Company, the Offeror, or its shareholders.

2.3 Work performed

The due diligence measures implemented by Finexsi as part of this assignment (details of which are provided in the Appendix) include, in particular, in accordance with the provisions of the AMF General Regulation and its implementing instruction No. 2006-08 on independent appraisals, as well as AMF recommendation 2006-15:

- A detailed understanding of the proposed Transaction, its terms and conditions and the specific context in which it is taking place;
- A review of Tarkett's historical financial performance;
- An analysis of the risks and opportunities identified for Tarkett that could affect its valuation, a summary of which is presented in the form of a SWOT matrix;
- The determination and implementation of a multi-criteria valuation approach for Tarkett, including, in particular:
  - The reasoned choice of valuation criteria (excluded/retained);
  - An analysis of the evolution of the stock price over a relevant period;
  - Review of previous capital transactions;
  - Detailed analysis of the Group’s historical financial statements and business plan with operational management, including the identification of key assumptions considered and an assessment of their relevance, enabling the implementation of cash flow modelling (DCF);
  - Identification of public company comparables and comparable transactions, as well as the use of available information concerning them;
  - An analysis of public information, including a detailed and qualitative analysis of the forecasts used by the sole financial analyst covering Tarkett’s stock (CIC), as well as the price targets published by the latter;
  - Sensitivity tests on the structural assumptions considered;
- On this basis, examination of the positioning of the Offer Price in relation to the results of the various valuation criteria used;

[3] Acting in concert with Trief Corporation SA.

- The critical and independent analysis of the valuation report prepared by the institutions presenting the Offer, namely Rothschild & Co Martin Maurel, Portzamparc BNP Paribas, Crédit Agricole Corporate and Investment Bank (CACIB) and Société Générale (together the “Presenting Institutions”);
- The analysis of agreements and related transactions likely to have a significant impact on the price of the Offer in accordance with paragraph 4 of Article 261-1 I of the aforementioned general regulation;
- Analysis of the comments received from shareholders of the Company;
- Reporting as our work progresses to the ad hoc Committee responsible for overseeing the progress of our mission;
- The preparation of a report, the conclusion of which is presented in the form of a fairness opinion for Tarkett’s Supervisory Board, outlining the valuation of the Company’s shares and our opinion regarding the fairness of the Offer Price.

As part of our mission, we have reviewed a set of accounting and financial information (financial statements, press releases, etc.) published by the Company for the most recently ended financial years and the current financial year.

We have carried out due diligence on the legal documentation made available to us, within the strict limits and for the sole purpose of collecting information useful to our mission. It is not part of Finexsi’s mission to audit the financial statements, contracts, disputes and any other documents provided to it.

We met on several occasions with the Company’s management, both to understand the context of the Offer and to understand the current financial situation, business outlook, and resulting financial forecasts.

We assessed the economic assumptions underlying the forecast data underlying the Company’s financial trajectory in order to implement a discounted cash flow approach.

As regards analogue valuation methods (public company comparables and comparable transactions), we reviewed publicly available information on companies and comparable transactions from our financial databases.

Finally, we have reviewed the work of the Presenting Institutions, as presented in the Offer Price Assessment Report and summarized in the draft offer document dated 23 April 2024. In this context, we held several working meetings with the representatives of the Presenting Institutions.

An independent review was conducted by Mr Lucas Robin, Partner of the firm and specialist in financial assessment, who was not involved in the matter.

3 Presentation of Tarkett

3.1 Brief History of the Group

The Group was formed from the merger of the French company Sommer Allibert S.A. and the Swedish company Tarkett AG in 1997. Since then, the Group has reorganised and permanently refocused its business on the production of floor coverings, and sold part of its historical automotive equipment activities and its housing division. In 2003, the Company changed its name to Tarkett.

The following are the key milestones in the Company's development.

Figure 1 - Brief History of Tarkett

- **1997:** Company was founded through the merger of Sommer Allibert S.A. and Tarkett AG
- **1997 - 2001:** Strategy to refocus on flooring with the sale of other businesses, including automotive equipment in 2001.

- **2006:** The subsidiary Tarkett AG was delisted from the Frankfurt Stock Exchange.
- **2007** : Indirect acquisition of approximately 50% of the Company's capital by investment funds managed by KKR, alongside the Deconinck family.
- **2007 - 2015** : significant external growth policy, including **Defargo** (2007), a Canadian company specialising in the manufacture of sports surfaces, **Beynon Sports Surfaces** (2008), an American specialist in athletics tracks, **Fademac** (2009), a Brazilian manufacturer of PVC flooring, **Marty AA Sports** (2011), a specialist in sports equipment, **Tandus** (2012), an American specialist in carpets, **Renner Sports Surfaces** (2014), an American company specialising in athletics tracks and sports fields, **California Track & Engineering** (2015), an American company specialising in sports surfaces.
- **2013:** IPO of the Group on the Paris Stock Exchange (Euronext).

- **2002:** partnership with the Serbian company Sintelon AD (finally absorbed in 2009), specialising in floor coverings, thus strengthening its activities in Eastern Europe and its presence in Russia.
- **2003:** The Company changes its name to Tarkett.
- **2004 - 2005:** entry into the sports surfaces segment with a minority stake and then a takeover of the Canadian company **FieldTurf.**
- **2005:** acquisition of the American manufacturer of resilient flooring and accessories **Johnsonite.**

- **2016:** integration of previously acquired companies and final withdrawal of KKR from the capital.
- **2018:** acquisition of **Lexmark Carpet Mills,** a carpet manufacturer operating in the hospitality sector in North America.
- **2019:** launch of the “Change to Win” strategic plan (2019 - 2022) based on the following four pillars: sustainable growth by focusing on selected segments, a customer-centric approach, deployment of the circular economy, and a cost-cutting programme.
- **2021:** completion of the STO.
- **2022:** launch of the “ImpacT2027” strategic plan (2023 - 2027) (see §16).
- **2024:** acquisition of the following US companies: **Classic Turf & Tracks** (specialist in sports surfaces), **Benchmark Contracting** (specialist in construction) and **Precision Construction and Contracting** (specialist in sports surfaces).
- **2025:** acquisitions **of Mid Atlantic Sports Construction** (including **Anchor Management Group)** and **Deluxe** (sports surfaces specialists in the United States).

Sources: URD 2024, Finexsi analyses

3.2 Presentation of the shareholder structure

As at 31 March 2025, the distribution of Tarkett's capital and theoretical voting rights was as follows:

Table 1 - Ownership structure of the Tarkett group as at 31 March 2025

Ownership structure	Share capital		Theoretical voting rights	
	Number	in %	Number	in %
Offeror*	59,207,028	90.32%	117,187,257	94.66%
Public	6,324,694	9.65%	6,592,984	5.33%
Treasury shares	18,559	0.03%	18,559	0.01%
Total	**65,550,281**	**100%**	**123,798,800**	**100%**

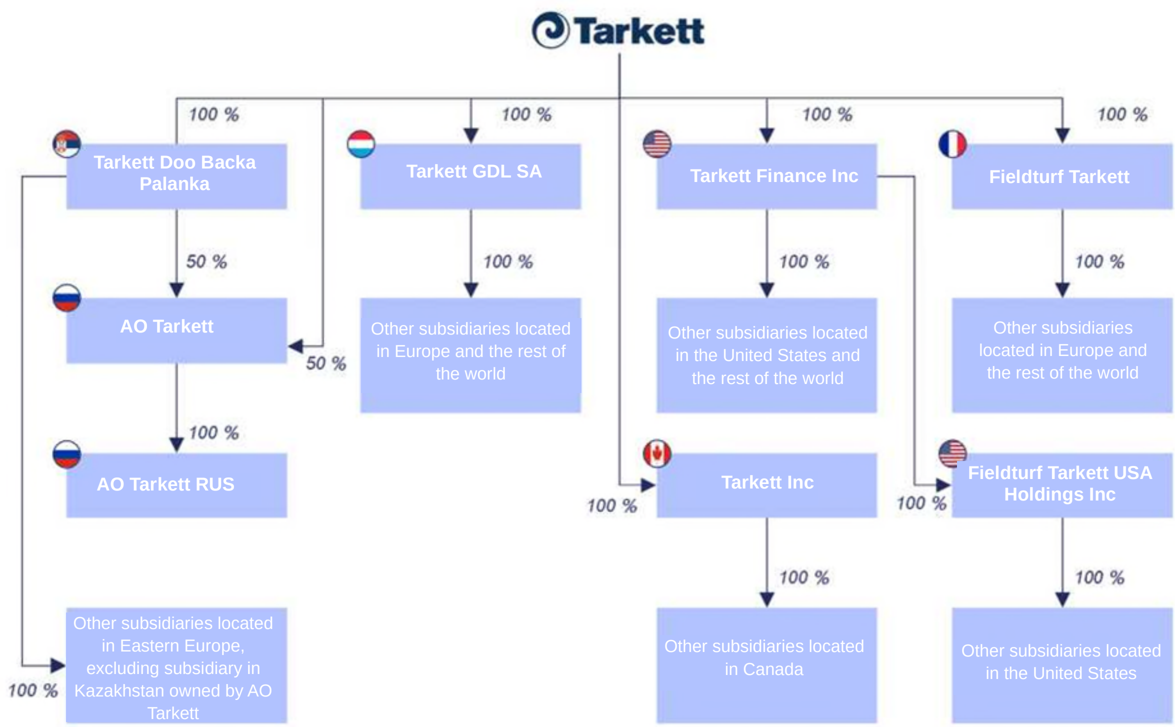
**The Offeror, Tarkett Participation, controlled by the company Investissement Deconinck, which is itself controlled by the Deconinck family, acts in concert with Expansion 17 S.C.A., Global Performance 17 S.C.A. (the latter two companies are part of the Wendel group), Mr Fabrice Barthélemy, Chairman of the Company's Management Board and Chairman of the Offeror, and the members of the Deconinck family directly holding shares in the Company.*

Source: Draft Offer Document

3.3 Simplified legal organisation chart

We present below Tarkett's simplified legal organisation chart as at 31 December 2024.

Figure 2 - Simplified Group organisation chart as at 31 December 2024



Source: URD 2024

3.4 Presentation of the Group's activity

Tarkett specialises in flooring for the commercial, residential and sports sectors. The Group offers a wide range of products tailored to the renovation (80% of 2024 turnover) and construction (20% of 2024 turnover) markets, taking into account the specific characteristics and needs of each region.

The Company controls a large part of its value chain, from the design, manufacture and installation of floor coverings. The distribution of its products is mainly based on a diverse network of intermediaries (wholesalers, large retail chains, installers, independent stores and specialty brands) which then sell to end customers.

As at 31 December 2024, the Group generated 32% of its turnover in the sports surfaces segment and 68% in the floor coverings segment.

Below is the breakdown of turnover by (i) product type and (ii) operating segments as at 31 December 2024.

Figure 3 - Breakdown of turnover by product type as at 31 December 2024

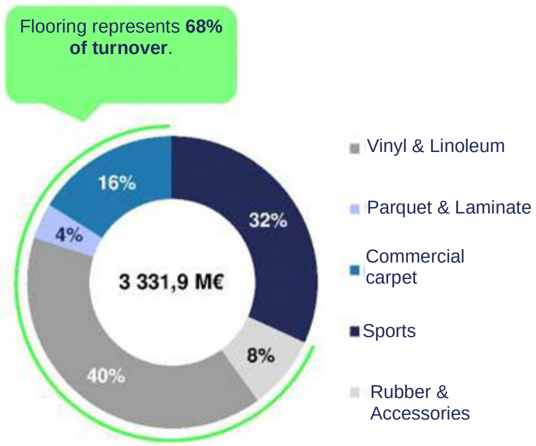
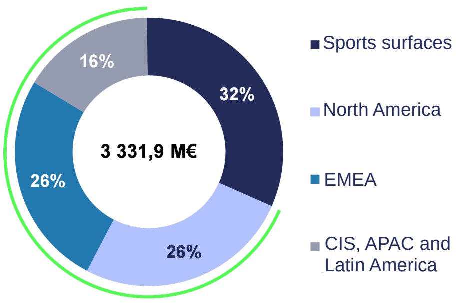


Figure 4 - Breakdown of turnover by operating segments as at 31 December 2024



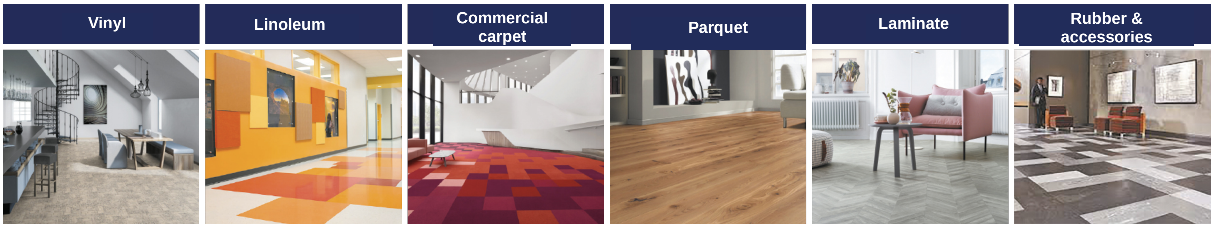
Notes: "CIS" means "Community of Independent States" and includes Russia, Belarus, Kazakhstan and Eastern Europe (Balkans); "APAC" means the Asia-Pacific region; and "EMEA" means Europe, the Middle East and Africa.

Source: URD 2024

3.4.1 "Floor coverings" activity (68% of 2024 turnover)

The flooring business, deployed in all countries in which Tarkett operates, comprises a broad product offering with a varied choice of materials, including resilient flooring consisting of vinyl or linoleum (40% of 2024 turnover), parquet and laminate flooring (4% of 2024 turnover), commercial carpeting (16% of 2024 turnover), and rubber flooring and accessories (8% of turnover).

Figure 5 - Illustrations of product uses in the commercial and residential sectors



Sources: Company, Finexsi analyses

This business serves the healthcare (hospitals, specialised senior living facilities, etc.), education (nurseries, schools), offices, retail, hospitality, and residential (apartments and houses) sectors.

3.4.2 The "sports surfaces" business (32% of 2024 turnover)

The Group's offering in this segment consists of artificial turf, athletics tracks, and flooring for indoor sports areas, intended for local authorities and educational institutions (universities, schools). Artificial turf is also available to residential users and used for landscaping, particularly in North America.

Figure 6 - Illustrations of the uses of sports surfaces

Sources: Company, Finexsi analyses

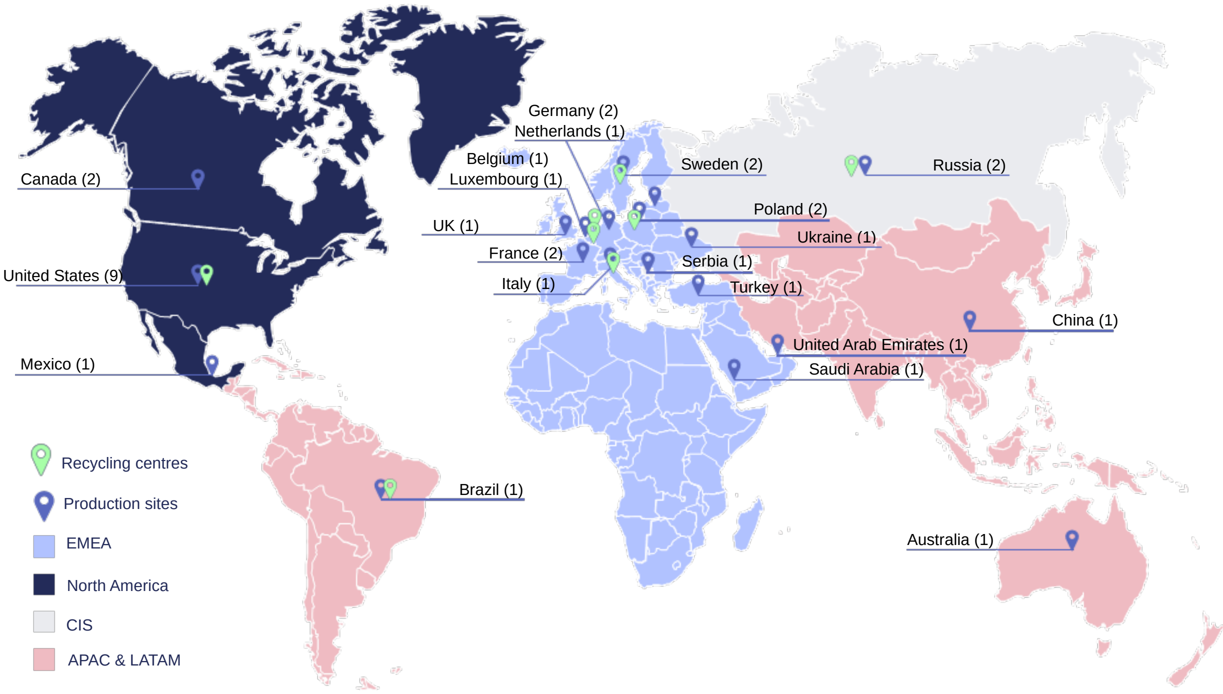
Artificial turf represents a significant portion of Tarkett's sports surfaces business, making it a leader in this segment, particularly in North America. It is certified by the Fédération Internationale de Football Association ("FIFA"), World Rugby, and the International Hockey Federation ("FIH"), making it suitable for high-level sporting events. However, sales are mainly to educational institutions (schools and universities) for their sports facilities and to local authorities. The Group is the leading manufacturer of athletics tracks in North America, which is the world's leading market for this product.

The Group primarily markets sports surfaces in the United States and Canada, but is also present in Europe (France, Spain, Benelux, and the United Kingdom) and in Asia-Pacific.

3.5 Tarkett's geographical presence

Thanks to significant investments and several acquisitions in the past, Tarkett has a broad international footprint. The Company markets its products to thousands of customers in over 100 countries and has 35 production sites and 8 recycling centres worldwide.

Figure 7 - Geographical location of the business



Source: DEU 2024

3.6 Presentation of the Group's strategy and its innovation policy

In 2023, Tarkett announced its strategic plan "*ImpacT 2027*," based on the ambition to become the world's leading commercial floor coverings and sports surfaces company, while developing its business in the residential sector in a targeted manner. Tarkett also aims to become a major player in the circular economy. To achieve this vision, the Group relies on four strategic pillars:

- Empowering its high-performing teams to deliver on their promises
- Providing a first-class customer experience
- Creating innovative products and services
- Leading the way in sustainability

Finally, research and innovation are at the heart of Tarkett's strategy, with stable investment, representing around 1% of turnover in the last three years (reaching €33m in 2024). The Group focuses on integrating innovations in its industrial products and processes to meet the needs of the residential and commercial markets while respecting the environment.

Tarkett has a network of 23 laboratories in 17 countries and an international research centre in Luxembourg with more than 200 experts. The Group strengthens its know-how through scientific partnerships, such as with EPEA[4], the University of Strasbourg and the Ecole des Mines de Douai, and devotes 21% of its R&D budget to external collaborations. As at 31 December 2024, Tarkett holds 137 active patent families in 40 countries. Since 2009, the Company has been conducting a cost-cutting programme, combined with the roll-out of World Class Manufacturing programme, generating annual savings in excess of 2% of the cost of sales.

4 The EPEA, or "*Environment Protection Encouragement Agency*," is an organisation specialising in the circular economy and sustainable design consulting.

4 Characteristics of Tarkett’s economic and competitive environment

Our work is based on Tarkett’s DEU 2024 and on publicly-available information.

4.1 Presentation of the flooring and sports surface markets

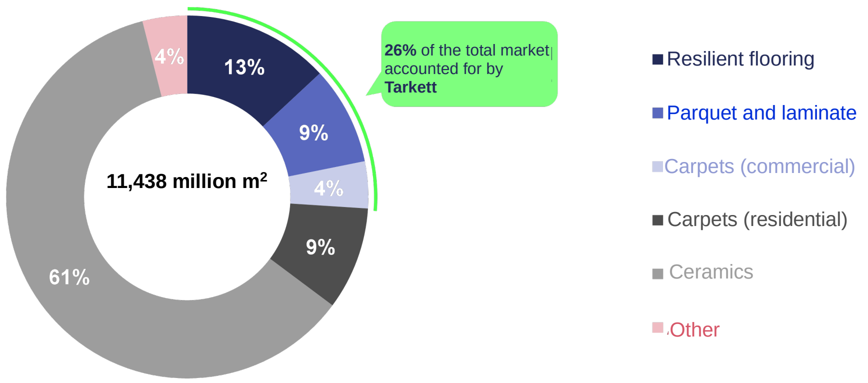
The flooring market consists of several product categories:

- **Resilient floor coverings**: this refers to vinyl flooring (mainly made from PVC[5] and plasticisers), linoleum or rubber flooring. These products are available in rolls, tiles, or planks;
- **Hard flooring**: This includes parquet, laminate, tiling, ceramics (a market in which Tarkett is not present), and rigid vinyl planks or tiles;
- **Textile flooring**: This mainly includes carpet (tiles or rolls) and rugs;
- **Sports surfaces**: These are divided into indoor sports surfaces, such as those for gyms and locker rooms (synthetic or parquet), and outdoor surfaces (artificial turf, natural turf, or athletics tracks);
- **Specialty floors**: There are different types, such as concrete, bamboo, and metal floors. However, it should be noted that Tarkett does not operate in this market.

4.1.1 Flooring market (excluding sports surfaces and specialty floors)

In 2023, the global flooring market was estimated to represent 11,438 million square metres, excluding sports surfaces and specialty floors, and was broken down as follows:

Figure 8 - Estimated sales volumes of floorings worldwide by product category in 2023



Source: URD 2024

The products sold by Tarkett account for about 26% of the market.

The flooring market is characterised by significant geographic disparities due to climatic, cultural and regulatory factors. However, in the commercial market, demand from hotels and offices acts as a catalyst for the standardisation of needs on a global scale, where standards and tastes are often globalised.

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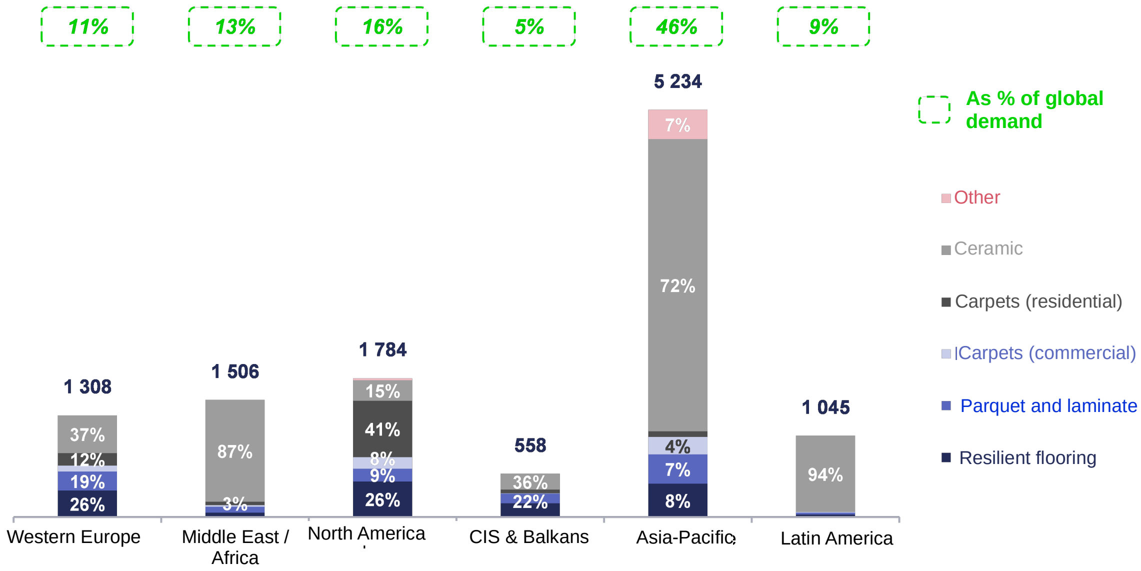
5 "PVC," which stands for polyvinyl chloride, is a material used in vinyl flooring.

Figure 9 - Estimated sales volumes of flooring by product categories and geographic area in 2023 (in millions of square metres)



Source: DEU 2024

Ceramic flooring is the most widely used in the Middle East/Africa, Asia-Pacific, and Latin America, primarily due to climate conditions. Although ceramics is also the most widespread flooring in Western Europe, demand in this geographical area varies between northern and southern countries. For example, carpeting is widespread in the United Kingdom, while parquet floors are more popular in the Nordic countries. Finally, in North America, carpeting is the most widely used floor covering, both for residential and commercial use.

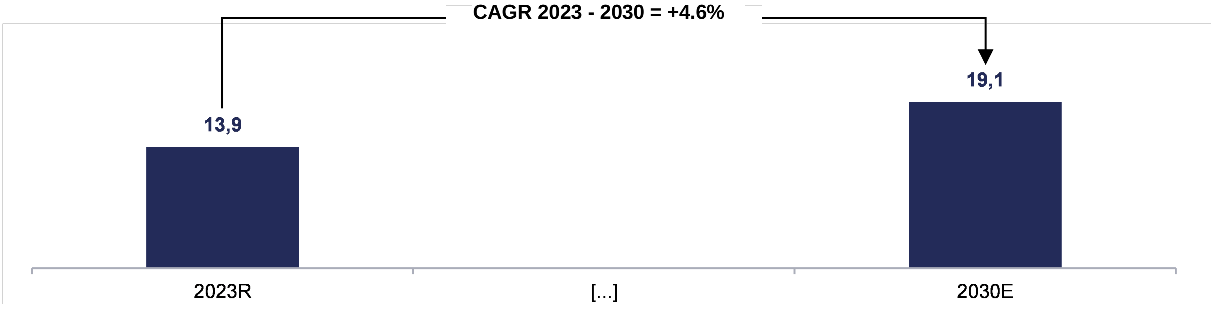
In a deteriorating economic and financial context (2020 health crisis, rising interest rates, inflation, etc.), the flooring market is declining, falling from 14,087 million square metres in 2019 to 11,438 million square metres in 2023, a decrease of nearly 19% in four years.

4.1.2 Sports surfaces market

As indicated above (see section 3.4.2), the Company is also present in the sports surfaces market. These coverings are used in a variety of applications: outdoors (such as artificial turf and athletics tracks) and indoors (basketball courts, dance halls, gyms, etc.).

This market reached $13.9 billion in 2023 and is expected to reach $19.1 billion in 2030, representing a compound annual growth rate of +4.6%.

Figure 10 - Forecast evolution of the global market for sports surfaces (in billions of USD)



Source: Finexsi analysis, Data Bridge Market Research

This growth is mainly driven by the growing popularity of sports activities and increased investment in sports infrastructure.

The flooring business is subject to strong seasonality, with a peak during the summer.

4.2 Competitive landscape of Tarkett's market

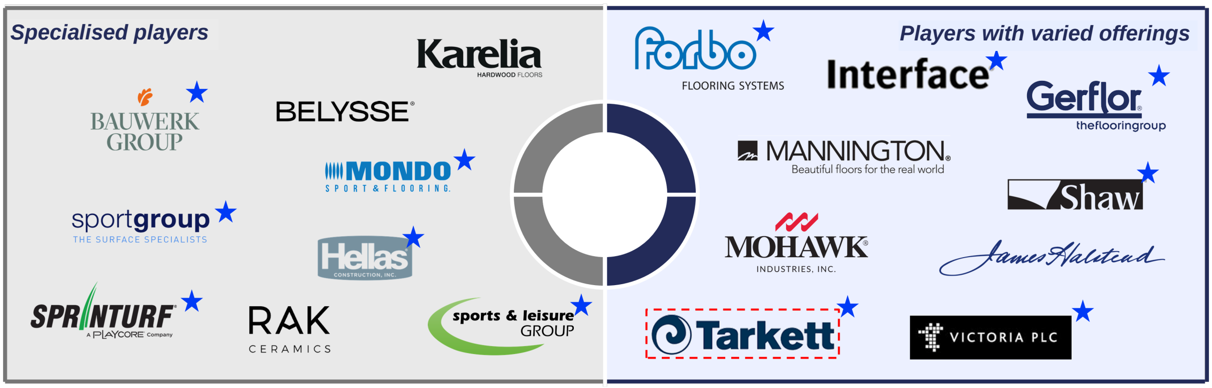
The flooring market is characterised by intense competition and a fragmentation of players. The market players can be considered to fall into one of two categories, as follows:

- **Global manufacturers with varied offerings**: multinational companies operating on several continents, presenting a wide range of flooring products. Tarkett falls into this category, alongside other companies such as Mohawk Industries, Interface, Forbo Holdings, James Halstead, Victoria, Shaw Industries, and Gerflor.
- **Specialised manufacturers**: companies that offer a product line focused on one or two types of products, characterised by their primary manufacturing material or use. For example, the Swiss company Bauwerk Parkett specialises in parquet flooring, and the Belgian group Belysse specialises in textile flooring (carpets and rugs). In the "sports surfaces" segment, many companies, such as Sport Leisure Group and Hellas Construction, only sell artificial turf.

In addition to these players, some less specialised companies have one or more distinct business units operating in the flooring market, such as the Korean company LG Hausys, which offers resilient flooring as well as PVC windows, automotive upholstery, wallpaper, and furniture coverings. The Stockmeier Group develops polyurethane sports surfaces and chemical components.

The figure below summarizes the main competitors in the flooring and sports surfaces market.

Figure 11 - Tarkett's main competitors



★Players offering sports surfaces

Source: Finexsi analyses

4.3 Structural elements of the flooring and sports surfaces market

4.3.1 A business sensitive to economic cycles

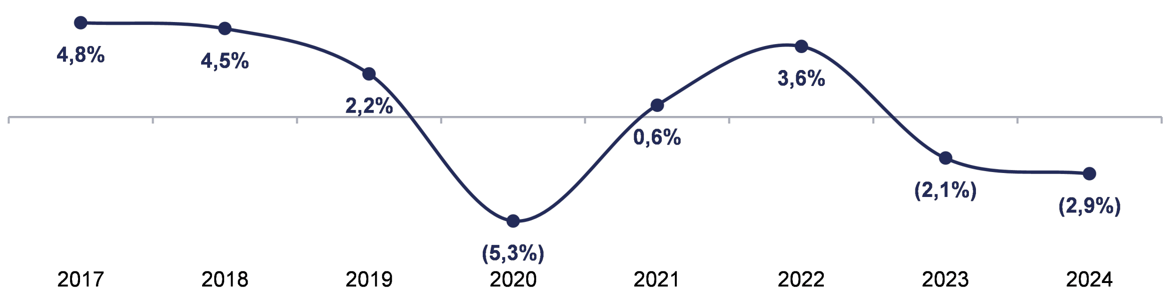
4.3.1.1 The construction and maintenance-renovation market

The flooring market is dependent on the completion of new real estate projects (residential, office, or sports facilities) as well as renovation projects for existing buildings. It should be noted that about 80% of the Company's 2024 turnover is generated from the renovation and maintenance market.

The macroeconomic context, fluctuations in interest rates, inflation, and, more generally, the confidence of economic actors are the main factors directly impacting the real estate market.

The following represents the variations in production in the construction market in the European Union.

Figure 12 - Percentage change in production in the construction market compared to the same period in the previous year in the 27 countries of the European Union



Sources: Eurostat (annual data)

The deteriorating economic situation in recent years due to (i) the global health crisis of 2020 (delaying or cancelling many construction or renovation projects), (ii) the inflationary environment on raw materials and energy, as a result of the conflict in Ukraine (to be expanded upon below (see section 4.3.2)), and (iii) the increase in interest rates in 2023-2024 has affected the ability of economic agents to carry out new construction projects, particularly in the European market, which has experienced several years of decline since 2020.

The US construction market, for its part, experienced mixed dynamics between 2019 and 2024. The commercial segment, measured using the ABI[6], remained resilient until 2021, before falling below the threshold of 50 in 2022-24, affected by inflation. The residential segment, tracked by the Housing Market Index (hereinafter "HMI"), fell sharply between 2021 and 2022 due to rising interest rates, complicating access to financing. The HMI stabilized at a low level of 45 in 2023-24[7], with no signs of improvement.

The maintenance-renovation market is generally less sensitive to economic cycles than the construction market. Despite the rise in interest rates in recent years, the market is showing a certain resilience, notably due to recurrent needs (maintenance, energy compliance, or urgent repairs) which cannot always be postponed, even in times of economic downturn. The market has nevertheless been impacted by the recent macroeconomic environment.

4.3.1.2 Dependence on State funding

The public sector construction and renovation markets depend on budgets allocated by governments. As a reminder, Tarkett sells a large part of its products to public institutions, such as schools and healthcare facilities (see section 3.4).

Recent years have been marked by a decline in public spending allocated to this sector, particularly in Europe, where sports facilities and public establishments have been impacted by budgetary constraints.

4.3.2 Changes in the price of raw materials and the cost of energy

The market for flooring products is heavily impacted by changes in the prices of raw materials used to manufacture them. In 2023, petroleum-based products accounted for just over 50% of Tarkett’s raw material purchases, while wood accounted for approximately 5%.

Furthermore, this business is affected by fluctuations in energy costs for factory operations.

The Russian-Ukrainian conflict, which began in February 2022, has had a major impact on energy markets, particularly oil. In 2022, the price of a barrel of oil averaged $97.90, compared to $70.40 the previous year. This increase in the price per barrel led to a significant increase in the prices of petroleum-based raw materials, which manufacturers had to incorporate into (at least in part) their sales prices. In 2023 and 2024, the price of a barrel of oil remained high, around $80, limiting any significant decline in production costs. This situation has encouraged industry players to optimize their supply chains and explore more sustainable alternatives to contain rising energy costs.

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[6] The *Architectural Billing Index* (hereinafter "ABI") reflects the billing activity of architectural firms in the United States, serving as a measure of non-residential construction activity. In general, an ABI above 50 indicates an expansion of activity, while an index below 50 suggests a contraction.

[7] Source: NAHB/Wells Fargo National HMI - History, Average between 2019 and 2024.

Figure 13 - Change in the price of a barrel of oil (in USD) between 2019 and 2025

Source: Capital IQ

Finally, in order to meet environmental requirements, the Group is increasingly using innovative raw materials from the circular economy.

4.3.3 Compliance with product manufacturing standards

The manufacturing of flooring products is governed by numerous standards and certifications, notably depending on their use (domestic, commercial, and light industrial) and the country where they are applied. We make a distinction between mandatory standards found at an international ("ISO" standards), European ("CEN" standards), or national level, and standards voluntarily applied in order to comply with customer requests. Tarkett voluntarily applies certain standards required by the commercial market.

The flooring market also correlates strongly with ESG standards[8], as they directly influence the choice of materials used, of manufacturing, marketing and installation processes, as well as waste management.

4.4 Tarkett's Future Prospects

According to the Company, market conditions are not expected to improve in the short term. In particular, the Group expects weak growth in EMEA, without a clear positive medium-term outlook.

At the time of preparing the business plan, the Group anticipated a more dynamic economic environment for North America than in Europe. The commercial segment was expected to grow, with greater resilience than the residential segment.

The CIS region remains heavily impacted by the Russian market, with no improvement anticipated in the short and medium term. In this regard, the Company has revised downward its business forecast for December 2024. This change comes against a backdrop of tightening international sanctions and a slowdown in the country's economic activity.

Finally, the sports surfaces segment remains the most buoyant, albeit in a context that has slowed down compared to previous years.

[8] "ESG" stands for "Environmental, Social and Governance."

It should also be noted that the global geopolitical context could also have an impact on business, particularly through protectionist measures recently implemented or announced by the U.S. government (particularly the increase in customs duties for Mexico and Canada).

5 Financial analysis of Tarkett

Tarkett's consolidated financial statements for the years 2020 to 2024 presented below have been prepared in accordance with IFRS as endorsed by the European Union and have been certified without qualification by the statutory auditors, KPMG and Forvis Mazars.

The Company closes its accounts on 31 December of each year.

5.1 Tarkett's Income Statement for the Period 2020-2024

The changes in Tarkett's consolidated income statement aggregates are summarized below.

Table 2 - Tarkett's consolidated income statement for the period 2020-2024

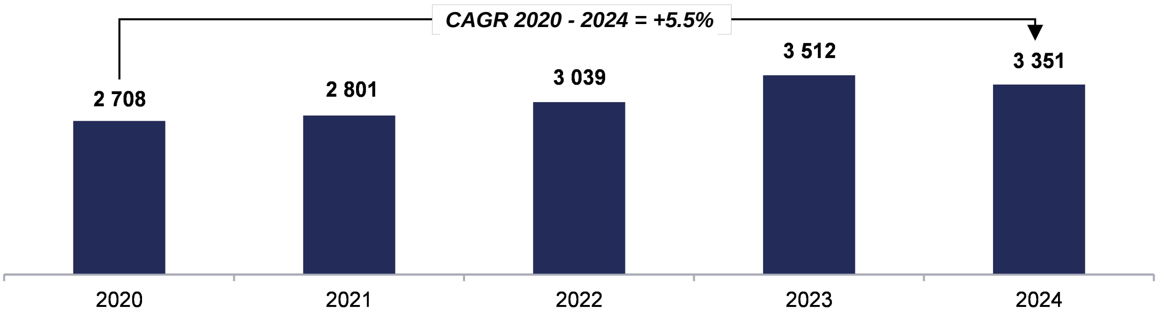
In € M - over 12 months	2020	2021	2022	2023	2024	CAGR 20-24
Net turnover	**2,632.9**	**2,792.1**	**3,358.9**	**3,363.1**	**3,331.9**	*6.1%*
Growth (in %)	*(12.0%)*	*6.0%*	*20.3%*	*0.1%*	*(0.9%)*	
Cost of goods sold	(2,054.1)	(2,241.5)	(2,753.8)	(2,631.2)	(2,681.9)	*6.9%*
Gross margin	**578.8**	**550.6**	**605.1**	**731.9**	**650.0**	*2.9%*
As a % of turnover	*22.0%*	*19.7%*	*18.0%*	*21.8%*	*19.5%*	
Other operating income	14.5	12.2	10.7	13.5	24.1	*13.5%*
Commercial expenses	(325.2)	(296.0)	(345.1)	(362.3)	(357.9)	*2.4%*
Research and development costs	(25.0)	(23.1)	(25.5)	(30.1)	(35.4)	*9.1%*
General and administrative overhead	(176.9)	(172.9)	(184.1)	(211.8)	(229.4)	*6.7%*
Other operating expenses	(18.8)	(11.2)	(16.7)	(16.1)	(15.2)	*(5.2%)*
Depreciation and impairment	211.2	149.2	152.0	133.2	247.6	*4.1%*
Other	1.7	(0.1)	(1.0)	1.7	1.0	*(12.4%)*
EBITDA	**260.2**	**208.6**	**195.4**	**260.0**	**284.7**	*2.3%*
EBITDA margin (as % of turnover)	*9.9%*	*7.5%*	*5.8%*	*7.7%*	*8.5%*	
Depreciation and impairment	(211.2)	(149.2)	(152.0)	(133.2)	(247.6)	*4.1%*
Other	(1.7)	0.1	1.0	(1.7)	(1.0)	*(12.4%)*
EBIT	**47.4**	**59.6**	**44.4**	**125.1**	**36.2**	*(6.5%)*
EBIT margin (as % of turnover)	*1.8%*	*2.1%*	*1.3%*	*3.7%*	*1.1%*	
Financial income	0.6	1.0	2.6	7.2	9.7	
Financial expenses	(34.2)	(39.7)	(53.8)	(76.4)	(72.0)	
Financial result	**(33.7)**	**(38.8)**	**(51.3)**	**(69.2)**	**(62.3)**	
Share of the net result of the company	(1.2)	5.3	(1.0)	(0.1)	-	
Income before tax	**12.4**	**26.1**	**(7.9)**	**55.8**	**(26.1)**	
Income tax	(31.5)	(11.0)	(18.1)	(35.4)	(35.9)	
Net income from continuing operations	**(19.1)**	**15.1**	**(26.0)**	**20.5**	**(62.0)**	
Attributable to:						
Shareholders of the Parent Company	*(19.1)*	*15.1*	*(26.8)*	*20.4*	*(62.6)*	
Non-controlling interests	-	-	*0.8*	*0.1*	*0.6*	
Net result for the period	**(19.1)**	**15.1**	**(26.0)**	**20.5**	**(62.0)**	
Margin of net result (as a % of turnover)	*(0.7%)*	*0.5%*	*(0.8%)*	*0.6%*	*(1.9%)*	

Source: URDs 2020 to 2024

Turnover

The Group has historically relied on an expansionary external growth policy, as presented in section 3.1. The Company's organic turnover[9] is presented below.

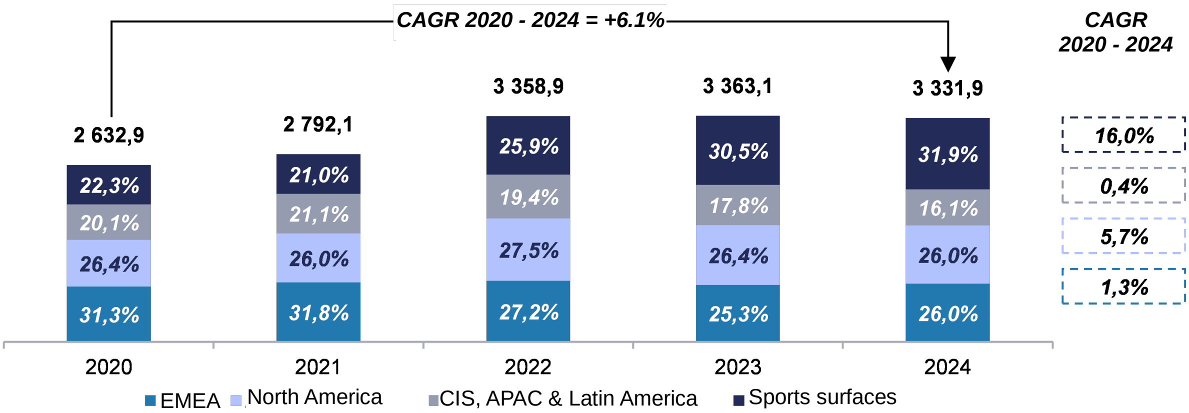
Figure 14 - Evolution of organic turnover between 2020 and 2024 (in €m)



Source: URDs 2020 to 2024, Finexsi analyses

The difference between the organic turnover and the Group's consolidated turnover, presented below, corresponds to (i) the scope effect of acquisitions, (ii) the effect of currencies and (iii) the lag effect[10] of the CIS region.

Figure 15 – Changes in the percentage of turnover generated per operating segment between 2020 and 2024 (in € m)



Source: URDs 2020 to 2024, Finexsi analyses

Over the period under review, Tarkett's turnover grew at an average annual rate of 6.1%, marked by significant disparities between the Group's different operating segments. The sports surfaces operating segment grew at an average annual rate of 16.0%, compared to 0.4% for the CIS, APAC & Latin America regions. The CIS region includes the Group's activities in Russia and is particularly impacted by the war in Ukraine. This faster growth in the sports surfaces segment has led to a change in the distribution of Tarkett's turnover, with sports surfaces now predominating and accounting for 31.9% of 2024 turnover, compared to 22.3% in 2020.

9 Excluding acquisitions, foreign exchange effects and sales price adjustments.
10 "Difference between currency fluctuations in the CIS region and sales price adjustments" (source: 2024 consolidated financial statements).

- In 2021, the Group's turnover was €2,792.1 million, up 6.0% compared to 2020. This growth is mainly due to a combined increase in sales prices and volumes across all operating segments. This price increase was implemented with the aim of partially offsetting inflation;
- Turnover for the 2022 financial year amounted to €3,358.9 million, up 20.3% compared to 2021. Organic growth across the various segments was 8.9%, mainly driven by the sports surfaces segment, which grew 48.1% thanks to higher volumes. In North America and EMEA, the commercial segment generally outperformed the residential segment, which was particularly impacted by rising interest rates and inflation. Sales in the CIS, APAC, and Latin America regions declined over the period, due to a 13.9% decline in volumes following the outbreak of the conflict in Ukraine.
- In 2023, turnover stood at €3,363.1 million, stable compared to 2022. This stagnation can be explained by the -6.1% decline in the flooring segment in a challenging market environment, still marked by high interest rates and inflation. This decline was offset by the dynamism of the sports surfaces market, up 17.8% compared to 2022.
- In 2024, the Group had turnover of €3,331.9 million, down 0.9% compared to the previous year, which can be explained by the contraction in demand for flooring in a macroeconomic environment still marked by high interest rates, particularly in EMEA and the CIS. The CIS region is also particularly impacted by the Russian economic slowdown, in a context of high inflation. Finally, the sports surfaces division continued to grow, but at a slower pace, after two particularly exceptional years. In addition, this segment benefited from the acquisition of Classic Turf in July 2024.

Adjusted EBITDA before IFRS 16

The following presents the transition from EBITDA to adjusted EBIT before IFRS 16, as published by the Company.

Table 3 - Transition from EBITDA to adjusted EBIT before IFRS 16

In € M - over 12 months	2020	2021	2022	2023	2024	CAGR 20-24
EBITDA (post-IFRS16)	**260.2**	**208.6**	**195.4**	**260.0**	**284.7**	*2.3%*
EBITDA margin	*9.9%*	*7.5%*	*5.8%*	*7.7%*	*8.5%*	
Restructuring	13.3	11.4	16.5	8.4	23.4	*15.2%*
Result on disposal of assets/impairment loss	(3.5)	(1.9)	7.7	2.0	(9.4)	*28.0%*
Acquisition and business combinations	2.4	0.6	0.5	-	3.5	*9.9%*
Long-term employee incentive plans	2.9	3.1	6.3	9.5	15.5	*52.0%*
Other	2.6	7.3	8.6	7.8	11.5	*45.0%*
Adjusted EBITDA (post-IFRS16)	**277.9**	**229.0**	**234.9**	**287.8**	**329.3**	*4.3%*
Adjusted EBITDA margin	*10.6%*	*8.2%*	*7.0%*	*8.6%*	*9.9%*	
Depreciation and impairment (IFRS 16)	(34.8)	(29.1)	(31.5)	(33.3)	(37.1)	*1.6%*
Financial expenses (IFRS 16) and others	3.9	(2.2)	(2.8)	(6.5)	(6.0)	
Adjusted EBITDA before IFRS 16	**247.0**	**197.7**	**200.6**	**248.0**	**286.2**	*3.8%*
Adjusted EBITDA margin before IFRS 16	*9.4%*	*7.1%*	*6.0%*	*7.4%*	*8.6%*	
Depreciation and impairment (other)	(129.0)	(119.9)	(117.6)	(100.4)	(101.4)	*(5.8%)*
Adjusted EBIT before IFRS 16	**118.0**	**77.8**	**83.0**	**147.6**	**184.8**	*11.9%*
Adjusted EBIT margin before IFRS 16	*4.5%*	*2.8%*	*2.5%*	*4.4%*	*5.5%*	

Source: URDs 2020 to 2024

EBITDA is adjusted for the following items:

- Restructuring costs aimed at optimising production and also corresponding to cost-saving initiatives on overheads (in line with the Group's desire to reduce its costs);
- Capital gains and losses realised on significant asset disposals;
- Impairment provisions and provision reversals based solely on impairment tests performed by the Group[11];
- Costs related to business combinations and legal restructurings;
- Expenses related to employee long-term incentive plans (related to LTIP[12]) put in place by Tarkett to retain its staff. Since 2022, these plans have been composed of phantom shares and are subject to performance targets;
- One-off items, considered non-recurring by nature.

Over the period under review, the Group's adjusted EBITDA before IFRS 16 increased at a compound annual growth rate of +3.8%, from €247.0 million in 2020 to €286.2 million in 2024. This growth, which was slower than that of turnover (+6.1% between 2020 and 2024), led to a decrease in the adjusted EBITDA margin rate before IFRS 16 of 0.8 points compared to 2020, such rate being 8.6% at the end of the 2024 financial year. Over the period, the adjusted EBITDA margin rate before IFRS 16 varied from year to year.

11 Adjusted EBITDA is therefore not impacted by the asset impairments recorded in 2024 for €111 million.
12 LTIP stands for "Long Term Incentive Plan."

- In 2021, adjusted EBITDA before IFRS 16 stood at €197.7 million, down -20.0% compared to the previous year. The margin rate, on the other hand, decreased -2.3 points compared to 2020. This decrease was mainly due to the increase in raw material, energy, and transportation costs in a significant inflationary environment across all segments, which was partially offset by significant cost reductions (€65 million) thanks to productivity gains in EMEA and North America.
- In 2022, adjusted EBITDA before IFRS 16 stood at €200.6 million, representing a margin rate of 6.0% (down -1.1 points compared to 2021). This decrease is mainly due to the sharp increase in raw material, energy and transportation costs, accompanied by tensions in the supply of certain raw materials at the beginning of the year. In addition, the mix of product ranges deteriorated, impacting profitability, despite volumes being stable;
- In 2023, adjusted EBITDA before IFRS 16 was €248.0m, representing a margin rate of 7.4%, up 1.4 points. This improvement is mainly due to (i) higher sales prices (partly passing on inflation) and (ii) the general decline in raw material, energy, and transportation costs, offset by significant wage inflation.
- In 2024, adjusted EBITDA before IFRS 16 was €286.2 million, representing a margin rate of 8.6% (+1.2 percentage points). This increase in the margin is due to strong industrial performance, productivity initiatives implemented by the Group, and lower raw material costs, offset by wage inflation. Moreover, the devaluation of the rouble was offset by the increase in prices.

Net income

The Group's pre-tax income fluctuated significantly during the period under reveiw, in line with the Company's operating performance. The year 2024 was also marked by the recognition of an impairment of goodwill in Russia (€95.5 million), "Wood" assets in EMEA (€11.5 million) and "Residential" assets in North America (€4.0 million) for a total of €111.0 million, which impacted consolidated net income (without impact on cash flow), which totalled -€62.0 million. Without impairment, consolidated net income would have amounted to +€49.0 million.

5.2 Consolidated balance sheet for the period 2021-2024

Table 4 - Tarkett's consolidated balance sheet for the period 2020 - 2024

In € million - as at 31 December	2020	2021	2022	2023	2024
Goodwill	613.2	647.9	679.2	664.3	629.7
Intangible assets	91.9	77.6	59.7	50.7	51.8
Property, plant and equipment	554.9	530.9	556.0	557.8	538.3
Other financial assets	17.6	19.3	49.0	25.5	16.8
Deferred tax assets	74.1	83.1	92.3	92.8	97.9
Other fixed assets	0.1	-	-	-	-
Non-current assets	**1,351.9**	**1,358.8**	**1,436.3**	**1,391.1**	**1,334.5**
Inventories	354.9	471.7	537.6	453.1	425.0
Trade receivables and related accounts	214.6	244.8	265.5	262.9	225.1
Other receivables	87.0	137.6	146.3	151.9	147.9
Cash and cash equivalents	328.6	205.4	220.8	224.3	352.4
Current assets	**985.1**	**1,059.5**	**1,170.1**	**1,092.2**	**1,150.4**
Total Assets	**2,337.0**	**2,418.3**	**2,606.4**	**2,483.3**	**2,484.9**
Share capital	*327.8*	*327.8*	*327.8*	*327.8*	*327.8*
Consolidated premiums and reserves	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*
Carry forward	*294.3*	*330.0*	*443.3*	*347.2*	*385.6*
Income (loss) of the period (Group share)	*(19.1)*	*15.1*	*(26.8)*	*20.4*	*(62.6)*
Shareholders' equity - Group share	770.3	840.2	911.6	862.7	818.1
Non-controlling interests	-	-	1.4	2.1	2.8
Shareholders' equity	**770.3**	**840.2**	**913.0**	**864.7**	**820.9**
Other non-current debts	5.4	9.7	12.6	16.0	23.3
Financial payables	641.4	614.4	802.7	704.5	728.5
Other financial debt	0.2	0.2	2.3	1.5	0.9
Deferred tax liabilities	8.7	13.2	7.7	0.6	4.3
Provisions for pensions and other employee benefits	135.1	117.3	85.7	86.8	83.0
Other long-term provisions	40.1	35.0	34.2	28.9	29.2
Non-current liabilities	**830.9**	**789.8**	**945.2**	**838.2**	**869.2**
Trade accounts payable and related account	277.4	403.8	344.2	379.4	388.5
Other current debts	243.8	270.2	292.6	289.9	287.8
Financial debts and bank overdrafts	160.9	66.7	72.9	71.4	58.4
Other financial liabilities	10.6	6.1	5.3	3.3	5.8
Other short-term provisions	43.1	41.5	33.1	36.3	54.2
Current liabilities	**735.8**	**788.4**	**748.1**	**780.3**	**794.7**
Total Liabilities	**2,337.0**	**2,418.3**	**2,606.4**	**2,483.3**	**2,484.9**

Source: URDs 2020 to 2024

Goodwill

As of 31 December 2024, goodwill decreased to €629.7 million, compared to €664.3 million the previous year. As mentioned above, this decrease can be explained by impairment[13] of all CIS goodwill (-€95.5 million), of assets of the "Wood" CGU in EMEA (- €11.5 million) and of assets of the "Residential" CGU in North America (- €4.0 million). These goodwill impairments were partially offset by the acquisitions of the US companies Classic Turf, Benchmark Contracting, and Precision

[13] As a reminder, as of 31 December 2024, Tarkett's goodwill is allocated to the following cash-generating units ("CGUs"): for EMEA: resilient & miscellaneous, carpet, wood; for North America: commercial and hospitality, residential; CIS; APAC; Latin America; for sports surfaces: athletics tracks, synthetic turf, and others. These CGUs are tested for impairment once a year or if there is an indication of impairment.

Construction & Contracting ("PCC"), as well as by the favourable impact of foreign exchange effects on goodwill in US dollars. The impairment of the CIS CGU follows the downward revision of medium-term forecasts in Russia due to the deterioration in market conditions observed in 2024, combined with a sharp rise in interest rates. The impairment of the Wood CGU in EMEA is in line with the slowdown in this market.

Property, plant and equipment

The Company's tangible fixed assets amounted to €538.3 million as of 31 December 2024, and primarily include buildings as well as machinery and equipment (the latter consisting of vehicles and forklifts used in the Group's operations). They remained broadly stable over the period under review.

Working capital requirements (hereinafter "WCR")

The Group's working capital requirements, as reflected in the financial statements, are presented below.

Table 5 - Changes in Tarkett's WCR over the period 2020-2024

In € million - as at 31 December	2020	2021	2022	2023	2024
Inventories	354.9	471.7	537.6	453.1	425.0
Trade receivables and related accounts	214.6	244.8	265.5	262.9	225.1
Trade accounts payable and related accounts	(277.4)	(403.8)	(344.2)	(379.4)	(388.5)
Operating WCR	**292.1**	**312.7**	**458.9**	**336.6**	**261.6**
as a % of turnover	*11.1%*	*11.2%*	*13.7%*	*10.0%*	*7.9%*
Other receivables	87.0	137.6	146.3	151.9	147.9
Other current debts	(243.8)	(270.2)	(292.6)	(289.9)	(287.8)
Non-operating WCR	**(156.8)**	**(132.6)**	**(146.3)**	**(138.0)**	**(139.9)**
as a % of turnover	*(6.0%)*	*(4.7%)*	*(4.4%)*	*(4.1%)*	*(4.2%)*
WCR (incl. factoring)	**135.3**	**180.1**	**312.6**	**198.6**	**121.7**
as a % of turnover	*5.1%*	*6.5%*	*9.3%*	*5.9%*	*3.7%*
Deconsolidated receivables (factoring)	146.1	179.0	184.7	179.2	209.3
WCR (excl. factoring)	**281.4**	**359.1**	**497.3**	**377.8**	**331.0**
as a % of turnover	*10.7%*	*12.9%*	*14.8%*	*11.2%*	*9.9%*

Source: URDs 2020 to 2024, Finexsi analyses

Some Group subsidiaries (particularly in Europe and the United States) use deconsolidating factoring for part of their trade receivables. At 31 December 2024, the amount of deconsolidated receivables stood at €209.3 million (compared to €179.2 million at 31 December 2023).

The level of operating WCR, as a percentage of turnover, remained relatively stable over the period under review, representing on average approximately 10.8% of the Company's turnover, having risen to 13.7% in 2022 and fallen to 7.9% in 2024.

The increase in WCR in 2022 is mainly due to an increase in inventories, linked to the need to replenish stocks of raw materials and certain finished products in the face of supply constraints. Inflation also impacted the value of these inventories. Conversely, the decrease in WCR in 2024 can be explained by the attainment of a low level of inventories over the period, in particular of raw materials and finished products.

Non-operating WCR decreased over the period under review. As at 31 December 2024, it stood at - €139.9 million.

As a reminder, Tarkett's business is subject to marked seasonality, which "*requires an increase in inventory levels during the first half of the year to meet peak demand in the third quarter*."[14] At the end of 2024, the Group's WCR (including factoring) amounted to €121.7 million, the latter having benefited *from "a clear improvement thanks to the receivables assignment programme*."[15]

Financial structure

As at 31 December 2024, Tarkett's net financial debt totalled €309.3 million. We present below the changes in this debt over the financial years 2020 to 2024.

Table 6 – Changes in the Group's net financial debt over the period 2020 - 2024

In € m - as at 31 December	2020	2021	2022	2023	2024
Bank borrowing	75.9	5.6	162.7	41.4	25.7
Shareholder loans	-	509.8	522.7	520.4	582.9
Private placements Europe	606.3	43.0	34.0	65.5	47.5
Other borrowings	1.3	1.9	-	-	-
Bank overdrafts	6.8	12.8	36.8	5.3	5.6
Financial indebtedness	**690.3**	**573.1**	**756.2**	**632.6**	**661.7**
Cash and cash equivalents	(328.6)	(205.4)	(220.8)	(224.3)	(352.4)
Pre-IFRS 16 Net Financial Debt	**361.7**	**367.7**	**535.4**	**408.3**	**309.3**
Gearing	*47.0%*	*43.8%*	*58.7%*	*47.3%*	*37.8%*

Source: URDs 2020 to 2024, Finexsi analyses

Tarkett's debt at the end of 2024 consists mainly of two shareholder loans between the Company as borrower and Tarkett Participation as lender:

- The first, set up in connection with the STO 2021, takes the form of a loan agreement with a maturity of 7 years. As at 31 December 2024, €419 million and $69.5 million had been provided under this shareholder loan;
- The second, set up in November 2024, for a maximum amount of €100 million, with the same interest rate and maturity conditions as the 2021 shareholder loan. As at 31 December 2024, €97 million had been provided under this loan.

Tarkett's other debt, of a lesser amount, is composed of (i) a bond (€31.5 million) maturing in June 2031, (ii) four amortising loans (€24.6 million) maturing between June 2026 and May 2027, and (iii) two tranches of "*Schuldschein*" (€16 million), maturing in June 2025 and 2026. The Company also has a revolving credit line (maximum amount of €350 million), unused as at 31 December 2024.

Tarkett's weighted average cost of borrowings and financial debt thus amounts to 6.2% as of 31 December 2024.

[14] Source: Tarkett press release on the results for the first half of 2024 (25 July 2024).
[15] Source: Tarkett press release on the 2024 annual results (20 February 2025).

Table 7 - Calculation of the weighted average cost of Tarkett's financial debts

Details of borrowings	2024	Interest rate
Other bank loans	25.6	3.5%
Other bank loans	0.1	5.2%
Private placements Europe	47.5	4.9%
Shareholder loan	516.0	6.1%
Shareholder loan	66.9	8.5%
Total*	**656.1**	**-**
Weighted average rate	**-**	**6.2%**

** Excluding bank overdrafts*

Source: URD 2024, Finexsi analyses

Finally, as of 31 December 2024, the Group's cash and cash equivalents totalled €352.4 million. However, these liquid assets "*include restricted cash of €87.1 million, including €80.6 million in Russia, €6.0 million in Ukraine, and €0.5 million in Argentina, respectively. These restrictions limit the Group's ability to access or use this cash; it is nevertheless available for local business needs.*

In Russia, cash repatriation is particularly constrained by international sanctions and local capital control measures. The Group has not been authorised to raise dividends since the start of the war in Ukraine in 2021 and is not in a position to determine whether it will receive the necessary approvals."[16]

[16] Source: 2024 Consolidated Financial Statements.

6 SWOT Matrix

The figure below represents the Group's strengths and weaknesses, as well as the threats and opportunities it faces in its markets:

Figure 16 - Tarkett SWOT Matrix

STRENGTHS

- Diversified product mix between the different types of flooring and sports surfaces;
- Geographical diversification around the world (EMEA, North America, CIS, APAC and Latin America);
- Ownership of recognised national and international trademarks;
- Innovation capacity, enabling the Group to offer new solutions;
- Leading position in the artificial turf segment (sports surface business), particularly in the USA.

WEAKNESSES

- Absence from the ceramics market, which is dynamic and offers higher added value, which may explain the Company's lower profitability than that of certain comparable companies;
- Sensitivity to economic cycles in the construction sector;
- Exposure to the fluctuations in the EUR/USD and USD/RUB exchange rates as well as to the prices of raw materials, in particular oil;
- Significant exposure of the Group's business in Russia.

OPPORTUNITIES

- Fragmented market giving way to potential consolidation;
- Acceleration of sustainable development (transition to eco-design, circular economy, etc.).

THREATS

- Strong competition from local or independent manufacturers, exerting pressure on prices;
- Tightening of environmental regulations (at global, European or national level);
- High uncertainty regarding the evolution of the economic situation in Russia;
- Risk linked to the implementation and maintenance of the increase in customs duties announced by the United States concerning in particular Mexico and Canada where the Company is present.

Sources: Company, Finexsi analyses

7 Valuation of Tarkett's shares

In accordance with the provisions of Article 262-1 of the AMF General Regulation, we conducted our own multi-criteria valuation of Tarkett, the terms and results of which are set out below.

7.1 Disregarded valuation methods

Our work led us to rule out the following methods:

7.1.1 Consolidated Net Book Assets

Net Book Assets (NBA) are generally not considered to be representative of the intrinsic value of the company, as they do not include positive or negative growth and profitability prospects, or any capital gains on assets.

For information purposes, the consolidated NBA Group share as at 31 December 2024 stood at €818.1 million, i.e. a value per share of €12.5[17].

7.1.2 Revalued Net Asset Value

The Revalued Net Book Assets (Revalued NBA) method consists in correcting the NBA for unrealised gains or losses identified on the assets, liabilities or off-balance sheet items. This method, often used to value companies in certain sectors (holding companies, real estate companies), is particularly suited to companies whose main assets have a market value, and for which the acquisitions and disposals of such assets constitute their operating process, which is not the case for Tarkett.

7.1.3 Discounting future dividends

This method, which consists of discounting future dividends, is dependent on the distribution policy decided by management and has the bias of better valuing companies with the highest distribution rates, without taking into account the medium-term impact of trade-offs between distribution, self-financing, and investment. It is particularly suitable for companies with sufficient distribution capacity, with regular and predictable distribution rates.

However, as the Company has not paid a dividend since the 2019 financial year and has not announced any distribution forecasts to the market, we will not use this method.

7.1.4 Net Asset Value

We did not consider it necessary to adopt this method, which is irrelevant in a context where the Group operates on a going-concern basis, which leads to the application of approaches consistent with this principle that make it possible to appropriately value the Tarkett shares.

[17] On the basis of 65,531,722 shares, corresponding to the number of shares outstanding at 31 March 2025 (65,550,281 shares), adjusted for the 18,559 treasury shares. Furthermore, based on an observation by a minority shareholder, we indicate that the consolidated net asset value (NAV) as of 31 December 2024, before impairment of assets in Russia, amounts to €13.9 per share (see section 10.4.4 below).

7.2 Valuation criteria used

We have adopted a multi-criteria approach that includes the following valuation benchmarks and methods,

primarily:

- The method of discounting future cash flows (DCF) (see section 7.4.1);

secondarily:

- Reference to the Tarkett share price (see section 7.4.2);
- The analogue method based on public company comparables (see section 7.4.3).

Finally, we present the following methods and references for information purposes only:

- The analogue method based on comparable transactions (see section 7.4.4);
- The reference to the price target of the sole analyst following the Tarkett shares (see section 7.4.5).

In their review, we detail our assessment of the relative relevance of each of these criteria.

7.3 Tarkett reference data

7.3.1 Number of shares used

Our calculations are carried out on the basis of the number of shares making up the share capital of the Company on 31 March 2025 (65,550,281 shares), less the number of treasury shares held by the Company as of the same date (18,559 shares), i.e., a number of shares of 65,531,722 that we use for our work.

Table 8 - Number of shares used as of 31 March 2025 as part of our valuation work

Number of Tarkett shares	31/03/2025
Number of shares comprising the share capital	65,550,281
Restatement of treasury stock	(18,559)
Number of shares used for our work	**65,531,722**

Source: Draft offer document, Finexsi analyses

Since 2011, the Company has been implementing annual Long Term Incentive Plans (LTIPs). Until 2021, beneficiaries of these plans received Company shares subject to the fulfilment of performance and attendance conditions. Since that date, these plans have involved “phantom” shares, which entitle the holder to a cash payment if the conditions are met, but do not confer any rights to the Company’s capital (no Company shares are issued at the end of the incentive plans). The “phantom” shares therefore have no dilutive impact, it being noted that the Company’s business plan includes an annual disbursement under these plans.

7.3.2 Elements of the transition from enterprise value to equity value

The transition from enterprise value to equity value was determined based on the cash and financial debt items, as they appear in Tarkett's consolidated financial statements at 31 December 2024.

Table 9 - Transition between Tarkett's enterprise value and equity value

In € millions	31/12/2024
Bank borrowing	(25.7)
Shareholder loan	(582.9)
Private placements	(47.5)
Bank overdrafts	(5.6)
Financial indebtedness	**(661.7)**
Cash and cash equivalents	352.4
Net cash / (debt) pre-IFRS 16	**(309.3)**
Impact of Sports 2025 acquisitions	(66.9)
Provisions for pensions and similar benefits, net of tax	(46.8)
Provisions for risks and charges, net of tax	(11.4)
Receivables transferred to the factor	(209.3)
Minority interests	(2.8)
Adjustment of WCR	(120.0)
Other financial assets	7.5
Other financial liabilities	(3.6)
Other non-current debts	(1.3)
Adjustments - Intrinsic Method (DCF)	**(454.6)**
Transition from enterprise value to equity value - Intrinsic method (DCF)	**(763.9)**
Provisions for restructuring, net of tax	(5.9)
M&A Sport acquisition price	88.7
Potential savings from capitalised/uncapitalised tax loss carried forward	40.7
Adjustments - Analogue methods	**123.4**
Transition from enterprise value to equity value - Analogue methods	**(640.5)**

Source: Company, Finexsi analyses

Pre-IFRS 16 net financial debt stood at - €309.3 million as at 31 December 2024.

This takes into account all restricted liquidity in Russia, i.e. €80.6 million[18], it being recalled that "*these restrictions limit the Group's ability to access or use this liquidity, which is nevertheless available for local business needs. In Russia, cash repatriation is particularly constrained by international sanctions and local capital control measures. The Group has not been authorised to distribute dividends since the start of the war in Ukraine in 2022, and is not in a position to determine whether it will receive the necessary approvals.*"[19] The Group's ability to invoice services (re-invoicing of IT services and royalties) to repatriate cash is also limited given the nature and volume of the services rendered.

We have nevertheless considered all of this cash in our work, without any discount that would reflect its currently unavailable nature for the Group's needs, nor any discounting effect that would reflect access that will be deferred over time. This approach appears to be favourable to shareholder value in the current environment.

We have adjusted the net financial debt for the following main items:

[18] The impact of not retaining restricted cash in Russia is €1.23 per share.
[19] Source: Tarkett Consolidated Financial Statements as at 31 December 2024.

- The enterprise value paid for the acquisitions made in January 2025 (Mid-Atlantic[20] and Deluxe see section 3.1) in the Sport business was deducted for a total of - €66.9 million, as the corresponding cash outflow is not included in the net cash position at 31 December 2024, used for our calculations. It should be noted that, in return, the cash flows that will be generated by these acquisitions are included in the management's business plan;
- Provisions for pensions and similar benefits, net of deferred tax assets, were recognised for -€46.8 million;
- Provisions for risks and charges net of tax for - €11.4 million, it being specified that the other provisions recognised as at 31 December 2024 (guarantees, restructuring, claims and disputes) are included in the aggregates and flows of the business plan;
- Receivables assigned under the factoring contract entered into by certain subsidiaries of the Tarkett group (mainly in Europe and the USA), the amount of which as of 31 December 2024 stands at -€209.3 million, net of retention money (see section 5.2);

  This approach is explained by the fact that the Company uses factoring as a means of financing that allows it to optimise its line of credit and obtain local financing in dollars. Consistently, the cash flows from the management's business plan are understood to exclude factoring, i.e., with the receivables assigned to the factor being reincorporated into the variation in WCR;
- Minority interests retained at their book value of -€2.8 million;
- The seasonal adjustment of the WCR[21] for an amount of €-120.0 million, insofar as the position at 31 December is a low point, before the gradual increase in inventories during the first half of the year (the high point of which is reached during the summer), resulting in a peak in WCR to be financed during the second and third quarters of the financial year. This adjustment was calculated by the difference between the position at 31 December and the average monthly WCR in 2024 (see section 5.2);
- Other financial assets totalling €7.5 million, mainly related to equity-accounted companies (the balance of this item, mainly corresponding to assets related to asbestos risk and a surplus for retirement pensions in the UK, offsetting provisions already included in the business plan flows, was not considered an adjusting item);
- Other financial liabilities totalling €-3.6 million and other non-current liabilities totalling €-1.3 million, mainly related to accrued interest and provisions for long-term bonuses planned in certain regions (not included in the business plan).

With regard to tax losses carried forward, the Group had €159.5 million in capitalised tax losses and €84.8 million in uncapitalised tax losses as of 31 December 2024.

These losses were not included in the transition elements from enterprise value to equity value for our DCF approach, as the resulting tax savings are directly incorporated into the business plan's tax rate (25%). This tax rate is maintained at terminal value, which reflects the consumption of uncapitalised tax losses (the consumption horizon for which is generally beyond five years, noting that not all uncapitalised tax losses are consumable). This approach appears to be favourable to

[20] Including Anchor Management Group.
[21] Before factoring of trade receivables.

the shareholder compared to a standard tax rate which would be around 30% if tax losses were not taken into account.

On this basis, the transition from enterprise value to equity value for the DCF approach amounts to - €763.9 million.

For the analogue approaches (public company comparables and comparable transactions), we have considered the following, in addition to the elements mentioned above:

- The present value of capitalised and uncapitalised tax loss carried forward (for which there is a possibility of consumption);
- The part of restructuring provisions recognised as at 31 December 2024, and not included in the EBIT of the business plan (provisions taken into account below EBIT);
- The enterprise value paid for recent acquisitions (made at the end of 2024 and the beginning of 2025)[22], which was reinstated in the transition from enterprise value to equity value (+ €88.7 million), insofar as the aggregates used for the analogue approaches do not include the effects of these transactions.

On this basis, the transition from enterprise value to equity value used for analogue methods amounts to - €640.5 million.

It should also be noted that, for our various calculations and analyses, we considered aggregates that do not take into account the application of IFRS 16, insofar as (i) these aggregates before IFRS 16 better reflect the Company's net assets and actual financial performance, particularly in terms of cash generation, and (ii) the impact of this standard has been restated in management's business plan on which our analyses are based. Consequently, the net financial debt presented above does not include the IFRS 16 debt relating to rents in the amount of approximately €125.4 million.

7.4 Implementation of Tarkett's valuation

7.4.1 Discounted Cash Flow forecasts (primarily)

This method consists of determining the intrinsic value of a company by discounting the operating cash flows from its business plan at a rate that reflects the market's profitability requirement for the company, taking into account an exit value at the end of this plan.

This method recognises the value attributable to the Company's growth prospects and appears appropriate to Tarkett's situation. It is also representative of the Company's full value, as it assumes access to and control over the cash flows generated by it.

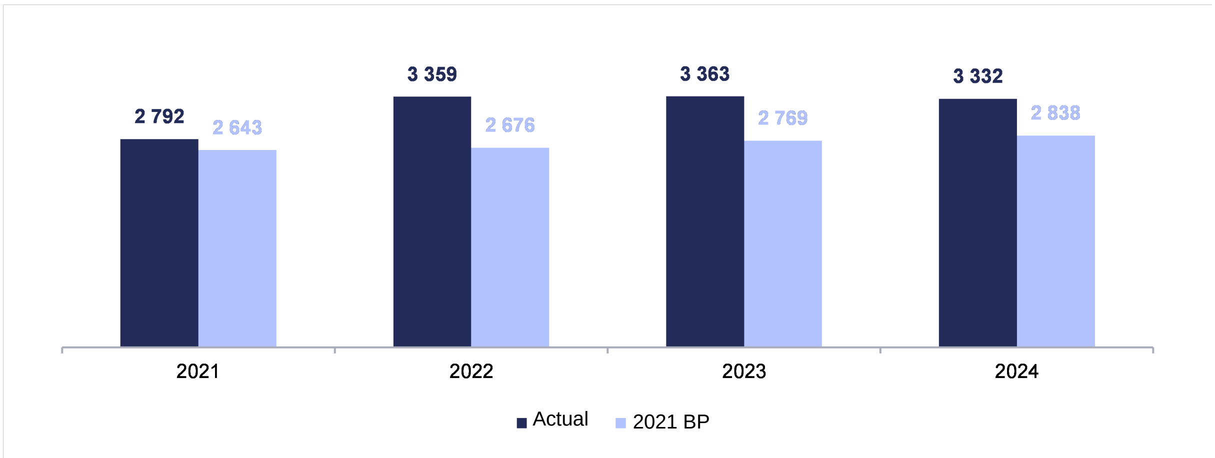
[22] PCC, Benchmark, Mid-Atlantic, Deluxe.

7.4.1.1 *Comparison between the forecasts made in the context of the 2021 STO and the actual results for the same period*

We compared actual results for the period 2021-2024 with the forecasts established as part of the 2021 STO (hereinafter the “2021 business plan”) in order to assess the Company’s historical performance.

Actual turnover has experienced sustained growth in recent years and appears significantly higher than that forecast in the 2021 business plan, due in particular to high inflation over the period. At the end of 2024, turnover stood at €3,331.9 million, compared with €2,837.6 million forecast in the 2021 Business Plan.

Table 10 - Differences between the turnover achieved and the 2021 Business Plan



Source: Company, Finexsi analyses

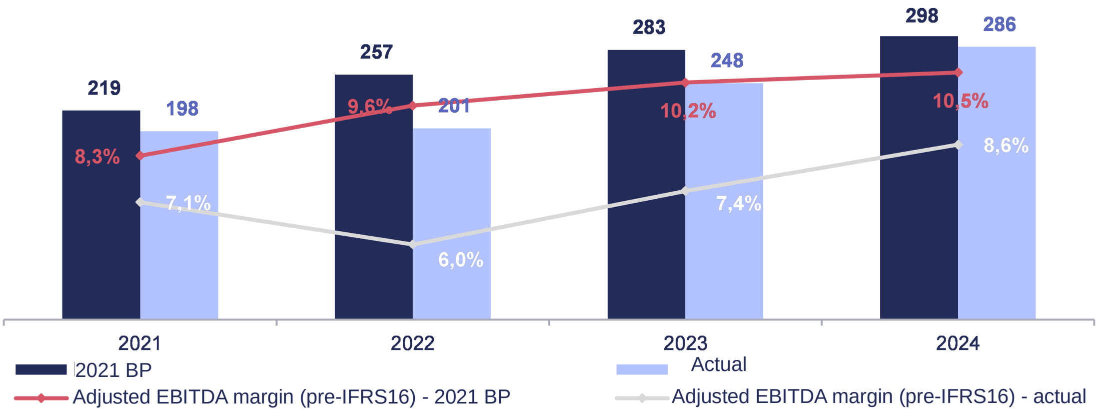
Tarkett's profitability fell short of the 2021 Business Plan forecasts. The adjusted EBITDA (pre-IFRS 16) achieved is, in absolute terms, lower each year than that forecast in the 2021 STO. The same is true for the EBITDA margin rate, which shows significant differences (between -3.6 points and -1.2 points) compared to the 2021 forecasts.

This change reflects the increase in costs (raw materials, energy, transportation, salaries, etc.) borne by the Company, which it was unable to fully pass on in its sales prices, as well as the deterioration in business in Russia since the start of the Russian-Ukrainian conflict, with very high inflation and interest rates in the country, a sluggish economy, and sharply declining purchasing power. EBITDA (in both absolute terms and margin rates) for the RBK scope[23] (mainly including Russia) was thus significantly lower than forecasts for 2021 (see below). This decline in results for the RBK scope was, however, partially offset by an outperformance of the Sports business compared to forecasts.

Consequently, the significant increase in turnover over the period, driven in particular by inflation, did not translate into an improvement in the Company’s profitability, which, on the contrary, deteriorated compared to the forecasts established as part of the 2021 STO.

[23] The RBK scope corresponds to the Group’s activities in Russia, Belarus and Kazakhstan. Russia accounts for the majority of the activity in this scope.

Table 11 - Differences between adjusted EBITDA (pre-IFRS 16) achieved over the period 2021-2024 and the 2021 Business Plan



Source: Company, Finexsi analyses

As a result of this significant decline in profitability and the lower absolute value of EBITDA compared to the forecasts in the 2021 business plan, the value determined as part of the 2021 STO was actually overestimated.

7.4.1.2 Presentation of the management's 2025E-2029E business plan

We conducted our work on the basis of the management's 2025E-2029E business plan, which distinguishes the RBK scope[24], including the Group's activities in Russia, from the Group's other activities in order to understand the geopolitical context and the macroeconomic situation specific to this region.

This business plan was prepared as part of the Company's usual forecasting process and was approved by Tarkett's Supervisory Board on 25 July 2024. In December 2024, the forecasts for the RBK scope were adjusted to reflect the deterioration in the operational and commercial situation in Russia, which experienced a 24% decrease in EBITDA compared to 2023. Forecasts excluding RBK remained broadly unchanged from those approved in July 2024.[25] These adjusted forecasts (for the RBK scope only) were approved by the Supervisory Board on 12 December 2024.

This business plan is the combination of a "top down" approach, particularly for macroeconomic assumptions (raw material prices, exchange rates, etc.) and a "bottom up" approach established between management and the leadership of the various divisions. The cash flows from the most recent acquisitions made in late 2024 and early 2025 in the US Sports segment (Benchmark, PCC, Mid-Atlantic, Deluxe) have been incorporated into the forecasts.

We describe below the main assumptions of the consolidated business plan, the relevance of which we assessed through a critical review in accordance with AMF Recommendation 2006-15:

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[24] The RBK scope corresponds to the Group's activities in Russia, Belarus and Kazakhstan. Russia represents the bulk of this scope's activity and approximately 8% of the Group's turnover in 2024.

[25] The changes primarily consist of an improvement in EBITDA in the Sports segment to reflect 2024 performance and minor changes in assumptions regarding the working capital requirements and investment levels.

- Management forecasts a compound annual growth rate ("CAGR") of +2.4% over the horizon of the business plan (2024R-2029E). This growth in turnover is based on the following factors:
  - As regards the scope outside RBK:
    - A compound annual growth rate in the EMEA region of +1.3%, explained by a downward market trend in 2025E, followed by a gradual recovery in the renovation and new construction market from 2026E;
    - Stronger growth in North America, averaging +4.6% over the period, notably due to a resumption of renovation programmes in certain sectors that had been delayed in 2024;
    - A compound annual growth rate of +3.6% (excluding recent acquisitions, which are expected to grow by 5% for the period 2025-2029) for the Sports segment, in a market that is expected to stabilise after the strong growth levels observed post-Covid;
  - As regards the RBK scope, the erosion of volumes in Russia linked to the decline in local demand, heavily penalised by inflation (fall in purchasing power), should result in an average annual decline of -2.7% (2024R- 2029E);
- A pre-IFRS 16 adjusted EBITDA margin rate of between 8.9% and 9.0% over the period of the business plan, higher than the level achieved in recent years and in line with those that the Company has been able to achieve over the period 2018 - 2020, based on the following elements:
  - An adjusted EBITDA margin rate (pre-IFRS 16) increasing from 8.1% in 2024R to 8.7% in 2029E for the scope excluding RBK (and excluding recent acquisitions in Sports), including the effect of cost reduction initiatives implemented in 2023 and 2024, and action plans aimed at improving factory productivity over the period of the business plan;
  - An EBITDA margin rate (pre-IFRS 16) from recent acquisitions in Sports expected at 14.9%, a level higher than that of the rest of the business, reflecting an immediate accretive effect favourable to value;
  - An EBITDA margin rate (pre-IFRS 16) for the RBK scope declining over the business plan horizon, from +13.6% in 2024R to +11.7% in 2029E (a level which remains higher than that of the Group as a whole). This change reflects the continued rise in raw material costs and the Group's inability to fully pass this on in the sales prices due to the local economic situation (high inflation and falling demand);
- A tax rate of 25% including the tax savings relating to the consumption of tax losses carried forward in the different geographical areas (which are therefore not taken into account in the transition from enterprise value to equity value for the DCF approach - see section 7.3.2);
- Capital expenditure ("CAPEX") which averages 2.4% and 4.0% of turnover over the horizon of the business plan for the non-RBK and RBK scopes, respectively;

- A change in Group WCR[26] of around -15.0% of the change in turnover by 2029E, it being specified that the change in WCR within the RBK scope is insignificant;
- *Cash* items, not taken into account in the transition from enterprise value to equity value, corresponding to (i) restructuring costs, (ii) non-recurring expenses (iii) expenses related to pensions and LTIP (see section 5.1), and (iv) price supplements to be paid relating to recent and ongoing acquisitions.

It should also be noted that the business plan (excluding RBK) assumes a positive inflation balance, which implies that the Group will be able to pass on increases in raw material prices and unfavourable exchange rate effects to its sales prices. This assumption appears favourable and limits the impact of a change in macroeconomic factors (the price of a barrel of oil (Brent), the exchange rate EUR / RUB and EUR / USD) on forecasts (see below section 7.4.1.5 on sensitivity analyses).

However, the business plans do not include the impacts of the increase in customs duties announced by the United States, to which the Group is moderately exposed. However, these impacts will have a negative impact on the Group's business and margins, as several families of finished or semi-finished products are imported into the United States from Canada, Mexico, Europe, and Asia.

Management provided us with an analysis of the expected impacts based on the latest announcements from the U.S. government and the reciprocity measures implemented by certain countries, taking into account the Group's ability to pass on a portion of these duties to its sales prices or to source from suppliers located in the United States, depending on the product family. We have included in our work the impacts estimated by management, which are relatively limited and were only considered over a 12-month period (impact of €0.22 per share).

As regards the RBK scope, the adjusted forecasts for December 2024 reflect management's latest estimates and take into account the deterioration in activity in Russia observed in recent months (2024 EBITDA in Russia down 24% compared to 2023). As of the date of this report, management has no indication of a possible improvement in the situation in the short or medium term, given the actual figures for the first quarter of 2025.

In summary, this management business plan reflects, on the one hand, the outlook for improving profitability of the business on the scope excluding RBK, with a pre-IFRS 16 adjusted EBITDA margin of 8.7% over the horizon of the business plan (excluding the accretive effect of recent or ongoing acquisitions in the Sports segment), compared to an average of 7.3% in 2023R and 2024R, and, on the other hand, the deterioration of the situation in Russia, which historically made a significant contribution to the Group's margin.[27] In our view, this business plan appears to be balanced.

[26] Before assignment of trade receivables.

[27] Public information indicates a decline in the contribution of the CIS (including Russia)/APAC/Latin America to the Group's adjusted EBITDA post-IFRS 16. Prior to the 2021 STO, EBITDA from this region represented 35.0% of total EBITDA (with a margin of 18.4%), compared to a contribution reduced to 20.4% in 2024 (with a margin of 12.6% in 2024). For confidentiality reasons, the Company does not wish to disclose the contribution and margin rate specific to Russia.

7.4.1.3 Cash flow determination

Discounted Cash Flow

We have discounted the mid-year cash flow starting on 31 December 2024, when the transition from enterprise value to equity value is determined.

Normative Cash Flow

Perpetuity growth rates of 2.0% and 4.0% were applied to the normative cash flow of the non-RBK and RBK business plans, respectively, in line with long-term inflation forecasts.[28]

As regards the RBK scope, this 4% rate appears proactive given Russia's current geopolitical and macroeconomic situation.

Adjusted EBITDA margin rates were maintained at the same levels as those of the final year of the forecasts.

Investments were maintained at the same level as over the forecast horizon.

Depreciation and amortisation expenses were considered equal to investments, and working capital requirements were considered stable compared to the last year of the business plan.

The standard tax rate was maintained at the same level as over the horizon of the business plan horizon, i.e., 25%, and therefore includes the continued favourable impact of tax losses carried forward.

7.4.1.4 Discount rate

Scope excluding RBK

We used Tarkett's weighted average cost of capital to discount future cash flows. This rate was estimated at 9.8% based on the following:

[28] Source: IMF "*World Economic Outlook Database*" - inflation, average consumer prices - October 2024.

Table 12 - Calculation of the discount rate

			Comments
Risk-Free Rate	[a]	3.16%	*6-month average of the OAT TEC 10 as of 31/03/2025*
Equity Market Risk Premium	[b]	5.24%	*6-month average as of 30/03/2025*
Unlevered beta	[c]	1.28	*Beta of public company comparables*
Unlevered beta	[d]	1.57	
Cost of equity	**[e] = [a]+([b]*[d])**	**11.4%**	
Cost of debt before tax	[f]	6.2%	*Weighted average cost as of 31/12/2024 (see §5.2)*
Gearing (Debt/Equity)	[g]	30.3%	*Ratio of net debt to equity*
Weight of debt (Debt/Debt+Equity)	[h]= [g]/(1+[g])	23.3%	
Weight of equity (Equity/Debt+Equity)	[i]=1-[h]	76.7%	
Corporate income tax rate	[j]	25.0%	
Weighted average cost of capital	**([e]*[i])+([f]*[h])*(1-[j])**	**9.8%**	

Source: Banque de France, Capital IQ, Company, Finexsi analyses

We did not include any specific risk premium related to the execution of the business plan, which we described as balanced.

RBK scope

The cost of equity for the RBK scope was estimated at 22.4% on the basis of the same parameters as those described above, and also includes a country risk premium of 12.5% reflecting the risk associated with operations in Russia (source: Damodaran[29]), including in particular high inflation, very high key interest rates, and, in some cases, a risk of asset expropriation.

We note that this discount rate is in line with the one used by the Company in its impairment tests (22.3% for the CIS region including RBK).

7.4.1.5 Valuation Results

On this basis, Tarkett's enterprise value stands at €1,770 million[30], 73% of which results from the terminal value beyond the explicit horizon of the business plan.

Taking into account the transition factors from enterprise value to equity value, the amount of equity stands at €1,006 million, representing a central value of €15.3 per Tarkett share.

The sensitivities of the value per Tarkett share to a combined change in (i) the discount rate (from -0.25 points to +0.25 points) and the perpetuity growth rate (from -0.25 points to +0.25 points), and (ii) the discount rate (from -0.25 points to +0.25 points) and the normative EBITDA margin rate (pre-IFRS 16) (from -0.25 points to +0.25 points) are presented below:

[29] Russia has not been rated by rating agencies since 2022. We have estimated the country risk premium compared to the latest rating issued by Moody's, which we have adjusted downwards by two notches to reflect the deteriorating economic situation in the country since 2022.

[30] Including €88 million for the RBK scope.

Table 13 - Analysis of sensitivity to a combined change in the discount rate and the perpetuity growth rate

		Discount rate (in %)				
		(0.50%)	**(0.25%)**	**-**	**0.25%**	**0.50%**
Perpetuity growth rate (%)	**(0.50%)**	16.1	15.2	14.4	13.6	12.9
	(0.25%)	16.6	15.7	14.8	14.0	13.3
	-	17.2	16.2	**15.3**	14.5	13.7
	0.25%	17.8	16.8	15.9	15.0	14.2
	0.50%	18.5	17.4	16.4	15.5	14.7

Source: Finexsi analyses

Table 14 - Analysis of sensitivity to a combined change in the discount rate and the normative EBITDA margin rate

		Discount rate (in %)				
		(0.50%)	(0.25%)	-	0.25%	0.50%
Normative EBITDA margin (in %)	(0.50%)	15.2	14.3	13.5	12.7	12.0
	(0.25%)	16.2	15.3	14.4	13.6	12.9
	-	17.2	16.2	**15.3**	14.5	13.7
	0.25%	18.2	17.2	16.3	15.4	14.6
	0.50%	19.2	18.2	17.2	16.3	15.4

Source: Finexsi analyses

Based on this analysis, we will retain a value range of €14.4 to €16.3 per Tarkett share, with a central value of €15.3.

The Offer Price of €17.0 thus reflects a premium of +17.9% on low end, a premium of +10.8% over the central value, and a premium of +4.5% on the high end of our range.

We conducted another sensitivity analysis regarding the evolution of the situation in Russia. In the context of the squeeze-out, we simulated a decrease in the level of risk to factor in an improvement in the situation in the country. In practice, we have considered a halving of the country risk premium[31], which brings the discount rate to 16.1%. On this basis, the upper limit of our DCF approach is €16.8.

For the record, these values include all cash shrinkage in Russia. Failing to retain this value would have a downward impact of €1.23 per share.

Moreover, it should be noted that there is a risk, even if it appears limited, of expropriation of the assets held in Russia. We have not included this scenario in our analyses, nor have we assumed a probability of occurrence, which appears favourable to shareholders given its significant impact on Tarkett's per-share value, namely a decrease of -€2.60 on the central value.

<u>Analyses of sensitivities to macroeconomic parameters</u>

As indicated above, the assumption of a positive inflation balance in the business plan (excluding RBK) limits the impact of a change in macroeconomic factors (price of barrel of oil (Brent), EUR/RUB and EUR/USD exchange rates) on the forecasts, with a short-term impact only, i.e., the time required to reflect changes in sales prices. We nevertheless performed sensitivity analyses on these three macroeconomic parameters, with changes of +/- USD 10 per barrel of oil, +/- RUB 10 per EUR, and +/- USD 0.10 per EUR.

The sensitivity of Tarkett's share price to these various parameters is at its maximum, for the one with the greatest impact, +/- €0.11, which has no impact on the range presented above.

[31] This represents an improvement in the rating by two notches compared to the last rating issued by Moody's in 2022.

7.4.2 Share price analysis (secondary)

The stock market price is an instrument for measuring the price of the Company's shares freely traded subject to sufficient levels of free float and liquidity.

As a reminder, Tarkett shares were listed on the stock market on 21 November 2013, in Compartment A of Euronext Paris, and then on Compartment B since 1 February 2020 (ISIN code: FR0004188670).

We analysed the share price performance before the announcement of the Offer, i.e., until the closing date of 20 February 2025, as the Offer was announced to the market on 20 February 2025, after the close of trading.

7.4.2.1 Analysis of Tarkett's share price

The Company's share price changed as follows between 1 January 2020 and 20 February 2025.

Figure 17 - Performance of Tarkett's share price since 1 January 2020

Source: IQ capital, press articles, Finexsi analyses

In general, the Company's share price has been on an overall downward trend since the 2021 STO, with a particularly sharp decline at the beginning of 2022 following the start of the Russian-Ukrainian conflict (Russia having historically made a significant contribution to the Group's profitability).

The following comments relate to the last two years (early 2023 - early 2025):

1. **26 July 2023**: The Company publishes its half-year results for H1 2023, reporting a +3.9% increase in organic turnover, driven by the sports surfaces segment and a positive pricing effect that offsets the volume declines observed in EMEA and North America;
2. **15 February 2024**: the Company publishes its results for the 2023 financial year, with organic growth of +4.5% compared to the 2022 financial year, supported in particular by record turnover in the Sports segment. Adjusted EBITDA before IFRS 16 stood at €248.0 million, compared to €200.6 million in 2022, representing growth of +23.6%. Despite this improvement in profitability, Tarkett announces a cautious 2024 forecast, in "*a complex and uncertain geopolitical and macroeconomic environment.*" The Group aims to maintain its objective of operational and financial recovery initiated in 2023;
3. **25 April 2024**: the Company publishes its turnover for Q1 2024, down -2.7% compared to Q1 2023. This decline is explained by the continued decline in activity in the flooring sector, particularly in Europe and North America, penalised by high interest rates and persistent inflation, leading to the postponement or even cancellation of many new construction or renovation projects;
4. **25 July 2024**: the Company publishes its 2024 half-year results, reporting a -2.2% decline in organic turnover, impacted by a widespread decline across all the Group's geographic regions. Only the Sports segment posted a slight increase of +0.3% in its organic turnover;
5. **18 October 2024**: The Company publishes its quarterly results for Q3 2024, reporting 2.4% growth in organic turnover, driven almost exclusively by the Sports division. Over the first nine months of the financial year, organic turnover was down 0.4%;
6. **20 February 2025**: the Company publishes its annual results for 2024, showing a 0.9% decrease in turnover, impacted by slower demand mainly in EMEA and CIS, mainly in Russia. It also announces the realisation of a goodwill and property, plant and equipment impairment charge of €111 million due to "the deterioration in market conditions observed in 2024 and the revision of medium-term forecasts, combined with a sharp rise in interest rates." The outlook for 2025 is therefore shaped by this context. Finally, Tarkett Participation made a press release the same day announcing its willingness to file a draft PBO.

Over the 24 months preceding the announcement of the Offer (i.e., since 20 February 2023), the Company's share price increased by +14.8%, while the CAC All-Share index rose by +9.1% and the STOXX Europe 600 Construction & Materials index by +30.5%.

Following the announcement of the Transaction on 20 February 2025, Tarkett's closing share price fluctuated between €15.90 on 21 February 2025 and €17.20 on 26 March 2025.

7.4.2.2 Analysis of Tarkett share liquidity

Based on the last share price before the announcement of the Offer (i.e., until the closing on 20 February 2025), the volume-weighted average prices (hereinafter "VWAP"), the volumes traded on the share and the resulting turnover rates are as follows over a 24-month period:

Table 15 - Analysis of VWAP and liquidity of Tarkett shares until 20 February 2025

Volume-Weighted Average Prices	in € per share	Premium/(discount) induced by the offer price of €17	Volume traded (in thousands)		Capital traded (in thousands)		% of capital		% of free float	
			Average	Cumulative	Average	Cumulative	Volume traded	Capital turnover	Volume traded	Free float turnover
Spot (20/02/2025)	13.55	+25%	53	53	706	706	0.08%	0.08%	0.87%	0.87%
VWAP 1 month	12.34	+38%	18	418	224	5,157	0.03%	0.64%	0.30%	6.87%
VWAP 60 days	11.77	+44%	11	660	130	7,771	0.02%	1.01%	0.18%	10.85%
VWAP 3 months	11.70	+45%	11	697	130	8,159	0.02%	1.07%	0.18%	11.46%
VWAP 6 months	10.97	+55%	10	1,312	112	14,388	0.02%	2.00%	0.17%	21.57%
VWAP 12 months	10.59	+61%	6	1,627	68	17,224	0.01%	2.49%	0.11%	26.74%
VWAP 24 months	10.71	+59%	5	2,735	58	29,291	0.01%	4.18%	0.09%	44.68%
Higher 12 months (20/02/2025)	13.55	+25%								
Lower 12 months (02/07/2024)	8.32	+104%								
Higher 24 months (20/02/2025)	13.55	+25%								
Lower 24 months (02/07/2024)	8.32	+104%								

Source: Capital IQ, Finexsi analyses

Over the past 12 months (prior to 20 February 2025), the cumulative volume of Tarkett shares traded was 1,627,000 shares (or approximately 6,000 shares traded per trading day). Over the same period, capital turnover was 2.49% and free float turnover was 26.74%, with the free float representing 9.65% of the share capital as of 31 December 2024.

Over the past 24 months, the cumulative volume of Tarkett shares traded was 2,735,000 shares (or about 5,000 shares traded per trading day). Over the same period, capital turnover stood at 4.18% and that of the free float was 44.68%.

The share price shows low liquidity with limited free float turnover. In this context, we present this reference as a secondary method.

7.4.3 Public Company Comparables Method (Secondary)

The Public Company Comparables Method consists of determining the value of a company by applying multiples observed on a sample of other listed companies in the same sector of activity and to the aggregates deemed relevant.

Given Tarkett's specific characteristics, we have not identified any listed companies that are fully comparable to it, notably due to its geographical location (Tarkett is more exposed to the Russian market than the identified comparables), its size, its level of profitability (the EBIT margins of the comparables being significantly higher than those of Tarkett), or its product mix (including the manufacturing of higher value-added flooring such as ceramics for some).

We identified a sample limited to only three companies, which are presented below.

For these reasons, we are using this method on a secondary basis only.

Presentation of the sample used

We have identified three[32] listed companies partially active in the markets in which Tarkett operates, which we present below[33]:

- **Mohawk Industries, Inc.** is a US company specialised in the design, manufacture and marketing of floor coverings for commercial and residential use. The group's offer is divided into three segments: (i) ceramics (39% of turnover at 31/12/2024)[34], (ii) North America (flooring) (35%) and (iii) rest of the world (flooring) (26%). As of 31 December 2024, the company achieved a turnover of €10,467 million for an EBIT of €779 million, i.e. an EBIT margin of 7.4%;

- **Interface, Inc.** is a US company specialised in resilient and textile floor coverings (carpet, rubber, etc.). Interface offers flooring primarily in the Americas (representing 61% of its 2024 turnover), Europe, and Asia-Pacific (39% of its 2024 turnover). As of 31 December 2024, the company achieved a turnover of €1,262 million for an EBIT of €128 million, representing an EBIT margin of 10.1%;

- **Forbo Holding AG** is a Swiss company specialised in floor coverings and adhesives (accounting for 68% of its turnover), as well as in the manufacture of conveyor belts and transmission belts for industry (32% of turnover). The company generated 63% of its 2024 turnover in Europe, 22% in the Americas and 15% in Asia-Pacific and Africa. As at 31 December 2024, it generated a turnover of €1,196 million for an EBIT before IFRS 16 of €128 million, representing an EBIT margin before IFRS 16 of +10.7%.

We also identified other companies with similar activities to Tarkett, but these were not included for the following reasons:

- **Victoria PLC** is a British company specialised in carpet, ceramic, artificial turf flooring, etc. The company was not selected due to its significant debt profile. For information, the rating agency S&P downgraded the company's rating to B- in October 2024;

- **James Halstead PLC** is a British company that offers resilient flooring and carpet tiles mainly for the commercial market (health, education, sports, offices, etc.). The company was not selected due to (i) its much smaller size than Tarkett, with 2024 turnover of €324 million and only two production sites located in the United Kingdom (compared to 35 sites for Tarkett worldwide), (ii) its profitability profile, which is much higher than the industry average (19.2% EBIT margin in 2025E compared to 10.1% for the sample selected), (iii) a different geographical footprint from Tarkett, with 40.2% of 2024 turnover generated in the United Kingdom and very little activity in the United States;

- The company **Belysse Group NV** (formerly Balta Group NV) was not selected due to very limited coverage by a single analyst.

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32 This is the same sample as that used during our valuation work as part of the 2021 STO.
33 Latest published aggregates - Source: Capital IQ.
34 Segment where Tarkett is not present.

Presentation of the aggregates used

As for the 2021 STO, we consider that EBIT is a more relevant aggregate than EBITDA in the context of the biases in EBITDA due to:

- Differences in capital intensity between the companies in the sample of stock market comparables (sample limited to only 3 companies), which are likely to create distortions in EBITDA;
- Comparable companies listed in the USA applying the US GAAP framework, which in this case makes it difficult to establish EBITDA figures that are completely comparable to that of Tarkett restated for IFRS 16.

These biases are likely to explain the difference observed between the values derived from multiples of EBITDA and EBIT, the latter criterion being, in our opinion, the preferred criterion because, by construction, it neutralises them, particularly with regard to the impact of accounting standards.

While EBITDA is an aggregate measure of performance within the Company, it poses a comparability issue when used in benchmark valuation research.

In this context, we analysed in detail the capital intensity of the companies in the sample compared to that of Tarkett over the historical period (2021 - 2024) and the forecast period (2025 - 2027) in order to adjust for the differences observed:

Table 16 - Capital intensity of comparable companies and Tarkett

% Capex as a percentage of turnover	2021 - 2024 Average	2025 - 2027 Average
Tarkett	*2.8%*	*2.5%*[1]
Forbo	*3.4%*	*3.8%*
Interface	*2.4%*	*2.4%*[2]
Mohawk Industries	*5.2%*	*4.8%*
Average (excluding Tarkett S.A.)	**3.6%**	**3.7%**

[1] Tarkett, excluding the RBK scope.
[2] In the absence of forecast data, the average from 2021 to 2024 is taken into account.

Source: Company, Capital IQ, Finexsi analyses

It appears that Tarkett's capex levels as a percentage of turnover are significantly below the average of comparable companies, both historically and forecasted, reflecting a difference in capital intensity between Tarkett and the companies in the sample[35].

The 1.2-point differential over the forecast period is significant since it corresponds to an increase of approximately 50% in the annual capex amount to align with the average of comparable companies, i.e. approximately €40 million in additional capex in 2025.

We then supplemented our analysis with EBITDA-CAPEX multiples, which limit distortions related to differences in capital intensity while integrating EBITDA[36] into our public company comparables approach. This aggregate represents the cash flow generated by operations and available after making the required investments.

[35] We note that Mohawk Industries generates approximately 39% of its business in ceramics, which is inherently more capital-intensive than other flooring businesses.
[36] For information purposes, below we present the value obtained using this aggregate.

Finally, it appears that the valuations of listed companies in the United States (and, to a lesser extent, in Switzerland) are generally higher than those of the French market, which potentially overestimates the value obtained based on the multiple of these aggregates.

Implementation of the Method

We present below the revenue growth outlook and the EBITDA, EBIT, and EBITDA-CAPEX margin rates expected in 2025E-2026E by analysts covering the selected comparable companies:

Table 17 - Outlook for growth in turnover and in the EBITDA, EBIT and EBITDA margin rates - CAPEX expected by the consensus

Comparables	Country	Turnover (in € millions)	EV (in € millions)	Growth in turnover (%)		EBITDA margin (%)		EBIT margin (%)		EBITDA margin - CAPEX (%)	
				2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e
Mohawk Industries, Inc.	United States	10,467	7,375	(0.8)%	3.3%	13.0%	13.8%	7.4%	8.4%	8.3%	9.1%
Interface, Inc.	United States	1,262	1,215	2.2%	5.3%	14.0%	14.7%	11.3%	12.3%	11.0%	11.7%
Forbo Holding AG	Switzerland	1,196	1,057	1.3%	2.3%	14.0%	15.1%	11.3%	12.2%	9.9%	11.0%
Average		**4308**	**3,216**	**0.9%**	**3.7%**	**13.7%**	**14.5%**	**10.0%**	**11.0%**	**9.7%**	**10.6%**

Source: Capital IQ as of 17 April 2025

Generally speaking, the selected public company comparables have profitability and growth profiles that are superior to those of Tarkett.

The 2025E and 2026E EBITDA, EBIT, and EBITDA-CAPEX multiples for these companies are as follows:

Table 18 - Multiples observed on comparable companies

Comparables	Country	Turnover (in € millions)	EV (in € millions)	xEBITDA		xEBIT		xEBITDA - CAPEX	
				2025e	2026e	2025e	2026e	2025e	2026e
Mohawk Industries, Inc	United States	10,467	7,375	6.3x	5.8x	11.1x	9.5x	10.0x	8.8x
Interface, Inc.	United States	1,262	1,215	7.6x	6.8x	9.4x	8.2x	9.7x	8.6x
Forbo Holding AG	Switzerland	1,196	1,057	7.0x	6.3x	8.7x	7.8x	9.9x	8.7x
Average		**4,308**	**3,216**	**7.0x**	**6.3x**	**9.7x**	**8.5x**	**9.8x**	**8.7x**

Note: Multiples induced by (i) an enterprise value calculated on the basis of the 3-month VWAP and an average number of shares over 3 months and (ii) aggregates of public company comparables scheduled on the closing date of the company being valued.

Source: Capital IQ as of 17 April 2025

We note that the EBIT multiples observed on the market for the same sample of companies are down by 21% on average compared to those represented during the 2021 STO:

2021 STO		2025 PBO		Difference - EBIT
EBIT 2022	11.8x	EBIT 2025	9.7x	(18%)
EBIT 2023	11.2x	EBIT 2026	8.5x	(24%)
Average	**11.5x**		**9.1x**	**(21%)**

We applied the average multiples of the sample to the aggregates[37] for the same years from Tarkett's business plan (excluding RBK) and took into account the impact of customs duties.

We considered it inappropriate to apply market multiples to the RBK scope due to the operational difficulties encountered in Russia, as explained above. Therefore, the RBK perimeter has been chosen for its DCF value, a method that appears to be the most likely to reflect the situation and the intrinsically deteriorated outlook for this region.

In addition, as indicated above (see section 7.3.2), the aggregates used for analogue approaches do not include the effects of recent or ongoing acquisitions (these, on the other hand, are included in the *cash flow* of the business plan). This is due to the fact that the multiples paid for these recent or pending acquisitions are significantly lower than the multiples expressed by public company comparables, and it does not appear justified to revalue companies acquired very recently to the level of public company comparables. For this reason, the enterprise value paid for these acquisitions has been reintegrated, with a favourable impact, into the transition from the enterprise value to the equity value (see section 7.3.2).

Consistent with the calculation of the Company's adjusted net financial debt, we have, where applicable, restated the IFRS 16 debt (or equivalent standards) in the calculation of the net financial debt of the three comparable companies.

Applying the average multiples to the Company's 2025E and 2026E EBIT reveals a range of values between €13.5 and €15.3 per share. The Offer Price of €17.00 represents a premium of +26.0% on the low end and +11.5% on the high end.

In addition, applying the average multiples to the Company's 2025E and 2026E EBITDA-CAPEX results in a range of values between €15.6 and €17.03 per share. The Offer Price of €17.00 represents a premium of +9.1% on the low end and a discount of -0.2% on the high end. We would like to recall that this method is presented on a secondary basis, whether it is the EBIT or EBITDA-CAPEX multiple.

For information purposes only, we specify the following:

- The application of EBITDA multiples (an aggregate that we do not consider relevant for the comparability limitations explained above), would reveal a range of values between €16.6 and €18.0 per share[38];
- The application of multiples calculated on the basis of a VWAP between 3 April and 17 April 2025, to reflect the evolution of the financial markets since the announcement of the customs duties by the United States, would reveal ranges of values between €11.4 and €13.0 for EBIT multiples, €13.2 and €14.5 for EBITDA-CAPEX multiples, and €14.2 and €15.4 for EBITDA multiples.

7.4.4 Comparable Transactions Method (for information purposes)

The Comparable Transactions Method is based on the analysis of the multiples represented during total or partial takeovers of companies in the sector of activity of the entity being evaluated. The

[37] Tarkett's EBIT was adjusted for expenses related to LTIP and pension provisions, which are recurring in the management's business plan.
[38] Calculations of multiples based on the 3-month VWAP as of 17 April 2025.

implementation of this approach is limited by the difficulty of having complete and reliable information on the targets and the terms of the transactions.

We analysed the transactions that have taken place since 2022 on companies belonging to the sector in which Tarkett operates. However, the identified transactions do not appear fully comparable due, in particular, to differences in geographic location, size, product mix, and profitability levels.

It should also be noted that some of the identified transactions involve a significant portion of the capital (greater than 50%) and therefore include a control premium and, where applicable, the estimated value of synergies by the purchaser. This is not the case for this Transaction, as the Offeror already holds more than 90% of the Company's capital.

Thus, for the above reasons, we present this approach for illustrative purposes only.

We identified three transactions for which information was available[39].

The transactions considered are as follows:

- The acquisition of 100% of Signature Systems Group, LLC by Myers Industries, Inc on 8 February 2024. The target is a US company specialised in the design, development, and manufacturing of flooring for extreme conditions for the construction and industrial sectors, and also offers sports surfaces;
- The acquisition of 24% of PT Cahayaputra Asa Keramik by PT Tancorp Bangun Indonesia on 21 November 2022. This is an Indonesian company specialised in the manufacture and sale of ceramic tiles for floors and walls;
- The acquisition of Balta Group NV (100% of the "*Rugs & UK carpet*" division) by Victoria PLC on 5 April 2022. The transaction covers Balta's rugs, carpets, and non-woven floor coverings.

The multiples represented by the sample of comparable transactions are presented below:

Table 19 - Comparable transactions since 2022

Date	Target	Country	Purchaser	% acquired	EV (In € millions)	xEBITDA
Feb 2024	Signature Systems Group, LLC	United States	Myers Industries, Inc	100%	320	8.8x
Nov. 2022	PT Cahayaputra Asa Keramik	Indonesia	PT Tancorp Bangun Indonesia	24%	23	6.7x
Apr. 2022	Balta Group NV (Rugs)	United Kingdom	Victoria PLC	100%	225	6.3x
Average						**7.2x**

Source: MergerMarket, Capital IQ, public data and Finexsi analyses

As previously for public company comparables (see section 7.4.3), we consider EBIT multiples to be the most relevant in this context. However, due to a very limited number of transactions for which an EBIT multiple was available (only one transaction), and in the absence of EBITDA-CAPEX multiples, we present the values resulting from the application of EBITDA multiples, with the reservations presented above regarding this aggregate (see section 7.4.3).

[39] The acquisition of 100% of TenCate Grass Holding B.V. by Leonard Green & Partners, completed in 2024, could not be considered, as the terms of the transaction were not public (Source: TenCate press release of 22 December 2023).

The average EBITDA multiples represented by the identified transactions is 7.2x.

We applied the average multiple of the sample to Tarkett's 2024R EBITDA[40] (excluding RBK) and took into account the impact of customs duties.

As previously, for public company comparables, we considered it inappropriate to apply market multiples to the RBK scope due to the operational difficulties encountered in Russia, as explained above. Therefore, the RBK scope has been chosen for its DCF value, a method that appears to be the most likely to reflect the situation and the deteriorated outlook for this region.

In addition, as indicated above (see section 7.3.2), the aggregates used for analogue approaches do not include the effects of recent or ongoing acquisitions (these, on the other hand, are included in the cash flow of the business plan). This is due to the fact that the multiples paid for these recent or pending acquisitions are significantly lower than the multiples expressed by comparable transactions, and it does not appear justified to revalue companies acquired very recently to the level of comparable transactions. For this reason, the enterprise value paid for these acquisitions has been reintegrated into the transition from the enterprise value to the equity value, which amounts to integrating them into the valuation for their acquisition price.

On this basis, and taking into account the adjusted net financial debt determined using analogue methods, the value per Tarkett share is €17.20.

The Offer Price of €17.00 represents a discount of -1.1%. It should be noted that this method is presented for informational purposes only for the reasons explained and is similar to the approach used for the 2021 STO.

7.4.5 Analysts' target prices (for informational purposes)

Reviewing financial analysts' target prices does not, in itself, constitute a valuation method, but rather summarizes opinions on the value. This benchmark therefore consists of observing a company's value based on the price targets published by financial analysts who cover the stock.

Tarkett is covered in a very limited manner by a single financial analyst, namely CIC Market Solutions. In addition, this analyst provides more or less detailed information on the Company's operating forecasts and other parameters used for the valuation work, which is why we present this benchmark for informational purposes only.

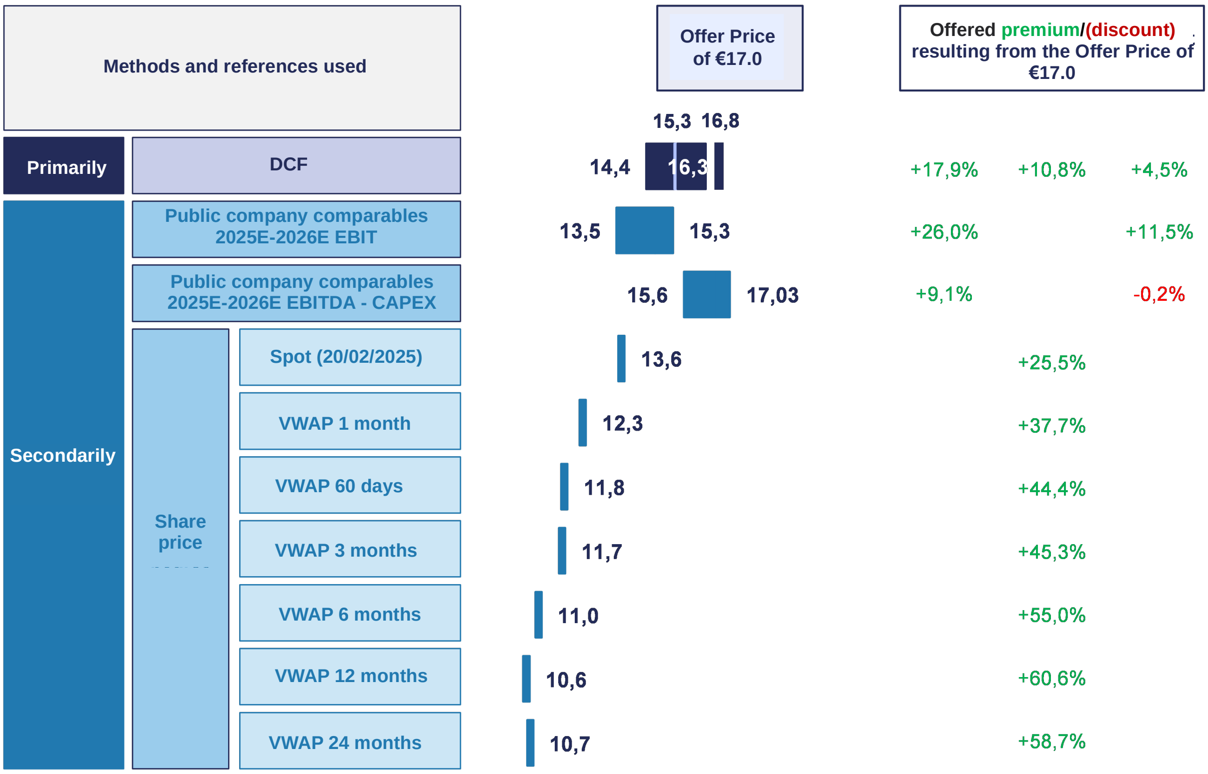
In a document dated 12 December 2024, which is the last publication before the announcement of the Offer (20 February 2025), the analyst set a price target of €10.0 with a "Neutral" recommendation. The Offer price of €17.0 represents a premium of +70.0% compared to this last price target.

[40] EBIT adjusted for expenses related to LTIP and pension provisions, which are recurring.

7.5 Summary of our valuation work

Based on our work, the Offer price of €17.0 per share shows the following premiums and discounts compared to the values resulting from our valuations according to the methods and references used:

Figure 18 - Summary of values per Tarkett share



Source: Finexsi analyses

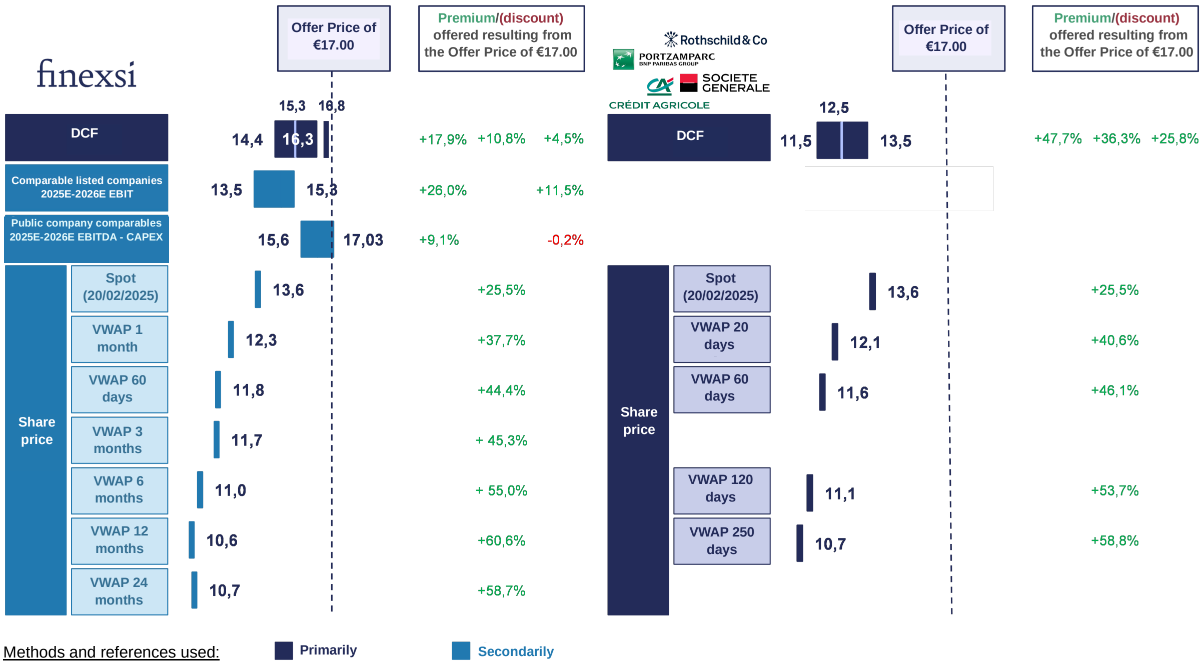
8 Analysis of the elements for assessment of the Offer Price established by the Presenting Institutions

The Presenting Institutions Rothschild & Co Martin Maurel, Portzamparc BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale have prepared the elements for assessing the Offer Price contained in section 3 of the draft offer document of 23 April 2025.

We analysed these elements and met with representatives of the Presenting Institutions to discuss the valuation methods and references used.

The results of our respective work are summarised below:

Figure 19 - Comparison of the valuation work of Finexsi and the Presenting Institutions



Source: Finexsi analyses, draft offer document

8.1 Choice of assessment criteria

For the valuation of Tarkett, the Presenting Institutions and Finexsi have mainly adopted the intrinsic method of discounting forecasted cash flows.

The Presenting Institutions also primarily used the share price, which Finexsi uses as a secondary method.

As regards the analogue method of public company comparables, Finexsi uses it as a secondary method, using EBIT and EBITDA-CAPEX, while the Presenting Institutions use it for informational purposes, using only EBIT.

The Presenting Institutions and Finexsi used the reference to the target price of the analyst following Tarkett's stock as a guideline.

Finally, Finexsi presents the analogue method of comparable transactions for informational purposes, which the Presenting Institutions have discarded.

Like Finexsi, the Presenting Institutions have excluded the following references and methods: Net Book Assets, Revalued Net Assets, and the discounting of future dividends.

The implementation of the different methods requires several comments from us.

8.2 Implementation of the different valuation methods

8.2.1.1 Number of shares used

The Presenting Institutions, like Finexsi, have used 65,531,722 shares as of 31 March 2025, corresponding to the number of shares comprising Tarkett's share capital adjusted for treasury shares.

8.2.1.2 Transition from enterprise value to equity value

For their DCF approach, the Presenting Institutions have adopted a pre-IFRS 16 adjusted net debt of -€836.7 million as of 31 December 2024, compared to a pre-IFRS 16 adjusted net debt of -€763.9 million for Finexsi.

The difference is mainly due to Finexsi taking into account all the cash subject to restrictions in Russia, while the Presenting Institutions only include the portion necessary for the operational continuity of the business in Russia (i.e., €15 million).

For the analogue methods, the Presenting Institutions adopt an adjusted net debt of -€751.3 million, while Finexsi adopts an adjusted net debt of -€640.5 million.

Beyond the treatment of restricted cash flow in Russia, the main difference lies in Finexsi's consideration of tax savings related to tax losses carried forward as a reduction in net debt, while the Presenting Institutions retain an annual adjustment to Tarkett's aggregates to which the multiples from their sample are applied. This difference in treatment results in a non-material difference in Tarkett's value and does not require any specific comment from us.

8.2.2 Discounted Cash Flow forecasts

8.2.2.1 With regard to the forecasts considered

Finexsi and the Presenting Institutions have adopted the 2025E-2029E business plan prepared by Tarkett management.

Consistent with the date for determining the transition from enterprise value to equity value, Finexsi and the Presenting Institutions have adopted 31 December 2024 as the valuation date.

Finally, Finexsi discounts Tarkett's forecasted cash flows at mid-year, while the Presenting Institutions position themselves at year-end, which has the effect of increasing Finexsi's value relative to that of the Presenting Institutions.

8.2.2.2 As regards the financial assumptions

As regards the perpetuity growth rate

For the scope excluding RBK, the Presenting Institutions and Finexsi have adopted a perpetuity growth rate of 2.0%.

For the RBK scope, the Presenting Institutions have adopted a perpetuity growth rate of 2.3%, in line with the IHS long-term (2050) estimates of Russian real GDP growth, while Finexsi has adopted a perpetuity growth rate of 4.0%, corresponding to the IMF's long-term inflation forecast for Russia (October 2024).

As regards the discount rate

As regards the discount rate for the scope excluding RBK, the Presenting Institutions have adopted a weighted average cost of capital calculated by geography of 10.0%, compared to 9.8% for Finexsi, calculated according to a consolidated approach.

As regards the RBK scope, the Presenting Institutions have adopted a weighted average cost of capital of 23.5%, while Finexsi has adopted a cost of equity of 22.4% based on the scope's net cash position.

8.2.2.3 Sensitivity analyses and results

The Presenting Institutions and Finexsi analysed the sensitivity of Tarkett's per share value to a combined change in the perpetuity growth rate and the discount rate. Finexsi also analysed the sensitivity to a combined change in the discount rate and the pre-IFRS 16 normative EBITDA margin rate. Finexsi also presented a sensitivity to an improvement in the situation in Russia by halving the country risk premium.

The Tarkett per share value used by the Presenting Institutions is between €11.5 and €13.5, with a central value of €12.5.

According to Finexsi, Tarkett's per share value is between €14.4 and €16.3, with a central value of €15.3, and a value of €16.8 in the scenario of a hypothetical improvement in the situation in Russia today.

Finally, Finexsi performed sensitivity tests on the following macroeconomic data: oil price, EUR/USD and EUR/RUB exchange rates. The sensitivity of Tarkett's share price to these various parameters is at its maximum, for the one with the greatest impact, +/- €0.11, which has no impact on the range presented.

8.2.3 Analysis of the share price

The Presenting Institutions and Finexsi performed an analysis of the share price as of 20 February 2025 (the last trading day before the announcement of the Transaction) and calculated averages over periods preceding this date.

Limited differences between the two analyses arise from differences in the periods used for the calculations (20 days, 60 days, 120 days and 250 days for the Presenting Institutions and one month, 60 days, 3 months, 6 months, 12 months and 24 months for Finexsi) and the methods used to calculate the VWAP, since the Presenting Institutions use for their calculations the volumes of securities traded on all Tarkett listing venues[41], while Finexsi uses the volumes of securities traded on Euronext Paris.

8.2.4 Public company comparables method

The Presenting Institutions and Finexsi used the same sample, consisting of three companies: Mohawk Industries, Interface and Forbo.

The Presenting Institutions and Finexsi used the 2025E-2026E pre-IFRS 16 EBIT as reference aggregates for the application of multiples. In addition, the Presenting Institutions considered an adjustment of €3 million related to the net effect of the annual use of tax losses, noting that Finexsi considers the potential savings related to the use of tax losses at the level of the transition from enterprise value to equity value (see section 7.3.2).

The main differences between the multiples represented by the Presenting Institutions and Finexsi arise from the method of calculating the market capitalisation: Finexsi uses a 3-month VWAP as of 17 April 2025, compared to a 1-month VWAP as of 20 February 2025 for the Presenting Institutions.

The Presenting Institutions use a value per Tarkett share of between €13.8 and €15.6 and specify that an analysis at 22 April 2025, would lead to values approximately €2 lower per share (between €11.8 and €13.5) given the decline in share prices and EBIT multiples following the US government's announcements regarding customs duties.

According to Finexsi, the value per Tarkett share is between €13.5 and €15.3 when applying EBIT multiples to the Company's 2025E and 2026E aggregates.

In addition, Finexsi also used EBITDA - CAPEX multiples. The value per share is therefore between €15.6 and €17.03.

8.2.5 Analysts' Target Prices

The reference to the target prices of analysts following the Tarkett share used by the Presenting Institutions does not require any specific comment from us, as our respective analyses are based on the same analyst (namely CIC Market Solutions) and the same resulting ratings.

[41] Namely Euronext Paris, LSE Domestic Quotes, Swiss EBS Stocks and LSE International.

9 Related agreements and other agreements that may have a material impact on the Offer Price

We reviewed the agreements that could have a material impact on the assessment of the Offer or its outcome, as presented in the draft offer document, to assess whether these agreements included financial provisions that could call into question the fairness of the Offer Price.

These various related agreements are described in section 1.4 of the draft offer document.

Within this framework, we examined:

- The liquidity mechanism;
- Other agreements of which the Offeror is aware.

9.1 Liquidity Mechanisms Offered to Holders of Free Shares

The Offeror has proposed a liquidity mechanism to the holders of the 32,209 free shares that cannot be tendered to the Offer due to their unavailability, the lock-up period not expiring before the closing date of the Offer (hereinafter "the Free Shares Under Retention").

The liquidity mechanism provides for cross-call and cross-put options. Under the terms of this agreement and its amendment, the holders of Free Shares Under Retention irrevocably undertake to sell all of their shares if the Offeror exercises the call option, and the Offeror irrevocably undertakes to acquire them if the holders of Free Shares Under Retention exercise the put option.

The call option is exercisable at any time during a period of 60 calendar days starting on the first business day following the expiration of the lock-up period. The put option is exercisable at any time during a period of 60 calendar days from the expiry of the call option.

Call and put options must be exercised by 31 December 2025, taking into account the Offeror's plan to convert Tarkett into a Simplified Joint Stock Company (*Société par Actions Simplifiée*) upon completion of the Offer and the squeeze-out.

Taking into account the duration of the promises, the exercise price of the call and put options will be equal to the Offer Price, i.e., €17.00 per Free Share Under Retention.

Under these conditions, the provisions of the liquidity mechanism are not, in our opinion, likely to call into question the fairness of the Offer Price.

9.2 Other agreements

9.2.1 Shareholders' Agreement

The Shareholders' Agreement of 23 April 2021, concluded within the framework of the 2021 STO and amended by amendments, is still in force. As a reminder, it governs the relationship between Société Investissement Deconinck (SID) and the Investor at the level of Tarkett Participation and the subsidiaries it controls (including the Company) for a period of 15 years.

The main terms of the Shareholders' Agreement of 23 April 2021 have remained unchanged, with the exception of a change concerning the rate of independence within the Supervisory Board, which is thus slightly lower than that recommended by the AFEP-MEDEF Code.

In these circumstances, the amendments made to the Shareholders' Agreement are not, in our opinion, such as to call into question the fairness of the Offer Price.

9.2.2 Mechanism for the remuneration of certain managers

As a reminder, as part of the 2021 STO, an investment and performance share allotment plan was put in place by the Offeror (Tarkett Participation) for the benefit of certain executives and senior managers of the Company.

In July 2024, this plan was amended with the aim of increasing its attractiveness in a slowing economic environment and to support talent retention. The partial liquidity mechanism benefiting managers was adapted to advance the liquidity windows by one year. They now have liquidity in each third in the fifth, sixth, and seventh years of their investment in the ordinary shares they hold.

The remaining key terms of the compensation mechanism set out in the draft offer document relating to the 2021 STO remain unchanged.

Under these circumstances, the changes made to the pre-existing compensation mechanism for certain executives do not, in our opinion, call into question the fairness of the Offer Price.

10 Analysis and assessment of comments received from minority shareholders

As part of our work, we were contacted by 35 shareholders who sent us letters between 24 February 2025 and the date of this report.

We contacted the Offeror and the Presenting Institutions, as well as the Company's management, to obtain their comments on the arguments raised by the shareholders who contacted us.

In accordance with article 3 of AMF Instruction 2006-08, we set out below the shareholders' comments as well as our analyses and assessments. We also refer to the relevant developments in the report.

10.1 As regards the improvement of Tarkett's financial indicators

The shareholders note an improvement in Tarkett's financial indicators between the 2021 STO and this Offer. They conclude that the price of this offer should be at least €20 per share.

First, it should be noted that it is important to compare the changes in values between the two dates and to assess each Offer Price in relation to each current value.

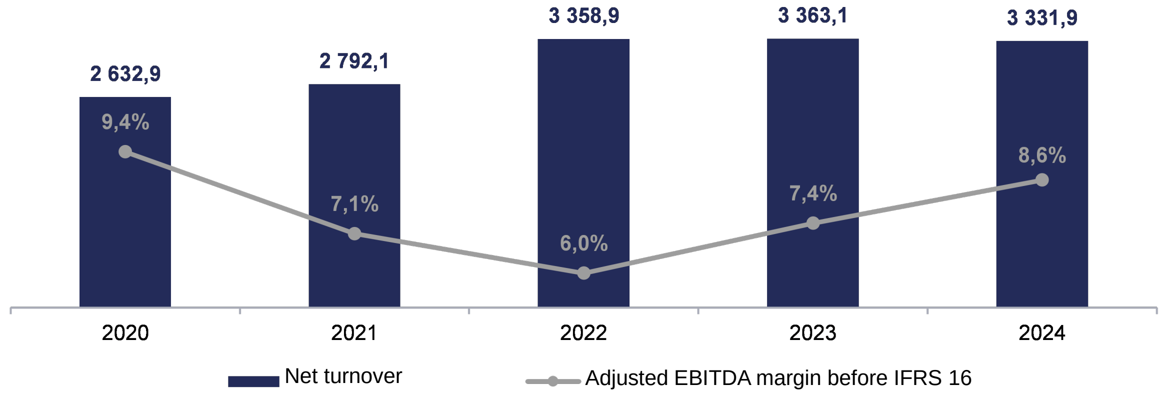
With regard to the evolution of Tarkett's historical aggregates since 31 December 2020, we refer readers to the developments presented above (see section 5.1).

The Group's turnover increased from €2,632.9 million to €3,331.9 million between 2020 and 2024, representing an increase of +26.5%. This change should be considered in particular in light of inflation over the period, which was only partially reflected in the sales prices.

Over the same period, gross margin, expressed as a percentage of turnover, experienced the opposite trend, falling from 22.0% in 2020 to 19.5% in 2024, a decrease of -2.5 percentage points, with a low point reached in 2022 at 18.0% of turnover. This change reflects the increase in costs (raw materials, energy, transportation, salaries, etc.) borne by the Company, which it was unable to fully reflect in its sales prices, leading to a deterioration in the Group's financial performance over the past five years.

Adjusted EBITDA (pre-IFRS 16) followed the same trend as gross margin. While adjusted EBITDA increased in value (€286.2 million in 2024 compared to €247.0 million in 2020), the margin rate increased from 9.4% in 2020 to 8.6% in 2024, a decrease of -0.8 points, with a low point at 6.0% in 2022.

Figure 20 - Evolution of turnover and adjusted EBITDA pre-IFRS 16 margin rate between 2020 and 2024



Source: URDs 2020 to 2023, 2024 consolidated financial statements, Finexsi analyses

It appears that the increase in turnover over the period, driven in particular by high inflation, did not translate into an improvement in the Company's profitability as expressed by its EBITDA margin, which has, on the contrary, deteriorated since 2020, and the EBITDA level was lower than anticipated in 2021.

With regard to pre-IFRS 16 net financial debt, this fell from €361.7 million in 2020 to €309.3 million in 2024, a decrease of €52.4 million over the period. It should be noted, however, that for our purposes, we are using net financial debt, adjusted for certain debt or cash-related items, which are not included in the business plan cash flows (see section 7.3.2 Elements of the transition from the enterprise value to the value of equity). After taking into account these adjustments at both dates, it appears that the adjusted net financial debt at the end of 2025 (€763.9 million)[42] is higher than that of 2021 (€662.3 million)[43].

One shareholder also noted that certain items (exchange differences, revision of employee benefits and pensions, valuation of financial instruments) would have been recognised directly in equity in 2021 and 2022, without passing through the income statement, which would show "*a much stronger financial situation than accounting losses might suggest*." This shareholder also indicates that the Company recognises the gains related to interest rate swaps directly in equity, without impacting the financial result. We have no observations to make on the accounting rules and methods applied by the Company, it being recalled that the consolidated accounts of the Company have been certified without any reservation by the Statutory Auditors over the past five financial years. In addition, the minority shareholder's remarks have no practical impact on our valuation work, insofar as they concern the 2021 and 2022 financial years, or elements that have no impact on the financial aggregates used in our work (EBIT, EBITDA – Capex) or on the Company's cash position.

[42] See section 7.3.2 above, it being specified that the main items that differ from 2021 are debts related to 2025 acquisitions (€66.9 million) and the absence of deferred taxes related to tax losses that can be carried forward to 2025 because they are included in the tax rate (vs. €27.6 million in 2021).

[43] See page 48 of our report dated 20 May 2021, in the context of the 2021 STO.

10.2 As regards the business plan presented during the 2021 STO

Some shareholders indicate that the Company may have outperformed the management's business plan used in the STO in 2021.

We refer to section 7.4.1.1, which compares actual results for the period 2021-2024 with the forecasts established in the STO, which highlights that the Company has underperformed its business plan in terms of profitability (particularly EBITDA and EBITDA margin).

As a result, the value determined in the 2021 STO was indeed overestimated.

10.3 As regards the forecasts communicated to the market

Some shareholders highlight the 2025 financial outlook mentioned in the Company's press release dated 20 February 2025, and in particular the Group's 2025 target of adjusted EBITDA of €360 million, including the impact of acquisitions made in the Sports segment. It should be noted that the Company's press release also states that "*the Russian market has slowed down over the long term, and the Group does not expect the situation to improve in the medium term*."

The adjusted EBITDA of €360 million for 2025 is calculated after applying IFRS 16, and is therefore comparable to the post-IFRS 16 adjusted EBITDA of €329.3 million for the 2024 financial year.

The adjusted EBITDA included in the management business plan on which our work is based appears consistent with the target communicated to the market for 2025.

10.4 As regards the valuation methods

10.4.1 Reference to the Tarkett share price

Some shareholders point out that Tarkett's share price is illiquid, in view of the free float[44], and that the reference to the latter is therefore irrelevant.

The share price constitutes a reference since it reflects the daily price at which shares are traded. However, as previously stated, we consider that it does not constitute a primary reference for Tarkett's value. In the context of a Squeeze-Out, however, this reference is presented on a secondary basis.

10.4.2 The DCF Method

One shareholder conducted their own DCF approach, which resulted in a value per share of €28. The assumptions he uses to construct the forecasts are not disclosed and appear (i) clearly different from the public information used by the CIC analyst to arrive at a target price of €10 in December 2024, before the announcement of the buy-out offer, and (ii) significantly higher than the assumptions in the management business plan, to which we have had access. In addition, the shareholder does not seem to take into account the difficulties encountered within the RBK scope.

[44] As a reminder, the free float stood at 9.65% at 31 December 2024, and its 12-month turnover stood at 26.74% at 20 February 2025 (see section 7.4.2.2).

Another shareholder indicates that the business plan should incorporate future and as yet unidentified external growth operations, beyond the recent acquisitions in the sports segment that are already taken into account. The management business plan is based on the current scope (taking into account recent acquisitions made in 2025), but does not incorporate unidentified future operations, which are generally not possible to simulate, as is expected in the context of the activities of a group such as Tarkett. In this regard, we have received confirmation from management that there are no other signed acquisition agreements or binding letters of intent.

This same shareholder questions the downward revision of the business plan in December 2024. As we previously indicated (see section 7.4.1.2), the forecasts for the RBK scope have been adjusted to reflect the deterioration of the operational and commercial situation in Russia, which experienced a 24% decrease in EBITDA compared to 2023. As regards 2025, the Company's management has informed us that the first quarter shows lower volumes compared to the same period in 2024 (-7.5%) and stable sales compared to 2024 (-0.1%) due to sales price increases and the strengthening of the currency. These factors do not call into question the forecasts in the RBK business plan for December 2024.

Forecasts excluding RBK remained broadly unchanged from those approved in July 2024.[45]

We have shared our analysis of the main assumptions of this business plan.

10.4.3 The analogue approach to public company comparables

Some shareholders point out that using the public company comparables method for illustrative purposes only is not relevant, in so far as there are companies comparable to Tarkett.

We would like to remind you that, as in the case of the 2021 STO, the analogue approach to public company comparables was used as a secondary measure by Finexsi, and for illustrative purposes by the Presenting Institutions.

We also point out that the sample of comparable companies used is limited to three companies and is the same as in the 2021 STO. In addition, these companies do not appear to be fully comparable to Tarkett for the reasons set out above in section 7.4.3 (Tarkett's relative performance, activities, geographical areas, exposure to Russia, etc.).

For the aggregates, we have considered EBIT and EBITDA-CAPEX. We did not consider EBITDA, for the reasons set out above with regard to comparability limits (see section 7.4.3). However, we performed the calculations using this aggregate.

With regard to the consideration of the RBK scope, recent acquisitions in the Sports segment and EBITDA for the implementation of this approach, we refer to the details in section 7.4.3.

In addition, one shareholder points out that in the sample of public company comparables, James Halstead should also be included, whom we excluded for the reasons indicated in section 7.4.3. For information purposes, taking into account the companies excluded from our sample, James Halstead and Belysse Group[46], would reveal a range of values between €12.6 and €13.6 per share

[45] The changes primarily consist of an improvement in EBITDA in the Sports segment to reflect 2024 performance and minor changes in assumptions regarding the working capital requirements and investment levels.

[46] The third company excluded from our sample, Victoria Plc, was not included as it is in a deteriorating financial situation (see section 7.4.3).

based on EBIT multiples, between €14.5 and €15.0 per share based on EBITDA-CAPEX multiples and, for information purposes only and for the reasons explained above regarding the comparability issues with EBITDA in this case, between €16.9 and €17.5 per share based on EBITDA multiples.

10.4.4 As regards the improvement in shareholders' equity

Some shareholders point to the improvement in Tarkett's consolidated shareholders' equity (Group share) since the 2021 STO.

As mentioned above (see section 7.1.1), the value of the consolidated Net Book Assets is generally not considered to be representative of the company's intrinsic value, as it does not include growth and profitability prospects, whether positive or negative, or any potential capital gains on assets.

Tarkett's consolidated Net Book Assets[47] thus increased from €11.8 per share as at 31 December 2020 to €12.5 per share as at 31 December 2024, i.e. a level significantly below the Offer Price.

For information purposes, in the absence of impairment of goodwill relating to the CIS CGU (including Russia) for €95.5 million, the amount of the consolidated NBA would have amounted to approximately €13.9 per share as at 31 December 2024 (see below section 10.7), an amount which remains below the Offer Price.

10.5 As regards adjustments for the transition from the enterprise value to equity value

Some shareholders criticise certain adjustments made in the transition from the enterprise value to the equity value, as described above (see section 7.3.2).

<u>Adjustments in WCR</u>

As indicated above, Tarkett's activities are subject to marked seasonality, with an increase in sales in the third quarter due in particular to more favourable weather conditions for outdoor construction sites.

In connection with the sales cycle, the WCR position at 31 December is a low point, before the gradual increase in inventories during the first half of the year (the high point of which is reached during the summer), resulting in a peak in WCR to be financed during the second and third quarters of the financial year. The cash position at 31 December is therefore very favourable, but it is not normative and especially not fully available since part of it will be mobilised to finance the peak in WCR. As a result, we therefore apply an adjustment of €120.0 million to take into account this low point of WCR as at 31 December 2024, the date on which we determine the change from the enterprise value to the equity value. This adjustment corresponds to the difference between the WCR recorded on 31 December 2024 and the average monthly WCR in 2024.

As a reminder, Finexsi consistently applied an adjustment in working capital requirement of €136.3 million during the 2021 STO, for the same reasons.

[47] Shareholders' equity (Group share) / Number of shares (restated for treasury shares).

<u>Factoring</u>

Some shareholders point out that the restatement of the receivables assigned to the factor in the transition from the enterprise value to the equity value is not relevant.

As indicated above (see section 7.3.2), receivables assigned under factoring contracts concluded by certain Tarkett subsidiaries were considered at their amount at 31 December 2024 (i.e. - €209.3 million), net of retention money.

It should be specified that the cash flows resulting from the management's business plan are understood to exclude factoring, i.e., the receivables assigned to the factor are included in the change in working capital requirements.

In addition, the use of factoring by Tarkett constitutes a financing resource for the Group, which makes it possible to anticipate the receipt of cash in relation to customer payment deadlines and to limit the use of other sources of financing, in particular lines of credit.

The restatement must therefore be made.

For informational purposes, Finexsi also applied an adjustment of €121.5 million during the 2021 STO.

10.6 As regards the reference to the multiple resulting from the price of the 2021 STO

Some shareholders believe that the current transaction should include reference to:

- The liquidity mechanism provided for in the 2021 STO;
- The mechanism for the remuneration of executives provided for in the 2021 STO;
- As well as the various incentive plans for Tarkett staff put in place since the 2021 STO.

As part of the 2021 STO, a liquidity mechanism in the form of cross-purchase and sale promises was established between the Offeror and the holders of bonus shares that were in the process of vesting (LTIP 2019-2022 and 2020-2023 plans) or that were locked in (retention obligation) at that date. The last shares that benefited from this mechanism were sold in September and October 2023 by managers at a price of €14.91[48] per Tarkett share.

Similarly, a mechanism for the remuneration of directors was set up during the 2021 STO, providing in particular for a reinvestment in Tarkett Participation shares of all or part of the proceeds from the sale of the Tarkett shares sold by certain managers as part of the offer.

Finally, the Company has put in place several management incentive plans (LTIP) after the 2021 STO[49] for certain managers (these plans do not apply to corporate officers). These plans are based on the allocation of "phantom" shares that entitle the beneficiaries to a cash payment at the end of the incentive plan, with the beneficiaries never becoming shareholders of the Company at any time.

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[48] This price of €14.91 illustrates the decline in the value of the Tarkett share since the 2021 STO (-25% compared to €20) due to the Company's underperformance with regard to its business plan, as indicated above (see section 7.4.1.1).

[49] 2021-2024 plan (183 beneficiaries), 2022-2025 plan (193 beneficiaries), 2023-2026 plan (186 beneficiaries) and 2024-2027 plan (185 beneficiaries).

The amount paid in cash varies according to the achievement of the performance criteria[50] and there are no underlying business plans specific to the incentive plans; achievement of performance criteria is measured based on the performance achieved between the start and end of the plan.

All these agreements[51] refer to the formula: 8.1 x EBITDA - Net financial debt.

As regards the multiple of 8.1x, it is inferred[52] by the price of the 2021 STO of €20.0 and fixed at that date. It therefore does not correspond to today's market multiple, which has declined significantly.

In the case of LTIP set up by the Company since the 2021 STO, we were able to access the various plans[53] and find that the fixed multiple of 8.1x makes it possible to measure the theoretical value creation between two dates in a homogeneous, coherent and constant manner.

By fixing the multiple contractually, the formula aligns with its objective, which is to measure performance based on endogenous factors that depend on the action of managers, namely changes in EBITDA and net financial debt. As this is an exogenous factor, the 8.1x multiple is fixed for the purposes of internal monitoring of management incentives.

Applying this same 2021 contractual multiple to a valuation of shares in 2025 would amount to using an obsolete benchmark, as it is too old. Furthermore, it would immunize shareholders from their risk of exposure to market fluctuations. Such a benchmark seems impractical in principle, given that multiples can fluctuate upwards or downwards over such a period.

We note in this regard that, to our knowledge, there is no rule or practice establishing that there must be a reference to the treatment of managers in valuing the Company's shares.

For these reasons, it does not appear possible to use this 8.1x EBITDA multiple to determine the value of Tarkett's share in the context of this transaction. Only the multiples observed at the date of our valuation constitute a useful and relevant reference.

In addition, several shareholders question the methodology for calculating the Net Financial Debt. In this regard, the three aforementioned agreements (liquidity agreement, executive compensation mechanism, LTIP) provide for several adjustments, including the restatement of factoring and a working capital adjustment to account for the seasonality of the business, consistent with those carried out in our valuation work presented above.

10.7 As regards impairment tests

Some shareholders highlight the "opportunistic" nature of the depreciation of the entire CIS CGU (including Russia), amounting to € -95.5 million as at 31 December 2024 (see section 5.2).

This depreciation was taken as part of the analysis conducted annually by the Statutory Auditors and reflects the deterioration in Tarkett's operational and commercial performance in Russia, with a 24% decline in EBITDA in 2024 compared to 2023.

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[50] The main performance criterion is that of "theoretical value creation," to which a weighting of 80% is assigned (the other two performance criteria selected for 20% relate to CO_2 emissions and recycling).

[51] For the exercise price of the liquidity mechanism promises; for access to partial liquidity of the Tarkett Participation Shares; and for measuring the Company's performance under the LTIP.

[52] (Offer price of €20 x number of shares on 30/06/2021) + change from equity value to enterprise value = enterprise value. Enterprise value/ EBITDA *Last twelve months* = 8.1x.

[53] We have ensured consistency between the performance criteria defined in the LTIP still in progress and the disbursements applied as such in the Company's business plan used for our work.

The impairment of €95.5 million as at 31 December 2024 has no direct impact on our valuation approach (we do not apply the wealth-based approach), it being recalled that, in the absence of impairment, consolidated net assets would have amounted to approximately €13.9 per share, i.e. a level below the Offer Price.

The business plans used for impairment tests are based on the scope of the CGUs and cannot be directly compared with the business plans used for our work. *Indeed, IAS 36 provides that: the effects of possible restructuring and future investments not yet undertaken should not be taken into account in the Business Plan, forecast cash flows are determined before income tax. Furthermore, <u>the scope is not always identical</u>. [Impairment tests do not assess the historical basis of the group, insofar as they relate to the goodwill generated during acquisitions; therefore, all of the business plans used in impairment tests do not systematically match the overall business plans]*." (Emphasis added)

However, we ensured the consistency of the CIS business plan[54] with that of the RBK scope used for our work (the RBK scope, including Russia, being smaller than the CIS).

One shareholder states that we should use the 3% perpetuity growth rate used by the Company for its impairment tests.

The reference to the perpetuity growth rate used by the Company for its impairment tests, in accordance with IFRS, is not, in our opinion, relevant in this context, and more broadly, in a financial valuation approach. The objective of IAS 36 is to verify that the carrying amount of acquired assets recorded in the financial statements does not exceed their recoverable amount, this value being measured by reference to the concept of value in use and not by reference to the fundamental value.

We have adopted a perpetuity growth rate of 2% (lower than that of impairment tests) for the scope excluding RBK and a rate of 4% (higher than that of impairment tests) for the RBK scope, consistent with long-term inflation forecasts from the same source (IMF), in accordance with AMF Recommendation 2006-15, according to which the independent expert ensures that "*the perpetuity growth rate is consistent with the long-term growth rate used for the economies of the countries in which the company operates.*"

We also remind you that the discount rate and the perpetuity growth rate used should be assessed together. In this regard, we note that we are using a discount rate lower than the weighted average rate used in the impairment tests for the scope excluding RBK, and a discount rate in line with the current rate for RBK. Thus, by using the parameters of the impairment tests (discount rate and perpetuity growth rate), the value of the Tarkett share would be lower than that resulting from our DCF approach.

[54] The CIS CGU includes the RBK scope (Russia, Belarus and Kazakhstan) as well as Eastern Europe (Balkans). Ukraine, which was historically part of this scope, has been assigned to the EMEA division as of January 2024.

10.8 With regard to the Tarkett share values calculated by the main minority shareholder

The Company's main minority shareholder is a professional investor, present in the capital since 2018 and currently holding approximately 4.8%[55] of Tarkett's capital. He sent us 4 letters dated 27 February, 7 March, 14 March and 17 March 2025.

In his last letter dated 14 March 2025, this shareholder estimated the value of Tarkett on the basis of:

- The EBITDA multiple of 8.1x used as part of the liquidity agreement concluded during the 2021 STO with certain managers whose shares were then locked in or in the process of being acquired and could therefore not be tendered to the Offer;
- The EBIT multiple of 11.4x resulting from the draft offer document for public company comparables;
- An EBIT multiple of 12.5x based on comparable transactions (in the absence of specific information, we assume this multiple is derived from the sample of transactions selected by Finexsi during the 2021 STO, which are old)[56].

It should be noted that the shareholder includes in his latest correspondence the deteriorating situation in Russia, and attributes an enterprise value of between €82 million and €95 million to the RBK scope (in line with the value applied in our work presented above).

The value estimated by this shareholder comes to €24.21 per share with the application of the EBITDA multiple of 8.1x, to €19.78 per share with the application of the EBIT multiple of 11.4x and to €22.55 per share with the application of the EBIT multiple of 12.5x.

With regard to the use of the EBITDA multiple of 8.1x from the liquidity mechanism in the context of STO 2021, we refer to the above developments (see section 10.6) concerning the irrelevance of this multiple for a valuation at the date of this Offer[57].

For the 2024 EBIT multiples approach, the shareholder assumes a post-IFRS 16 EBIT of €191 million, which he then allocates between the non-RBK scope and the RBK scope. However, the shareholder does not include the IFRS 16 debt (which amounts to €125.4 million as of 31 December 2024) in his calculation of the transition from enterprise value to equity value, which is inconsistent with the post-IFRS 16 EBIT he uses, and leads to an overvaluation of €1.9 per share. Furthermore, the 2024 EBIT used by the shareholder cannot be considered recurring since it does not take into account expenses related to pension plan contributions and management incentive plans (see section 7.4.3).

We also note that the shareholder's calculations include the cash held in Russia twice, amounting to €66 million[58], with this material error representing €1 per Tarkett share.

[55] After having sold part of his holding in the second quarter of 2023 (approximately 1.8%), at a period when the Company's share price was around €11.50 (VWAP of the second quarter of 2023), i.e. a level well below the price of this Offer.

[56] We do not have the means to validate the multiple of 12.5x EBIT adopted by the shareholder. It should be noted, however, that although it corresponds to the multiple of transactions used in the 2021 STO, it is not applicable to this transaction due to the age of the transactions.

[57] It should be noted that the last share sales, which took place in October 2023 under the liquidity mechanism of the 2021 STO, were carried out at a unit price of €14.91.

[58] €80.6 million - €15 million of cash required to operate the local business.

Taking these two elements into account, namely the failure to account for IFRS 16 debt in a manner consistent with the 2024 EBIT used (impact of €1.9 per share) and the double counting of cash held in Russia (impact of €1), would lead the shareholder to values of €16.85 and €19.65, respectively. After taking into account expenses related to the management's pension and profit-sharing plans, this latter value of €19.65 would amount to €16.98.

10.9 As regards the independence of Finexsi - Expert & Conseil Financier

Some shareholders argue that Finexsi is not independent because it acted as an independent appraiser during the 2021 STO.

It should be noted that Finexsi's intervention during the 2021 STO ended with the submission of its report on 20 May 2021.

Since that date, Finexsi has not carried out any intervention of any kind on behalf of the Company or on behalf of the Offeror.

Finexsi confirms its independence in the context of this Transaction. We refer to the statement of independence contained in section 2.2 of this report.

Our appointment was the subject of non-opposition by the AMF within the framework of Article 261-1-1 of the AMF General Regulation.

11 Conclusion

As regards Tarkett shareholders

This Public Buy-out Offer at a price of €17.00 per share will be followed by a Squeeze-Out, with compensation equal to the Offer Price.

We consider the DCF approach to be the most appropriate for estimating the intrinsic value of the Tarkett share. The Offer Price represents a premium of 10.8% compared to the central value resulting from this method, based on the management's business plan, which appears to be generally balanced, in an uncertain and volatile macroeconomic environment, particularly marked by the increase in customs duties recently announced by the US government.

The highest value according to this method (€16.80) factors in an improvement in the situation in Russia and remains below the Offer Price, which thus provides full value to shareholders without having to fully bear the risk of a slowdown in activity in Russia.

The Offer Price represents a premium of 25.5% over the last trading price prior to the announcement of the Offer, and a premium of 44.4% over the 60-day average trading price, with the understanding that this benchmark is presented on a secondary basis due to low liquidity and limited free-float rotation.

The valuation range of the DCF is corroborated by the results of the public company comparables method, implemented on a secondary basis due to a limited sample size for which comparability with the Company is limited. Based on this criterion, the Offer Price reflects premiums of between 11.5% and 26.0% based on EBIT multiples, and discounts/premiums of between -0.2% and 9.1% based on EBITDA-CAPEX multiples.

As regards the related agreements

A review of the agreements that could have a significant impact on the assessment or outcome of the Offer, as presented in the draft offer document, namely (i) the liquidity mechanism, and (ii) the amendments made to the other agreements entered into within the framework of the 2021 STO (Shareholders' Agreement and compensation mechanism for certain executives), did not reveal any provisions that, in our opinion, call into question the fairness of the Offer from a financial point of view.

Consequently, and as of the date of this report, we believe that the Offer Price of €17.00 per share proposed in the Public Buy-out Offer followed by a Squeeze-Out is fair from a financial point of view for Tarkett shareholders.

Signed in Paris, on 24 April 2025
Finexsi - Expert & Conseil Financier

[Signature]	[Signature]
Olivier COURAU Partner	Olivier PERONNET Partner

12 Appendices

Presentation of Finexsi - Expert & Conseil Financier and the mission procedure

The activities of Finexsi Expert & Conseil Financier (Finexsi) fall within the scope of professions regulated by the French Order of Chartered Accountants and the French National Company of Statutory Auditors. It primarily encompasses auditing of contributions and mergers, business acquisitions and disposals, business valuations in a variety of contexts, and independent appraisal and assistance in the context of litigation.

To carry out these missions, the firm employs staff members, most of whom have a high level of experience and expertise in each of these specialities.

Finexsi is independent and does not belong to any group or network.

List of independent appraisal assignments carried out by Finexsi in the last 18 months

Date	Target	Offeror	Presenting bank(s)	Transaction	Consulting bank(s)(1)
Nov. 2023	ESI Group	Keysight Technologies	JP Morgan, BNP Paribas	Simplified Tender Offer followed by a Squeeze-Out	-
Dec.-23	Altur Investissement	Suffren Holding	Invest Securities	Simplified Tender Offer followed by a Squeeze-Out	-
Feb 2024	Compagnie Industrielle et Financière d'Entreprises (C.I.F.E)	Spie batignolles	Oddo BHF	Simplified Tender Offer	-
May 2024	Sopra Banking Software	Axway Software	Société Générale	Public Takeover Bid	-
May 2024	Micropole	Miramar Holding	Société Générale	Public Takeover Bid	-
July 2024	Micropole	Talan Holding SAS	Oddo BHF	Simplified Tender Offer	-
Sept. 2024	Wedia SA	Mercure	Bryan, Garnier & Co	Simplified Tender Offer followed by a Squeeze-Out	-
Oct. 2024	Esker	Boréal Bidco SAS	Société Générale, Morgan Stanley	Public Takeover Bid	Deutsche Bank
Dec. 2024	Aures Technologies	Advantech Co., Ltd.	BNP Paribas Portzamparc	Public Takeover Bid followed, where appropriate, by a Squeeze-Out	TPICAP MIDCAP
Jan 2025	Neoen	Brookfield Renewable Holdings	BNP Paribas, Société Générale	Simplified Tender Offer	-
Feb. 2025	Exclusive Networks	Etna French Bidco	BNP Paribas, Lazard, Société Générale, Morgan Stanley	Simplified Tender Offer followed by a Squeeze-Out	-

(1): where this is not the same as that of the presenting bank

Membership in a professional association recognised by the French Autorité des Marchés Financiers

Finexsi - Expert & Conseil Financier adheres to the APEI (Professional Association of Independent Appraisers), a professional association recognised by the French Autorité des Marchés Financiers pursuant to Article 263-1 of its General Regulation.

In addition, Finexsi - Expert & Conseil Financier applies procedures to protect the firm's independence, avoid situations of conflicts of interest and control, on each assignment, the quality of the work carried out and the reports before they are issued.

Amount of compensation received

Our compensation for this mission is €390,000, excluding taxes, fees and disbursements.

Description of the work performed

The following detailed work programme has been implemented:

1. Acknowledgement of the Transaction and acceptance of the mission;
2. Identification of risks and guiding the mission;
3. Gathering of information and data necessary for the mission;
4. Assessing the context of the Offer:
    - Understanding the process that led to the Offer: discussions with the Company and its advisors;
    - Considering sector analyses to better understand the market and the Company's activities.
5. Analysis of the Transaction and related legal documentation (draft offer document, related agreements, draft response document, etc.);
6. Acknowledgement of the Company's accounting and financial documentation;
7. Analysis of previous transactions in the Company's capital;
8. Analysis of Tarkett's share price:
    - Analysis of price performance
    - Analysis of free float and liquidity.
9. Review of the Company's management's business plan;
10. Implementation of a valuation using the discounted future cash flow method and performance of sensitivity analyses;
11. Implementation of a valuation using the analogue method of public company comparables;
12. Implementation of a valuation using the analogue method of comparable transactions;

13. Analysis of the analyst's price target for the stock;
14. Analysis of the draft offer document and critical and independent analysis of the valuation report of the Presenting Institutions;
15. Obtaining letters of affirmation from the Company's representative and the Offeror;
16. Independent review;
17. Drafting of the report.

Timetable for the study

24 January 2025	Appointment of Finexsi as an independent appraiser by Tarkett's Supervisory Board
27 January 2025	Working meeting with Rothschild
05 February 2025	Working meeting with the Company's management and Rothschild
11 February 2025	Working meeting with the Company's management
12 February 2025	Working meeting with the Company's management and Rothschild
13 February 2025	Working meeting with Rothschild
14 February 2025	Working meeting with the Company's management and Rothschild
17 February 2025	First progress report with the Ad Hoc Committee
17 February 2025	Working meeting with the Company's management
17 February 2025	Meeting with the Presenting Institutions
28 February 2025	Working meeting with the Company's management
03 March 2025	Second progress report with the Ad Hoc Committee
07 March 2025	Working meeting with the Company's management and Rothschild
12 March 2025	Working meeting with the Company's management
13 and 14 March 2025	Discussions with certain minority shareholders
19 March 2025	Third progress point with the *Ad Hoc* Committee
24 March 2025	Meeting with the Presenting Institutions
02 April 2025	Fourth progress report with the *Ad Hoc* Committee
07 April 2025	Working meeting with the Company's management
17 April 2025	Meeting with the Presenting Institutions
16 to 18 April 2025	Independent review of Finexsi's report
24 April 2025	Receipt of letters of representation signed by Tarkett and the Offeror
24 April 2025	Presentation of our fairness opinion to the *Ad Hoc* Committee

List of people with whom we met or whom we contacted

Ad Hoc Committee

- Didier MICHAUD-DANIEL, *independent member of the Supervisory Board*
- Sabine ROUX DE BEZIEUX, *independent member of the Supervisory Board*
- Marine CHARLES, member of the Supervisory Board

Tarkett

- Fabrice BARTHELEMY, *Chairman of the Management Board*
- Raphaël BAUER, *Chief Financial Officer*
- Vincent MERY, *Group Management Control Director*
- Eline CORMONT-GIRARDEY, *Group General Counsel*

Rothschild & Co Martin Maurel, Presenting Institution

- Romain NOURTIER, *Partner*
- Edouard FORT, *Assistant Director*
- Laura GARDA, *Analyst*

Crédit Agricole Corporate and Investment Bank (CACIB), Presenting Institution

- Laurent PELLERIN, *Managing Director*
- Pascal RENAULT, *Director*

Portzamparc BNP Paribas, Presenting Institution

- Cyrille GONTHIER, *Managing Director, Head of Corporate Finance*
- Capucine METAYER, *Vice President Corporate Finance*

Société Générale, Presenting Institution

- Guillaume DOVILLERS, *Managing Director*
- Dorian BARTHEL, *Vice President*

Bredin Prat, Legal Counsel to the Offeror

- Olivier ASSANT, *Partner*
- Clémence FALLET, *Partner*
- Claire DANGEL, *Lawyer*

Brandford Griffith & Associates, Ad Hoc Committee Legal Counsel

- Henri BRANDFORD GRIFFITH, *Partner*
- Stanislas LANGLOIS, *Lawyer*
- Olivier D'ALIGNY, *Lawyer*

Sources of information used

The main information used in the course of our mission consisted of several types:

Information provided by the different stakeholders

- Financial and legal documentation relating to the Transaction
- Tarkett's legal, accounting and financial documentation
- The Company's 2025E-2029E Business Plan
- Market studies
- Analyst note following the Tarkett stock
- Minutes of the Supervisory Boards held in 2023, 2024 and 2025
- Tarkett valuation report prepared by the Presenting Institutions
- Draft offer document of 23 April 2025

Information about the market

- Tarkett's financial communication between 2019 and 2024
- Tarkett's communication relating to the Transaction (press release)
- Stock prices, public company comparables, market consensus: Capital IQ, Epsilon, MergerMarket, financial reports of comparable companies and analyst ratings
- Market data (risk-free rate, risk premium, beta, etc.): Capital IQ, Banque de France, International Monetary Fund, Finexsi, Damodaran;
- Macroeconomic and sectoral data: Xerfi, *Data Bridge Market Research*, *Capital IQ*.

Staff assigned to performing the mission

The signatories, Mr Olivier PERONNET and Mr Olivier COURAU (*Partners*), were assisted in particular by Mr Maxime ROGEON (*Director*), Mrs Muge BULUS (*Senior Associate*), Mr Paul COTTON (*Associate*) and Mrs Juliette RICHARD (*Analyst*).

The independent review was carried out by Mr Lucas ROBIN, valuation specialist and *Partner* at Finexsi - Expert & Conseil Financier, who did not take part in the valuation work.

He was appointed at the beginning of the mission and kept informed of any areas of concern or difficulties identified during the mission until the report was issued. His role is to ensure compliance with the quality of the work and best practices in valuation. His responsibilities primarily consisted of:

- Reviewing the engagement acceptance procedure and the assessment of the firm's independence;
- Reviewing the valuation work carried out by the team and the conclusions drawn from this work;
- Reviewing the documents providing the basis for the opinion of the signatory Partners and assessing the format and conclusion of the report.

His work was formalised in writing and discussed with the signatory Partners.

Engagement Letter

Finexsi — Expert & Conseil Financier
For the attention of:
Messrs. Olivier Péronnet and Olivier Coureau
14, rue de Bassano, 75116 Paris
20 February 2025

Subject: Letter of confirmation of the appointment of Finexsi—Expert & Conseil Financier by Tarkett as of 24 January 2025

Dear Sirs,

Tarkett S.A. (the "Company" or "**Tarkett**") has become aware of the intention of Tarkett Participation ("**Tarkett Participation**" or the "**Offeror**") to file with the French Autorité des Marchés Financiers (the "**AMF**") a proposed public buy-out offer followed by a squeeze-out of all existing Tarkett shares not held, directly or indirectly, by the Offeror, which are already issued (with the exception of treasury shares held by Tarkett and locked in bonus shares), as of the date of said proposed offer (the "Shares"), representing 9.60% of the Company's share capital (the "**Public Buy-out Offer**").

The Public Buy-out Offer would be followed by a squeeze-out procedure for all the Company's Shares that it would not hold at the end of the Public Buy-out Offer period, to the extent that the Company's minority shareholders hold less than 10% of the Company's share capital and voting rights (the "**Squeeze-Out**" and, together with the Public Buy-out Offer, the "**Draft Offer**"). The Squeeze-Out would be subject to compensation equal to the price of the Public Buy-out Offer.

In this context, the Company's Supervisory Board, upon the proposal of the ad hoc committee previously established by the Company's Supervisory Board, in accordance with the provisions of Article 261-1 III of the AMF general regulation, appointed you as an independent appraiser on 24 January 2025.

This appointment is made, in accordance with the deliberations of 24 January 2025 and 20 February 2025, on the basis of Article 261-1, I, 1°, 2°, 4° and II of the AMF's general regulation and in accordance with AMF Instruction No. 2006-08 and AMF Recommendation No. 2006-15.

Regulatory framework for the assignment

Your intervention is required under Article 261-1, I, 1°, 2°, 4° and II of the AMF's general regulation.

Your due diligence will be carried out in accordance with the provisions of Article 262-1 of the AMF's general regulation, AMF Instructions No. 2006-07 and No. 2006-08 relating respectively to public takeover bids (including public buy-out offers followed by a squeeze-out) and independent appraisals, as well as AMF Recommendation No. 2006-15 entitled "*Appraisals in the Context of Financial Transactions*."

Purpose of the Assignment

In accordance with AMF regulations, the objective of the independent appraisal is to enable the Supervisory Board to assess the financial terms of the Draft Offer as well as the fairness of the consideration offered in the Squeeze-Out in order to provide its reasoned opinion.

It has been agreed that you will perform the due diligence you deem necessary for carrying out your mission, will shall include, but is not limited to, the following steps:

- regular discussions with the members of the Ad Hoc Committee, the Company's executives, operational managers, and financial managers, representatives of the Offeror, the Company's and Offeror's advisors, the institutions presenting the Draft Offer, representatives of the Issuers' Department and the Public Offers Department within the AMF and, where applicable, the Company's statutory auditors;
- attendance at meetings of the Ad Hoc Committee and the Supervisory Board at the invitation of their Chairs;
- analysis of the Company's financial statements and business plan (and other forward-looking items where applicable);
- the critical analysis of the assumptions used in the valuation of the Company;
- a valuation of the shares based on a multi-criteria approach that includes the implementation of valuation methods and the review of valuation benchmarks;
- analysis of the valuation work carried out by the institutions presenting the Draft Offer;
- any discussions with minority shareholders of the Company;
- assessment of the fairness of the consideration offered in the context of the Squeeze-Out; and
- drafting your report in accordance with the regulatory requirements.

We undertake to provide you with access to the data necessary to carry out your mission.

Timetable

The Draft Offer is expected to be submitted on 24 February 2025, and the offer will take place during the months of March-April 2025.

In any event, it is recalled that Article 262-1, II of the AMF's general regulation provides that, from the date of appointment, the independent expert must have sufficient time to prepare his report, and that this time limit may not be less than twenty trading days. This minimum period shall begin upon receipt of all the documentation necessary to prepare his report.

Conflicts of interest

We understand that Finexsi - Expert & Conseil Financier and its representatives Olivier Péronnet and Olivier Coureau are independent of the Company, its shareholders and the Offeror. They have no legal or financial connection with the latter and do not fall within in any of the situations of conflict of interests referred to in Article 261-4 of the AMF's general regulation and Article 1 of AMF Instruction No. 2006-08.

Budget

We understand that you estimate your fees to be between €150,000 and €180,000 excluding taxes, fees and disbursements. This amount is independent of the outcome of the Offer. In the event of early termination of the performance of the services for any reason whatsoever, the Company will pay you your fees, costs and disbursements reasonably incurred and duly documented that you have incurred up to the date of termination.

Your fees will be paid by the Company.

Sincerely,

[Electronic signature]

Tarkett S.A.
By: Mr Fabrice
Barthélemy