

## Media release

January 28, 2021

### **AkzoNobel confirms intent to acquire Tikkurila with binding proposal for €31.25 per share, with due diligence supporting value creation opportunity**

Akzo Nobel N.V. (AKZA; AKZOY) has today submitted a binding proposal to the Board of Directors of Tikkurila, having completed its due diligence on the company. The proposal relates to a tender offer for all the issued and outstanding shares of Tikkurila at an offer price of €31.25 per share, representing a total equity value of around €1.4 billion.

On January 18, 2021, AkzoNobel announced it had made a comprehensive non-binding proposal to acquire Tikkurila and invited the Board of Directors of Tikkurila to enter into negotiations with a view to reaching agreement on a recommended voluntary public cash tender offer.

Conducting customary due diligence has confirmed the AkzoNobel view that clear synergies would be created from collective procurement capabilities, expanded production, and combined sales and distribution channels. The combination would deliver substantial value creation for shareholders and also create significant opportunities for future growth – both for the company and its employees – by providing customers with more innovative and sustainable solutions.

The proposed transaction is consistent with the capital allocation priorities of AkzoNobel, is expected to be EPS accretive in the first year and value creating in the medium-term. The proposal is not conditional on financing – it would be financed using existing cash and credit lines – and AkzoNobel maintains a target leverage ratio of 1-2x net debt/EBITDA.

#### **Key terms for launch and completion of an offer**

The making of the potential tender offer, if any, depends on the satisfaction of the below pre-conditions. If the process advances quickly, an offer could be announced in February and AkzoNobel would envisage the offer period to begin as soon as possible in March. The transaction would be expected to be completed during 2021.

The binding proposal is conditional on (1) AkzoNobel and Tikkurila entering into a combination agreement pursuant to which the Board of Directors of Tikkurila recommends to the shareholders of Tikkurila that they accept AkzoNobel's tender offer and (2) obtaining an irrevocable undertaking from Oras Invest Oy to accept AkzoNobel's tender offer. The binding proposal is not conditional on due diligence or the approval by AkzoNobel's Supervisory Board, which has approved the submission of this binding proposal to Tikkurila.

According to the binding proposal, the completion of the tender offer, if announced, would be subject to customary conditions, such as reaching a 90% acceptance level, obtaining required regulatory approvals, no legislation or decision by a court or authority preventing the transaction, no material adverse change regarding Tikkurila, and the combination agreement, Tikkurila Board's recommendation and the irrevocable undertaking to be obtained from Oras Invest Oy remaining in force. AkzoNobel would reserve the right, at its sole discretion, to waive any of the conditions for completion of the potential offer.

Shareholders are advised that there is no certainty that the binding proposal will eventually lead to a final agreement between AkzoNobel and Tikkurila or the making of an offer to Tikkurila shareholders. The terms of the offer, if announced, may differ from the terms set out in the binding proposal and this announcement.

The current combination agreement entered into by Tikkurila includes procedures allowing the offeror to negotiate should the Board of Directors of Tikkurila contemplate effecting a change of its recommendation.

At the date of this announcement, AkzoNobel does not hold any shares of Tikkurila.

## Advisors

AkzoNobel is being advised by HSBC and J.P. Morgan as financial advisers and De Brauw Blackstone Westbroek and Roschier, Attorneys Ltd. as legal advisers.

### Important Information

**THIS IS A PUBLIC ANNOUNCEMENT BY AKZO NOBEL N.V. ("AKZONOBEL") PURSUANT TO SECTION 17 PARAGRAPH 1 OF THE EUROPEAN MARKET ABUSE REGULATION (596/2014). THIS PUBLIC ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER, OR ANY SOLICITATION OF ANY OFFER, TO BUY OR SUBSCRIBE FOR ANY SECURITIES.**

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

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

**THIS RELEASE HAS BEEN PREPARED IN COMPLIANCE WITH THE LAWS OF THE NETHERLANDS AS WELL AS, TO THE EXTENT APPLICABLE IN ACCORDANCE WITH FINNISH LAW, THE RULES OF NASDAQ HELSINKI AND THE HELSINKI TAKEOVER CODE AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS ANNOUNCEMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF JURISDICTIONS OUTSIDE OF FINLAND OR THE NETHERLANDS.**

### Information for Tikkurila shareholders in the United States

The potential offer is expected to be made for the issued and outstanding shares of Tikkurila, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. It is anticipated that the potential offer would be made in the United States pursuant to Section 14(e) and Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), subject to exemptions provided by Rule 14d-1(d) under the Exchange Act for a "Tier II" tender offer, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the timetable of the potential offer, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. The potential offer, if any, is to be made to Tikkurila's shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Tikkurila to whom an offer may be made.

To the extent permissible under applicable law or regulations, AkzoNobel and its affiliates or its brokers and its brokers' affiliates (acting as agents for AkzoNobel or its affiliates, as applicable) may from time to time after the date of this public announcement and during the pendency of the potential offer, and other than pursuant to potential offer, directly or indirectly, purchase or arrange to purchase shares of Tikkurila or any securities that are convertible into, exchangeable for or exercisable for shares of Tikkurila. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a stock exchange release or public announcement or by other means reasonably calculated to inform U.S. shareholders of such information. No purchases will be made outside the potential offer in the United States by, or on behalf of, AkzoNobel. In addition, the financial advisers to AkzoNobel may also engage in ordinary course trading activities in securities of Tikkurila, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the U.S. Securities & Exchange Commission nor any U.S. state securities commission has approved or disapproved of the potential offer, passed upon the merits or fairness of the potential offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this public announcement. Any representation to the contrary is a criminal offence in the United States.

### Safe Harbor Statement

This report contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecast and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures, as well as significant market disruptions such as the impact of pandemics. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business, please see our latest annual report.

### About AkzoNobel

We've been pioneering a world of possibilities to bring surfaces to life for well over 200 years. As experts in making coatings, there's a good chance you're only ever a few meters away from one of our products. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. We're active in more than 150 countries and have set our sights on becoming the global industry leader. It's what you'd expect from the most sustainable paints company, which has been inventing the future for more than two centuries.

### Not for publication – for more information

Media Relations

Investor Relations

T +31 (0)88 – 969 7833  
Contact: Diana Abrahams  
[Media.relations@akzonobel.com](mailto:Media.relations@akzonobel.com)

T +31 (0)88 – 969 7856  
Contact: Lloyd Midwinter  
[Investor.relations@akzonobel.com](mailto:Investor.relations@akzonobel.com)