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3 July 2019

SYNTHOMER PLC

PROPOSED £654 MILLION ACQUISITION OF OMNOVA SOLUTIONS INC. AND £204 MILLION RIGHTS ISSUE

A STEP CHANGE TRANSACTION CREATING A GLOBAL SPECIALITY CHEMICALS COMPANY AND ENHANCED SHAREHOLDER VALUE

Synthomer plc ("**Synthomer**" or the "**Company**"), a FTSE 250 speciality chemicals company, and one of the world's major suppliers of aqueous polymers, is pleased to announce that it has reached an agreement with OMNOVA Solutions Inc. ("**OMNOVA**"), which develops, manufactures and markets polymers, dispersions, elastomers and other speciality chemicals, on the terms of a recommended acquisition of the entire issued and to be issued share capital of OMNOVA at a price of US$10.15 per OMNOVA Share (the "**Acquisition**").

Strategic Highlights

- Creation of a global speciality chemicals company with greater scale and a strong platform from which to invest in future growth.
- Strong synergy potential with target run-rate pre-tax cost synergies of US$29.6 million per annum by the end of the third year following completion of the Acquisition ("**Completion**").
- Natural strategic fit with complementary chemistries and end market presence as well as materially strengthening Synthomer's footprint in North America and increasing its presence in Europe and Asia.
- Increased exposure to markets offering GDP+ growth and blue chip customer base.

Financial Summary

- Acquisition values OMNOVA's entire issued and to be issued share capital at US$473 million (approximately £375 million), with implied enterprise value of US$824 million (approximately £654 million).
- Acquisition represents an enterprise value multiple for OMNOVA of 9.9 times OMNOVA's May 2019 LTM Adjusted EBITDA before Acquisition-related synergies and 9.6 times OMNOVA's FY2018 EBITDA.
- Attractive post-synergy multiple with target run-rate pre-tax cost synergies of US$29.6 million per annum by the end of the third year following Completion.

- Conservatively financed Acquisition with an estimated leverage of approximately 2.5x net debt / EBITDA expected at Completion with strong cash flow generation driving expected deleveraging to below 2.0x by the end of the second full financial year following Completion.
- Earnings accretion expected in the first full financial year following Completion and strongly accretive thereafter.

Transaction Rationale

The Directors believe the Acquisition represents an attractive opportunity for Synthomer to strengthen its global position as a major speciality chemicals company underpinned by significant growth opportunities.

- **Strong strategic fit with the Acquisition creating a global speciality chemicals company with greater scale and a strong platform from which to invest in future growth:** Following the Acquisition, the Company and its subsidiaries (the "**Enlarged Group**") will benefit from increased scale becoming a major global player in water-based polymer solutions, having greater customer reach and strong operational capabilities, and will be in a stronger position to invest in growth, innovation, and people.
- **Expansion and diversification of product portfolio into new attractive end-sectors:** The Acquisition will broaden and strengthen Synthomer's current portfolio with entry and/or increased exposure to attractive end-sectors, most particularly the oil and gas drilling, cementing and stimulation sectors. Following the Acquisition, the Enlarged Group will have the ability to leverage OMNOVA's brand recognition and technical expertise in new application areas.
- **Enhanced focus on speciality products supported by strong R&D and innovation capabilities:** OMNOVA's focus on commercial excellence, innovation and inorganic growth initiatives in its Specialty Solutions segment has led to the development of over 60 products in the past three years and will allow Synthomer to bolster its speciality products offering by leveraging the Enlarged Group's best-in-class process technology and R&D platform.
- **Global geographic coverage with increased customer proximity and access to attractive international markets:** The Acquisition will materially strengthen Synthomer's presence in North America, as well as increase its presence in Europe and Asia, including further penetration into the high growth Chinese market.
- **Ability to leverage manufacturing excellence expertise to drive productivity and cost improvements:** Synthomer intends to utilise best practices from across the Enlarged Group to improve productivity and reduce costs. The Enlarged Group will benefit from excellent raw materials integration and Synthomer's strong track record of safe conversion of hazardous feedstocks into water-based polymers.

Synergies and Financial Effects of the Acquisition

- The Acquisition is expected to result in estimated recurring run-rate pre-tax cost synergies of US$29.6 million per annum by the end of the third year following Completion.
- The Acquisition is expected to be earnings accretive in the first full financial year following Completion and strongly accretive thereafter.
- Synthomer's return on invested capital associated with the Acquisition is expected to exceed its cost of capital in the third full financial year following Completion.

- The Acquisition will be conservatively financed with an estimated leverage of approximately 2.5x net debt / EBITDA expected at Completion with strong cash flow generation driving an expected deleveraging to below 2.0x by the end of the second full financial year following Completion.

Financing and Expected Timetable

- The Company intends to finance the Acquisition and related fees and expenses from the gross proceeds of a rights issue of up to £204 million (approximately US$257 million) (the "**Rights Issue**"); and drawings under new debt facilities.
- The Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules, and therefore requires the approval of Synthomer shareholders. Accordingly, a General Meeting will be convened to approve the Acquisition and further details, including the notice of the General Meeting, will be set out in a circular that will be sent to shareholders in July 2019 (the "**Circular**").
- In addition, Synthomer shareholders will be asked to approve an increase of the borrowing limit set out in the Articles of Association from £750 million to £1,500 million to enable the Company to finance the debt consideration.
- Assuming satisfaction or waiver of all conditions to the Acquisition, Completion is expected to take place in late 2019 / early 2020.

Commenting on today's announcement, Calum MacLean, Chief Executive of Synthomer, said:

"This transaction is an important step in the continued execution of Synthomer's strategy with an acquisition that is both strategically and financially compelling. The acquisition of OMNOVA represents an attractive opportunity to materially expand our international business into North America and expand our presence in Europe and Asia, creating a global speciality chemical company.

The Acquisition provides an attractive financial profile with significant expected synergy benefits. Synthomer has been disciplined waiting for the right opportunity to deliver value through our inorganic growth strategy and this acquisition will provide an additional platform for Synthomer to continue to grow into the medium term.

I am delighted to welcome OMNOVA employees to the business and look forward to working with them to take the combined business to the next level. "

ANALYST AND INVESTOR PRESENTATION

The Company will host a meeting for the Company's analysts and investors at 09.00 a.m. (London time) today at Canaccord Genuity Limited (88 Wood Street, London EC2V 7QR).

The presentation will be webcast on the Company's website www.synthomer.com.

Participants may also join by conference call using the following dial-in details:

International Access: + 44 (0) 20 3037 9315
UK Toll Free: 0800 368 2276
Password: Synthomer

Please note that those joining remotely and wishing to participate in the Q&A session should dial into the conference call facility.

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SYNTHOMER PLC

PROPOSED £654 MILLION ACQUISITION OF OMNOVA SOLUTIONS INC

AND £204 MILLION RIGHTS ISSUE

1. Introduction

Synthomer is a FTSE 250 speciality chemicals company and one of the world's major suppliers of aqueous polymers. With strong geographic diversity, operating in 18 countries, and product differentiation, Synthomer is a major player in a wide range of sectors including coatings, construction, textiles, paper and healthcare.

OMNOVA develops, manufactures and markets emulsion polymers, speciality chemicals and decorative products. It provides engineered surfaces for various commercial, industrial and residential end uses. OMNOVA uses strategically-located manufacturing and technical facilities in North America, Europe, China and Thailand to service a broad customer base. OMNOVA's operations consist of two business segments: Specialty Solutions and Performance Materials. For the financial year 2018, OMNOVA derived 63% of its net sales from Specialty Solutions and 37% from the Performance Materials segment.

The Directors believe that the creation of the Enlarged Group will accelerate the growth potential of both businesses. It will benefit from increased scale, greater customer reach and strong operational capabilities and have a strengthened ability to invest in growth and innovation, and to invest in and attract the best people. The Acquisition represents a step change for Synthomer, and the Enlarged Group will have greater potential for further consolidation through opportunistic bolt-on acquisitions.

2. Strategy and Rationale for the Acquisition

Strong strategic fit with the Acquisition creating a global speciality chemicals company with greater scale and a strong platform from which to invest in future growth

The combination with OMNOVA will create a major global speciality chemicals company with a broad range of chemistries ranging from acrylic, vinylic and speciality emulsions polymers to styrene butadiene ("**SB**") and acrylonitrile-butadiene (“**NB**”) latexes catering to a diverse range of attractive end-sectors. OMNOVA's Speciality Solutions business segment will enable Synthomer to build on its strategy of focusing on application development, with the opportunity to secure new long term customer relationships through value-added solutions.

The Acquisition will also further enhance Synthomer’s global platform in speciality coatings and ingredients, increasing its exposure to attractive coatings and additives for oil and gas drilling, cementing and stimulation end-sectors, as well as creating a major global player in water-based polymer solutions.

Expansion and diversification of product portfolio into new attractive end-sectors

The Directors believe that the majority of OMNOVA’s Specialty Solutions portfolio are exposed to GDP+ growth rates, supported by underlying structural trends including preference for lightweight materials, rising mobilisation, and growing energy demand. The Acquisition will enable Synthomer to strengthen its current portfolio with entry and/or increased exposure to attractive end-sectors, most particularly the oil and gas drilling, cementing and stimulation sectors.

OMNOVA is a major supplier of speciality wellbore chemicals used in demanding applications globally. It offers a wide range of solutions including fluid loss control and sealing, emulsifiers, lubricants and rheological modifiers. The sector is expected to grow driven by growing energy demand and rising well values.

Following the Acquisition, the Enlarged Group will have greater end-sector diversification with the ability to utilise OMNOVA's brand recognition and technical expertise in new application areas.

Enhanced focus on speciality products supported by strong R&D and innovation capabilities

The Directors believe that the key strength of OMNOVA's portfolio is its presence in more speciality, high-growth applications. During its financial year ended 30 November 2018, OMNOVA derived approximately 63% of its net sales from its Specialty Solutions business segment.

OMNOVA's focus on commercial excellence, innovation and inorganic growth initiatives in the Specialty Solutions segment has led to the development of over 60 products in the past three years, supported by its advanced technology centres across three continents. OMNOVA will bolster Synthomer's coatings technology and product portfolio with an increased presence in light industrial performance coatings as well as complement its product range of solutions for non-woven textiles and Synthomer intends to leverage the Enlarged Group's best-in-class process technology and R&D platform. The Directors believe there is opportunity to accelerate commercialisation of both businesses innovation programmes, capitalising on the Enlarged Group's technical expertise.

Global geographic coverage with increased customer proximity and access to attractive international markets

The Acquisition will enhance Synthomer's position as an international supplier by increasing its presence in North America, Europe and Asia. OMNOVA has a flexible operation structure with 13 plants located principally throughout the United States, France, Portugal and China.

In particular, the Acquisition will materially strengthen Synthomer's presence in North America. In its financial year ended 30 November 2018, OMNOVA derived 58% of its revenue from North America. This compares to Synthomer, which generated 6% of its revenue from North America in its financial year ended 31 December 2018. As a result of the Acquisition, Synthomer will acquire 8 new production facilities in North America which have access to advantaged US shale gas feedstocks. The Enlarged Group is expected to derive 58% of its revenue from Europe, with 19% of its revenue from North America and 23% from Asia and the rest of the world.

Synthomer will also benefit from further penetration into Asia, notably the high growth Chinese market. OMNOVA's manufacturing footprint in China is partly located in the Shanghai Chemical Industrial Park (SCIP) with base load business to benefit Synthomer's Chinese sales and technology base.

Together, Synthomer and OMNOVA, through the Enlarged Group, will be able to better serve customers across three continents and provide geographic diversification of their portfolios.

Ability to leverage manufacturing excellence expertise to drive productivity and cost improvements

The Directors believe the combination will allow Synthomer to leverage its enhanced scale to deliver productivity and cost reductions from a range of areas. The combined business is expected to benefit from increased scale to be able to deliver benefits from logistics optimisation and raw material procurement integration.

Synthomer intends to utilise best practices across the 38 facilities across the Enlarged Group to drive non-manpower fixed cost efficiencies and deliver manufacturing optimisation and excellence. The Directors also believe that the Enlarged Group will benefit from Synthomer's strong track record of safe conversion of hazardous feedstocks into water-based polymers.

3. Synergies and Integration

The Directors believe that the Acquisition will enhance shareholder value. The Directors expect that the Acquisition will be earnings accretive in the first full financial year following Completion (the financial year ending 31 December 2020) and strongly accretive thereafter. The Directors expect the Acquisition to result in estimated recurring run-rate pre-tax cost synergies of US$29.6 million per annum by the end of the third year following Completion. The Directors believe the Acquisition represents a significant opportunity to deliver potential cost synergies across the following areas:

(i) De-listing and head office cost savings (expected to contribute approximately 50% of the full run-rate pre-tax cost synergies).

(ii) Operational performance improvement, R&D and procurement (expected to contribute approximately 30% of the full run-rate pre-tax cost synergies).

(iii) Regional and property efficiencies (expected to contribute approximately 20% of the full run-rate pre-tax cost synergies).

The Directors expect that the realisation of these cost synergies will require one-off implementation costs of approximately US$31.6 million (approximately £25.1 million), of which approximately US$3.6 million relates to capital expenditure. These are expected to be phased across a three-year period following Completion.

Furthermore, the Directors expect Synthomer's return on invested capital associated with the Acquisition to exceed its cost of capital in the third full financial year after completion.

4. Information on Synthomer

Synthomer is a FTSE 250 specialist chemicals company and one of the world's major suppliers of aqueous polymers. With strong geographic diversity, operating in 18 countries, and product differentiation, Synthomer is a major player in a wide range of sectors including coatings, construction, textiles, paper and healthcare.

The Company continues to see significant opportunities to drive improvement from existing businesses with the support of a strong balance sheet. Innovation continues to be a core pillar of business growth providing the opportunity for Synthomer to secure improved market positions and solutions to generate added value for existing customers.

Synthomer remains focused on its goal to become a major chemicals company with strong global reach. A new global business structure was launched on 1 January 2019 that the Directors believe enable Synthomer to benefit from its global product portfolio, expand the reach of its R&D capabilities and bring greater operational focus to its business.

5. Synthomer Trading Update

Synthomer's performance in H1 2019 has been in line with the Board's expectations. Following a slower start to 2019, where Q1 2019 was impacted by ongoing challenging conditions in styrene butadiene rubber ("**SBR**") and lower volumes in the Functional Solutions division, the Group's Q2 performance normalised and is expected to be marginally ahead of Q2 2018. Whilst H1 2019 is likely to be lower than the strong comparative period in 2018, the Group's outlook for 2019 remains unchanged.

On a divisional basis, Performance Elastomers had a solid H1 in 2019, driven by Nitrile Butadiene Latex ("**Nitrile**") where good demand led to higher Nitrile volumes and improved unit margins relative to a strong H1 2018. The Group also started to benefit from the additional 90 kilotonnes of capacity introduced in Q4 2018 at its Pasir Gudang site in Malaysia. SBR sector conditions remained challenging, with the subdued demand seen in Q4 2018 continuing throughout H1 2019. Weaker demand was especially pronounced in the Group's European paper business.

The Functional Solutions division made good progress in H1 2019. Whilst reported volumes were lower than the corresponding period in 2018 due to a slower start to the year in Europe and the sale of 51% of the Group's Dubai operations in July 2018, unit margins were stronger. Additional capacity at the Group's Worms (Germany) and Roebuck (USA) dispersions facilities were successfully commissioned at the end of June 2019, and saleable volumes are starting to be delivered to customers.

The Industrial Specialities division's results for H1 2019 were in line with expectations. The improving trend seen in the later part of Q1 2019 continued through Q2 2019 with demand now back to more normalised levels.

With lower comparatives in the second half of 2019 and improved conditions in most parts of the business, the Group is confident of continued progress in H2 2019. SBR in Europe is likely to remain challenging, offset by the further benefits of additional capacity and continued strength in Nitrile. Subsequently, the Board's expectations for the Group's Full Year 2019 performance remain unchanged.

6. Information on OMNOVA

OMNOVA develops, manufactures and markets emulsion polymers, speciality chemicals and decorative products. It provides engineered surfaces for various commercial, industrial and residential end uses. OMNOVA uses strategically-located manufacturing and technical facilities with 13 manufacturing facilities in North America, Europe, and Asia to service a broad customer base. OMNOVA's operations consist of two business segments: Specialty Solutions and Performance Materials. For the financial year 2018, OMNOVA derived 63% of its net sales from Specialty Solutions and 37% from the Performance Materials segment.

The Specialty Solutions segment consists of three business lines: Specialty Coatings & Ingredients, Oil & Gas and Laminates & Films. The Specialty Solutions segment develops, designs, produces, and markets a broad range of speciality products for use in coatings, adhesives, sealants, elastomers, laminates, films, nonwovens, and oil & gas products. The segment's products are functional ingredients or compounds that improve the performance of customers' products, including stain, rust and ageing resistance; surface modification; gloss; softness or hardness; dimensional stability; high heat and pressure tolerance; and binding and barrier (e.g. moisture, oil) properties.

The Performance Materials segment serves sectors including plastics, paper, carpet and coated fabrics with a broad range of polymers based primarily on styrene butadiene, styrene butadiene acrylonitrile ("**SBA**"), styrene butadiene vinyl pyridine, high styrene pigments, polyvinyl acetate, acrylic, styrene acrylic, calcium stearate, glyoxal, and bio-based chemistries. Performance Materials' custom-formulated products are tailored latexes, resins, binders, antioxidants, hollow plastic pigment, coated fabrics and rubber reinforcing which are used in tire cord, polymer stabilisation, industrial rubbers, carpet, paper and various other applications. Its products provide a variety of functional properties to enhance OMNOVA's customers' products, including greater strength, adhesion, dimensional stability, ultraviolet resistance, improved processability and enhanced appearance.

OMNOVA was incorporated in Ohio, United States. OMNOVA became an independently, publicly-traded company on 1 October 1999, when it was spun off by GenCorp Inc., its former parent company. OMNOVA Shares are listed on the NYSE under the trading name "OMN". As at 30 November 2018, OMNOVA employed approximately 1,900 employees globally.

7. Summary of the Key Terms of the Acquisition

On 3 July 2019, Synthomer, OMNOVA, Synthomer USA LLC and Spirit USA Holdings Inc. ("**MergerCo**"), a wholly owned subsidiary of Synthomer, entered into an agreement and plan of merger (the "**Merger Agreement**"), which sets out the terms and conditions of the Acquisition, pursuant to which MergerCo will, subject to the satisfaction of certain conditions, merge with and into OMNOVA and OMNOVA shareholders will receive a cash price of:

US$10.15 per OMNOVA Share (the "Merger Consideration").

This values the entire issued and to be issued share capital of OMNOVA at US$473 million (approximately £375 million), with implied enterprise value of US$824 million (approximately £654 million). The Acquisition represents an enterprise value multiple for OMNOVA of 9.9 times the OMNOVA May 2019 LTM Adjusted EBITDA before Acquisition-related synergies.

Synthomer intends to finance the Acquisition, and related fees and expenses, from the gross proceeds of a rights issue of up to £204 million (approximately US$257 million) and drawings under the New Debt Facilities, as summarised below.

Upon Completion, Synthomer will, indirectly, hold all equity interests in OMNOVA.

Conditions to the Acquisition

The obligations of the parties to the Merger Agreement to effect the Acquisition are subject to the satisfaction or waiver of certain conditions, including:

(i) the affirmative vote of the holders of issued and outstanding OMNOVA shares entitling such holders to exercise at least two thirds of the voting power of OMNOVA;

(ii) the affirmative vote in favour of approval of the Resolutions required to approve and implement the Acquisition by Synthomer shareholders representing a simple majority of the votes represented in person or by proxy at the General Meeting;

(iii) the expiration or termination of the applicable waiting period (or extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and the receipt of certain other applicable antitrust approvals;

(iv) the representations and warranties of each party to the Merger Agreement being true and correct as at the date of the Merger Agreement and as at the completion date, subject to certain exceptions based on materiality, material adverse effect and similar standards;

(v) each party to the Merger Agreement having performed or complied in all material respects with the covenants and agreements contained in the Merger Agreement to be performed or complied with by it prior to or on the completion date;

(vi) the absence of any fact, condition, circumstance, occurrence, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on OMNOVA and its subsidiaries;

(vii) Synthomer and MergerCo each having provided a certificate dated the Completion Date signed on its respective behalf by a duly authorised executive to the effect that the conditions set out in (iv) and (v) above have been satisfied and OMNOVA having provided a certificate dated the Completion Date signed on its behalf by a duly authorised executive to the effect that the conditions set out in (iv), (v) and (vi) above have been satisfied;

(viii) the absence of any law that makes illegal or otherwise prohibits the consummation of the Acquisition, or any order by a competent governmental authority that enjoins or otherwise prohibits or makes illegal the consummation of the Acquisition; and

(ix) the absence of an order imposing a burdensome condition on obtaining any required approval from an antitrust authority.

OMNOVA is required to pay Synthomer the sum of US$15.8 million (approximately £12.5 million) in certain circumstances, including if the Merger Agreement is terminated by Synthomer where the OMNOVA Board changes its recommendation to its shareholders to vote in favour of the Acquisition. Synthomer is required to pay OMNOVA the sum of US$15.8 million (approximately £12.5 million) (representing 1% of the market capitalisation of Synthomer as at the date of the signing of the Merger Agreement) if the Merger Agreement is terminated (i) by OMNOVA where, prior to the General Meeting, the Synthomer Board has changed its recommendation to Shareholders to vote in favour of the Acquisition; or (ii) by Synthomer or OMNOVA as a result of the failure to obtain required regulatory approvals.

8. Financing

Synthomer intends to finance the Acquisition, related fees and expenses, and certain of OMNOVA and Synthomer's existing debt facilities, from:

- the gross proceeds of the Rights Issue of up to £204 million (approximately US$257 million); and
- drawings from the Bridge Facilities and Syndicated Facilities (each as defined below) (the Bridge Facilities and the Syndicated Facilities, together, the "**New Debt Facilities**").

Rights Issue

The Company is proposing to raise gross proceeds of up to £204 million from the Rights Issue, which has been fully underwritten by Barclays, Canaccord, HSBC Bank plc ("**HSBC**") and Citigroup Global Markets Limited ("**Citi**") (the "**Underwriters**") (other than the New Shares that Kuala Lumpur Kepong Berhad Group ("**KLK**") has irrevocably undertaken to take up pursuant to its entitlement in the Rights Issue as discussed below). The offer is to be made to Qualifying Shareholders at 240 pence per new Synthomer ordinary share (the "**Issue Price**"). The Issue Price represents a 30.4% discount to the theoretical ex-Rights price based on the closing middle-market price of 371.2 pence per Synthomer Share on 2 July 2019.

The Rights Issue will be made on the basis of:

1 New Share at 240 pence per New Share for every 4 Existing Shares

held by Synthomer shareholders who are on the Company's register at the Record Date ("**Qualifying Shareholders**") at the close of business on the Record Date (as set out in the Circular).

Qualifying Shareholders with registered addresses in the United States or in any of the other Excluded Territories will not be sent Provisional Allotment Letters or will not have their CREST stock accounts credited with Nil Paid Rights, except where the Company and the Underwriters are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Synthomer Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares.

The Rights Issue will result in up to 84,970,192 New Shares being issued (representing approximately 25% of the existing issued share capital and approximately 20% of the enlarged issued share capital of Synthomer immediately following completion of the Rights Issue).

The Rights Issue is not conditional on the Acquisition proceeding. If the Acquisition does not proceed, Synthomer intends to retain the net proceeds raised by the Rights Issue for the purpose of pursuing future acquisition opportunities or, if no suitable acquisition opportunities can be found within a reasonable period, the Company will consider, to the extent possible in the circumstances, returning the net proceeds raised by the Rights Issue to Synthomer shareholders in a tax efficient way.

A prospectus in respect of the Rights Issue is expected to be published in July 2019 (the "**Prospectus**"). Any decision to participate in the Rights Issue must be made solely on the basis of the Prospectus.

Bridge Facilities

On 3 July 2019, Synthomer entered into a bridge facilities agreement with, among others, Barclays Bank PLC, Citigroup Global Markets Limited, HSBC Bank plc and Banco Santander, S.A., London Branch as mandated lead arrangers and bookrunners, Barclays Bank PLC, Citibank, N.A., London Branch, HSBC Bank plc and Banco Santander, S.A., London Branch as original lenders and HSBC Bank plc as agent.

The Bridge Facilities comprise two unsecured credit facilities:

- a £200 million bridge term loan facility ("**Bridge Facility A**"); and
- a €520 million (approximately £466 million) bridge term loan facility ("**Bridge Facility B**").

The Directors do not expect Bridge Facility A to be utilised following receipt of the gross proceeds of the Rights Issue. Subject to prevailing market conditions, the Directors intend that Bridge Facility B will be refinanced by bond issuances or other form of refinancing in due course.

Syndicated Facilities

On 3 July 2019, Synthomer entered into a multicurrency term loan and revolving facilities agreement with, among others, Barclays Bank PLC, Citigroup Global Markets Limited, HSBC Bank plc and Banco Santander, S.A., London Branch as mandated lead arrangers and bookrunners, Barclays Bank PLC, Citibank, N.A., London Branch, HSBC Bank plc and Banco Santander, S.A., London Branch as original lenders and HSBC Bank plc as agent.

The Syndicated Facilities comprise two unsecured credit facilities which mature on 3 July 2024:

- a term loan facility in an aggregate principal amount of up to US$260 million (approximately £206 million); and
- a €460 million (approximately £412 million) multicurrency revolving credit facility.

Synthomer also received financial advice in connection with the Acquisition from Citi and HSBC.

9. Irrevocable Undertakings

The Directors have irrevocably undertaken to vote or procure that the registered holders vote in favour of the Resolutions in respect of their beneficial holdings and shares in respect of which they have an interest amounting to 8,965,963 Synthomer Shares in aggregate, representing approximately 2.6% of the existing ordinary share capital of Synthomer in issue as at 2 July 2019 (the "**Latest Practicable Date**").

In addition, each Director who holds Synthomer Shares has irrevocably undertaken to take up in full their rights to subscribe for New Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid dealing period to meet the costs of taking up the balance of their entitlements to New Shares.

KLK, which holds 66,879,401 Synthomer Shares, representing approximately 19.7% of the existing ordinary share capital of Synthomer in issue as at the Latest Practicable Date, has irrevocably undertaken to vote in favour of the Resolutions.

In addition, KLK has irrevocably undertaken to take up its entitlement pursuant to the Rights Issue in full. This will result in KLK acquiring an aggregate of 16,719,850 New Shares, representing approximately 19.7% of the New Shares to be issued pursuant to the Rights Issue. KLK is being paid a commission of 0.75% of the aggregate value, at the Issue Price, of the New Shares KLK has agreed to take up pursuant to the Rights Issue. The Company is not paying an underwriting fee in respect of these New Shares.

10. Resolutions

The size of the Acquisition means that it constitutes a Class 1 transaction for the purposes of the Listing Rules. Accordingly, the Acquisition is conditional the approval of the Synthomer shareholders at the General Meeting.

In addition, Shareholders will be asked at the General Meeting to approve an increase in the borrowing limit set out in the Articles of Association of the Company from £750 million to £1,500 million to enable the Company to finance the consideration payable in respect of the Acquisition and repayment of the existing OMNOVA Group debt and to provide sufficient headroom for future borrowings to be made.

11. Dividend Policy

Following the Acquisition, and subject to the Enlarged Group's trading prospects being satisfactory, the Company intends to maintain its existing dividend policy.

12. De-listing of OMNOVA Shares

If the Acquisition completes, there will no longer be any publicly held OMNOVA Shares. Accordingly, OMNOVA Shares will be delisted from the NYSE as promptly as practicable following Completion and will be deregistered under the Securities Exchange Act of 1934 (the "**Exchange Act**") as promptly as practicable after such delisting. OMNOVA will no longer be subject to reporting obligations under the Exchange Act in respect of OMNOVA Shares after such deregistration.

13. Expected Timetable to Completion

The Circular and Prospectus containing further details on the Acquisition, the Board's recommendation, the terms of the Rights Issue, the notice of the General Meeting and the Resolutions are expected to be sent to Synthomer shareholders (other than Synthomer shareholders with a registered address in certain excluded jurisdictions) in July 2019. Subject to satisfaction of the conditions to the Acquisition, Completion is expected to occur in late 2019 / early 2020.

Appendix

Bases and Sources

1. ***Enterprise value multiple for OMNOVA of 9.9 times OMNOVA's May 2019 LTM Adjusted EBITDA before Acquisition-related synergies*****:** Based on OMNOVA announced May 2019 LTM Adjusted EBITDA of US$73.5m (OMNOVA Q4 press release) plus: (i) pre acquisition results of Resiquimica relating to the period from 1 June 2018 to 25 September 2018, when Resiquimica was acquired by OMNOVA, of US$0.9m; (ii) pre-tax cost savings of the Resiquimica acquisition (as previously announced by OMNOVA) of US$1.1m (with US$0.9m expected to be realised during OMNOVA's H2 2019 and an additional pre-tax cost savings of US$0.2m expected to be realised during the year ending 30 November 2020); and (iii) pre-tax cost savings relating to the Green Bay disposal (as previously announced by OMNOVA) of US$7.7m (with US$3.85m expected to be realised during OMNOVA's H2 2019 and total pre-tax cost savings of US$7.7m expected to be realised during the year ending 30 November 2020).

2. ***OMNOVA's FY2018 EBITDA:*** Based on OMNOVA's 2018 Adjusted EBITDA as announced in its Q4 2018 Earnings Release.

3. ***Estimated leverage of approximately 2.5x net debt / EBITDA expected at Completion*****:** Based on estimated net debt following a hypothetical completion date of October 2019 and completion of the Rights Issue and Acquisition. Estimated EBITDA for the Enlarged Group is based on OMNOVA's May 2019 LTM Adjusted EBITDA (see paragraph 1 above), Synthomer's 2018 EBITDA and estimated 50% of run-rate pre-tax cost synergies for the Acquisition. The estimated net debt is a forward looking statement and an estimate at a hypothetical date. There can be no assurance that Completion will occur on that date.

4. ***Expected deleveraging to below 2.0x by the end of the second full financial year following Completion*****:** End of the second full financial year following a hypothetical completion date of October 2019. The estimated leverage is a forward looking statement and an estimate at a hypothetical date. There can be no assurance that Completion will occur on that date.

5. ***38 production facilities across the Enlarged Group***: Based on Synthomer's 25 production facilities as at 31 December 2018 and OMNOVA's 13 production facilities as at 30 November 2018.

6. ***The Enlarged Group is expected to derive 58% of its revenue from Europe, with 19% of its revenue from North America and 23% from Asia and the rest of the world***: Based on Synthomer's reported revenue for the year ended 31 December 2018 and OMNOVA's reported revenue for the year ended 30 November 2018, and an $ / £ average exchange rate for 2018 of 1.3410 as derived from data provided by Bloomberg.

7. ***Historical financial information relating to OMNOVA*****:** Unless otherwise indicated, the historical financial information relating to the OMNOVA Group in this announcement has been extracted without material adjustment from OMNOVA's Form 10-K for the year ended 30 November 2018.

8. ***Historical financial information relating to Synthomer***: Unless otherwise indicated, the historical financial information relating to the Synthomer Group in this announcement has been extracted without material adjustment from Synthomer's audited financial statements for the year ended 31 December 2018.

9. ***Exchange rates***: $ / £ exchange rate of 1.2595 and € / £ exchange rate of 1.1160 as at 2 July 2019 as derived from data provided by Bloomberg.

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("**MAR**"). The person responsible for arranging the release of this announcement on behalf of the Company is Richard Atkinson. In addition, market soundings (as defined in MAR) were taken in respect of the Rights Issue and the Acquisition with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to Synthomer and its securities.

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The Banks and Valence, in accordance with applicable legal and regulatory provisions, may engage in transactions in relation to nil paid rights, fully paid rights, the New Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. In connection with the Rights Issue, the Banks, Valence and any of their respective affiliates, acting as investors for their own accounts may acquire New Shares as a principal position and in that capacity may retain, subscribe for, purchase, sell, offer to sell or otherwise deal for their own accounts in such New Shares and other securities of the Company or related investments in connection with the Rights Issue or otherwise. Accordingly, references in this document to the New Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, placing or dealing by each of the Banks, Valence and any of their respective Affiliates acting as investors for their own accounts. In addition, certain of the Banks, Valence or their respective Affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which such Banks or Valence (or their respective Affiliates) may from time to time acquire, hold or dispose of New Shares. Except as required by applicable law or regulation, the Banks, Valence and their respective Affiliates do not propose to make any public disclosure in relation to such transactions.

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This announcement contains "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would, "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. None of the Company, the Banks, Valence or their respective Affiliates undertakes or is under any duty to update this announcement or to correct any inaccuracies in any such information which may become apparent or to provide you with any additional information, other than any requirements that the Company may have under applicable law or the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules or MAR. To the fullest extent permissible by law, such persons disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this announcement. The information in this announcement is subject to change without notice.

The New Shares will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Unless otherwise indicated, references to pounds sterling, sterling, pence, p or £ are to the lawful currency of the United Kingdom and references to dollar, US dollar, $ or US$ are to the lawful currency of the United States.

None of the Company, Banks, Valence or any of their respective Affiliates is making any representation to any offeree or purchaser of the New Shares in the Rights Issue regarding the legality of an investment by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the nil paid rights, the fully paid rights and the New Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the nil paid rights, the fully paid rights and the New Shares may decline and investors could lose all or part of their investment; the nil paid rights, the fully paid rights and the New Shares offer no guaranteed income and no capital protection; and an investment in nil paid rights, the fully paid rights and the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the nil paid rights, the fully paid rights or the New Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the nil paid rights, the fully paid rights and the New Shares and determining appropriate distribution channels.