

SARPLAST ORGANIZATION & RENEWED COMMERCIAL STRATEGY

Dear Customers,

With the current letter we would like to confirm to our Customers that we have recently decided to make some changes in our current organisation and implement a new commercial strategy in order to be able to adjust to current market changes and better compete in specific strategic markets and targeted Countries we will be mainly focusing on.

For international projects we will mostly channel our business through our head company **Sarplast S.A.**, located in Lugano, Switzerland, with pipe production to be based primarily in our Italian premises of Santa Luce (Pisa), that is where our operational headquarters are located since 1973, and that will act as main hub for all our production, engineering activities and other related services we can propose.

Recent important international projects have been awarded to us according to this scheme by MHPS for a project in Serbia worth 2.39 m€ and by Neste Oil for a project in Singapore worth 2.07 m€, all to be delivered within Q2 of 2020 and with several other ongoing orders and negotiations seem to confirm the appropriateness of our new strategic commercial approach.

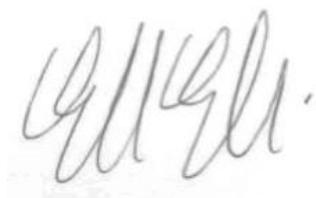
With regards to all offers, tenders and projects to be executed in Italy, we have decided to promote them and fulfil them under the renewed **Gruppo Sarplast s.r.l.** company, that is formally the owner of the land, of the production facility and the machinery located in Santa Luce (Pisa) – Italy.

Both companies, Sarplast S.A. and Gruppo Sarplast s.r.l., are able to grant a solid financial base for the correct management of the orders and cash flows involved, in particular for the purchase of the Raw Materials that is always a key element for the success of our manufacturing processes.

Cooperation with the production facilities in Sarplast Peru and Qatar will continue on a project basis, in order to always propose the best option to all Clients for the different markets and projects involved.

Furthermore, starting from 2020 Sarplast will be able to offer to Clients also the possibility to supply GRP pipes produced with the Continuous Winding technology, by means of a dedicated agreement with one of the most renowned manufacturers with the highly advanced CW winding technology available on the market, in order to complete our proposal with the different manufacturing solutions and options available.

Yours sincerely



Giuseppe Gotti

President & CEO

Rome, November 20th 2019