

March 17<sup>th</sup>, 2020

Subject: Qualicaps Europe business activities during State of Alarm/ Emergency

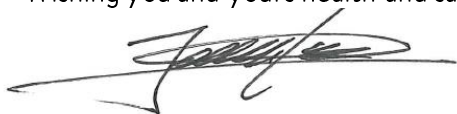
To Whom It May Concern,

Given the recent declarations of a State of Alarm in Spain and a State of Emergency in Romania, countries where the company's two production sites in Europe are located, I would like to inform you of the status of our current business activities:

- **Production:** currently both sites are running as usual, manufacturing capsules for existing orders and forecasts that extend beyond the next few months. We produce Quali-G™ in both Spain and Romania sites, each serving as a back-up to the other, while Quali-V® continues to be produced in Spain and in our Japan site as an alternative for our HPMC customers.
- **Supply chain:** our raw material supply remains constant, supported by a relevant base of safety stock for those that have been determined essential. We are collaborating effectively with our transportation companies for on-time deliveries, as for now the flow of goods across country borders is not restricted. We also are ensuring continuity of supply to customers from an inventory standpoint, maintaining in the warehouse agreed numbers of approved batches for several customers, as well as additional volumes of higher-demand capsule products.
- **Human resources:** we take very seriously the well-being of our employees and as such have been implementing strict measures to minimize the risk of contagion since the first indications of the coronavirus threat, such as restricting travel and attendance at conferences, suspending larger internal meetings, reducing visits to our offices and avoiding entrance to the plants to anyone except necessary personnel, as well as taking on many other initiatives to safeguard social distancing, heighten hygiene habits, and create awareness regarding prevention of the coronavirus spread both in professional and personal spaces, in line with and according to the Health Ministries in both countries.

Understanding and sharing today's great concern regarding the impact of the coronavirus crisis on the health and economic realms of Europe and the globe, the entire management team of Qualicaps Europe is committed to continuously reviewing the situation facing our employees, our customers, and our overall business and to this regard, to maintaining you informed as such.

Wishing you and yours health and safety,



Javier Santamaría  
President, Qualicaps Europe, S.A.U.