

Dear valued Business Partner,

We are pleased to inform you that STF Balcke-Duerr, a member of Balcke Duerr Group, has signed an agreement with immediate effect to take over the operation of the Heat Transfer Product (HTP) Division of STF Spa and STF France ("STF") on Friday, June 29th.

Its offices and manufacturing facilities remains located in Magenta, all engineering, quality and manufacturing capabilities remain fully intact.

This strategic add-on acquisition broadens the product range and provides synergies in engineering, construction and site services between the two companies. It aims at reinforcing Balcke-Duerr's presence in the power industry both for the conventional and nuclear sectors in general and its footprint in Italy and France in particular.

Balcke-Duerr decided to acquire those parts of the Italian and French companies which produce and install "Heat Transfer Product" due to their highly skilled employees, top of the range equipment and state-of-the-art technology. The new entity can provide the full scope of engineering, manufacturing and site services.

Balcke-Duerr Group has a corporate history of more than 140 years. Its product portfolio includes not only all types of high pressure components and moisture separators but also flue gas path components, condensers and heat exchangers. The available technology also includes cooling towers and filtration systems. It has traditionally catered for the power generation industry, but since the acquisition by Mutares (www.mutares.de) in 2016 has also intensified its activities in industries such as chemical processing and waste to energy plants. The broader product portfolio and improved market access for both companies will generate higher growth rates for both units, as well as better service levels and engineering solutions for its customers and increased material demand for its suppliers.

We are delighted to provide you with this update on the recent developments. Please do not hesitate to contact us should you have any questions on the implications of this transaction. We will schedule personal meeting with STF Balcke-Duerr's new management shortly.

Until then, we would like to thank you for your continued support and look forward to our continued cooperation.

STF Balcke-Dürr s.r.l.

Christophe Renaud

Daniele Brunetti

Fabio Colombo

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