



BREXIT Statement

The decision made by the UK to leave the European Union, or 'Brexit' as it has become known, means that we Ex-Eltronics (UK) Limited recognize the challenges that this decision will bring. In order to ensure that our business is sustainable, a number of strategies need to be in place to ensure the strongest possible outcome for our company as the transition away from EU membership takes place.

There is currently a great deal of uncertainty as the Brexit negotiations take place and therefore plans are needed to allow for a degree of flexibility in the interim period. Assurances have been made by the Government that, following Brexit, regulatory and statutory requirements would continue to be adhered to by the UK under the transition period agreed with the EU until 2020. This provides some respite in the interim period but at this stage it is impossible to predict the final outcome following this period. Robust contingency strategies are needed to ensure we as a company are not in a disadvantageous position compared with the rest of the EU and to ensure we are not complacent.

We recognize that as Brexit unfolds there is a possibility of a "No Deal" scenario and this will undoubtedly affect a number of parties including our customers, European based suppliers, couriers, freight forwarders and distributors. Equally, within our own organization; areas including customer services, sales, procurement, finance, regulatory, statutory compliance, and information technology. We have therefore considered the potential impact of changes to tariffs and Customs borders, the potential impact on our costs, administrative workload, but also the possible effect of increased volatility of exchange rates.

We are undertaking continual reviews with suppliers / distributors and transport providers thus ensuring continuous supply of product and mitigating the impact of any major changes following Brexit and when necessary amending or making changes to relevant processes and notify customers of any potential issues which may affect current delivery schedules.

Ex-Eltronics (UK) Limited

30th September 2019