

EXERTIS IRELAND BREXIT STATEMENT UPDATE (SEP 20)

Exertis is determined to embrace the challenges of 'Brexit' and to ensure we are best placed to continue to provide all our partners with class leading distribution solutions, whatever the final outcome. In particular, we aim to achieve the maximum degree of business resilience in the event of a 'no-deal' Brexit on 31st December 2020. In order to ensure that our business remains sustainable, we are undertaking a range of risk mitigation actions designed to deliver the best possible outcome as the UK leaves the European Union.

- Exertis Ireland is in the process of gaining AEO (Authorised Economic Operator) status and expects to have achieved this in January 2021. Our sister company, Exertis (UK) Ltd has already been successful in achieving AEO(C) 'trusted trader' status, an internationally recognised quality standard. Among other benefits, AEO status gives Exertis quicker access to some simplified customs procedures and, in certain circumstances, the right to 'fast-track' our shipments through customs. All relevant Exertis UK businesses have also registered for Transitional Simplified Procedures (TSP).
- We have conducted a detailed analysis of foreseeable 'Brexit' risks, including impacts on the wider economy, increased exchange rate volatility and changes to customs borders and tariffs in the event of a no-deal Brexit
- As the technology division of DCC Group, Exertis benefits from access to significant continental European infrastructure and premises, providing a range of logistical options for servicing our partners efficiently, whatever customs and tariff arrangements may be applied after 'Brexit'.
- We are also working closely with our vendor partners to identify potential alternative routes for delivering stock to Ireland, where applicable, in the event of a no-deal Brexit scenario. Exertis Ireland has a subsidiary company (Exertis NI Limited) based in Northern Ireland to which we can divert business should that be more efficient. Please enquire about this if relevant. We also benefit from having VAT registrations in Ireland, UK & Holland which gives us delivery and invoicing flexibility across multiple markets.
- We are continuing to review our supply chain to mitigate the impact of any major changes following 'Brexit' and to identify any refinements to our processes that might prove necessary. Through dialogue with our key vendor partners and freight forwarders, we have sought assurances that they are themselves properly prepared for 'Brexit'. We are continually assessing the appropriateness of inventory levels, taking account of the need to manage Brexit-related supply chain risks in the run up to 31st December 2020. As part of this, we have created extra warehouse capacity in Ireland should that become necessary.

We are confident that we are doing everything possible to ensure that Exertis continues to offer a first- class service to all our partners, whatever 'Brexit' developments may occur and will provide further updates as required.