



BREXIT STATEMENT FROM DYCON POWER SOLUTIONS LTD

The UK decision to leave the European Union at midnight on 31st December 2020 means that Dycon Power Solutions Ltd, like other companies, has to face up to the challenges that this decision may bring. To ensure that our export business continues to run smoothly, we have developed a variety of different strategies to ensure the best possible outcome for our company as the UK moves away from EU membership. Despite recent progress in the negotiations, uncertainty remains, and, in the meantime, our business strategies remain flexible. The UK Government has given assurances regarding Brexit, but it is still not possible to know exactly what will happen on 1st January 2021.

As Dycon Power Solutions Ltd regularly imports and exports products both within and outside of the EU, we are already well versed in the necessary procedures, we already hold and use an Economic Operator Registration and Identification (EORI) number, required to import goods from the EU. We work with several customs' brokers and freight companies who can support us with any extra requirements relating to customs clearance entries and exit and entry summary declarations. Media speculation about possible congestion at British and EU ports after 1st January 2021 is based on the expected requirement for additional paperwork to be prepared for goods transiting through the ports. The worst-case scenario is that there could be limited movement of goods between the UK and the EU in November and December 2020.

In the unlikely event of a 'no deal', the UK Government has committed to ensuring that UK will set up a new UK regulatory framework, via the EU Withdrawal Act. That framework will replace EU legislation and, at the same time, build the domestic capacity to deliver the functions currently performed by ECHA. The legislation would preserve REACH as far as possible while making any technical changes that would need to be made because the UK has left the EU. Dycon Power Solutions Ltd has put in place actions to maintain higher levels of stocks, based on market demand in the UK, before the leaving date. We have increased forecasted manufacturing capacity for our products where possible and, we are asking that you work with us by forecasting your demand and, planning in advance, where possible, your future 2021 order volumes. Placing call-off / forward planning orders will enable us to ensure adequate stocks are already in situ as well as fixing prices for the start of 2021.

As Brexit approaches, we realise that some of our valued customers and Distributors will be concerned about the impact this will have on our business relationship all this. Equally, some of the sections of our own business will likely be affected by the, potentially, wide-ranging changes; Our sales, customer service, purchasing and finance teams are well advanced in planning for the necessary new business structures. These recognize, and are designed to minimise, the potential impact on our costs, including volatile exchange rates, the impact of tariff changes and new customs borders and, importantly, the potential additional administrative workload and its impact on our staff.

We hope that this statement answers any concerns that you may have during this current uncertainty. If you have any questions or need any further clarification, please do not hesitate to contact us.

Fred van Eekeren,
Managing Director

3rd November 2020