

## Brexit Statement

### Summary:

Panorama Antennas was founded by Europeans, has always employed Europeans and has flourished through trading with the Europe and through Britain's membership of the European Union. We have always considered ourselves a European company and will continue to do so.

We have extensively analysed the potential impact of Brexit on our operations and have undertaken several initiatives to reduce its impact on our customers. Through strategic exploitation of our international network of subsidiaries, increased stock holdings and limited purchasing from the EU and UK we expect to largely avoid potential delays at the Dover-Calais crossing.

Due to the nature of our product and our ability to supply the EU market without passing goods through our UK Head Office we similarly expect tariffs to have little impact on our cost base.

We intend to continue to follow all relevant EU legislation, will maintain product certification and combine our 70+ years' experience in international trade with the agility offered by our subsidiary network to ensure trade friction does not impact upon our customers.

Due to the nature of our business and the measures mentioned above we expect Brexit to have minimal impact on our costs, supply chain and, most importantly, customers.

### Background:



- Panorama Antennas is a global business with warehousing and manufacturing focused businesses in the UK and Singapore and sales focused subsidiaries with warehousing provision and simple processing abilities in France, the USA and Australia.
- The company has over 70 years export experience trading around the world.
- Export sales account for 90% of our parent company turnover, including sales to subsidiaries.

## EORI numbers:

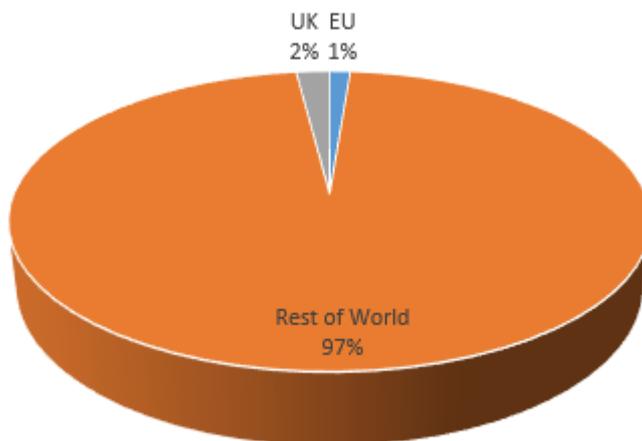
- Panorama Antennas Ltd: GB217216000000
- Panorama Antennas SAS: FR83934669900029

## Business Risks from Brexit:

### Port of Entry Delays:

One of the biggest impacts of a no deal or hard Brexit could be delays in processing roll-on-roll-off shipping on the 'short straight' between Dover and Calais.

### Purchases by Country of Origin



Just 3% of Panorama Antennas raw materials purchases come from the UK or EU with the vast majority being imported from third countries. These enter the UK through Felixstowe or Southampton on Long Sea Routes or Heathrow by airfreight. These ports of entry are well prepared for a no deal Brexit and expect to operate without disruption.<sup>123</sup>

<sup>1</sup> <https://www.portoffelixstowe.co.uk/press/publications/best-prepared-for-brexit/>

<sup>2</sup> <https://www.dpworldsouthampton.com/media/blogs-and-insights/unpacking-brexit>

<sup>3</sup> <https://uk.reuters.com/article/uk-heathrow-results/londons-heathrow-airport-could-see-trade-boost-in-no-deal-brexit-idUKKCN1QA1GH>

# PANORAMA ANTENNAS

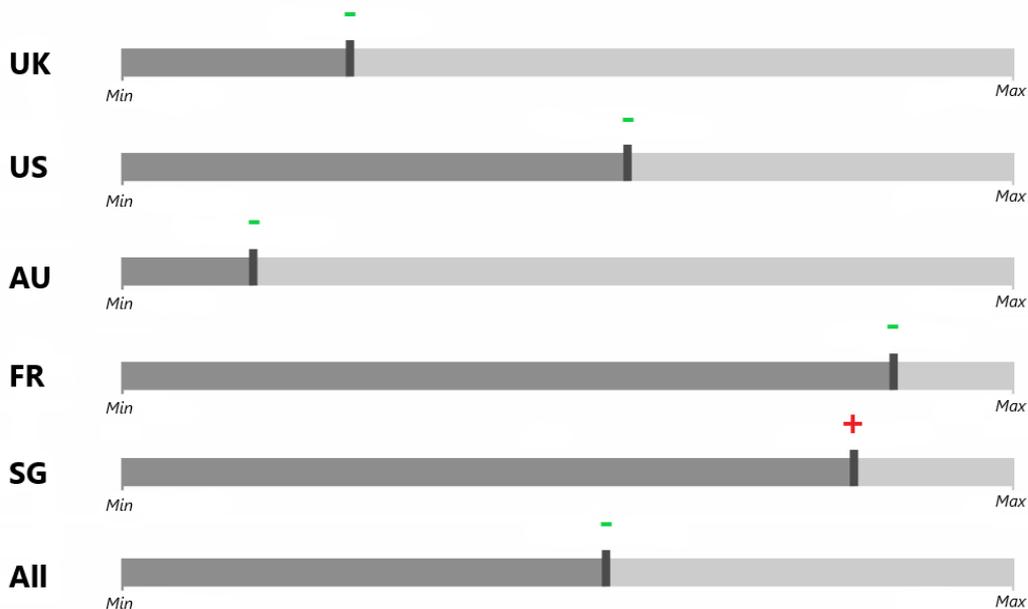
Panorama does not claim against any EU Free Trade Agreement (FTA) in clearing these goods for customs so if these FTAs were to fall away in the event of a no deal Brexit there would be no impact on clearing our imports.

We are carrying extra stock of the components we do purchase from the EU or UK to cover any delays at the short straight crossing and have applied for Simplified Transitional Arrangements to ease the processing of imports from the EU.

Additionally we are currently carrying inflated stock holdings of all products across the group that we accumulated as a buffer against a potential no deal Brexit at the end of October last year.

We have been running down these stock holdings from their October 2019 peak and plan to hold stock levels close to their current point to prepare for any unexpected occurrence during the transition period. We will begin to raise stock levels, especially in France and the UK in the 3<sup>rd</sup> Quarter of 2020 to create a buffer against potential delays after the transition period ends in December, subject to no further extensions to the transition period.

Stock Level: 30/01/2020



Min and max stock levels shown for last 365 days.

A greater risk of delays is presented by exports to EU customers from our UK Head Office. These are more likely to be shipped via the Dover-Calais route and face delays.

We intend to avoid this risk by shipping non-UK origin goods from our Singapore subsidiary directly to our French subsidiary without entering the UK. Additionally we intend to stockpile UK origin goods in France as per the stocking strategy mentioned above. We have contacted our key UK and European distributors and advised them to take similar action.

Due to our extensive experience in imports and exports we do not expect any issues with paperwork to delay customs clearance, we already clear goods for import and export in many different countries and all our paperwork and systems are prepared for international trade. We have researched and understand the special arrangements at the Port of Calais for clearing UK goods.

We are in constant communication with our freight forwarders and customs brokers to understand any risks in clearing goods and they assure us they are prepared for any scenario and have suitable numbers of drivers to guarantee continuity of supply.

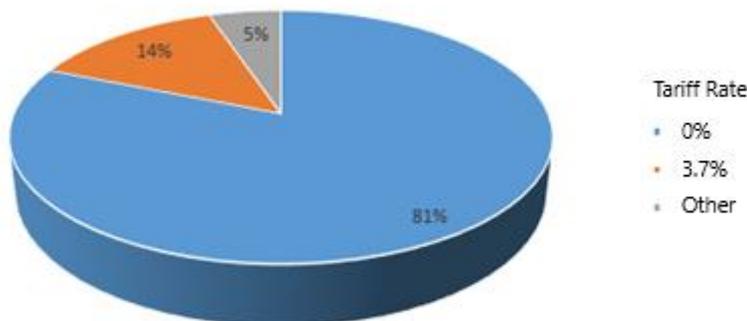
Through the combination of these facts and measures taken we believe that port delays will not have a significant impact on our ability to supply customer demand in a timely fashion no matter what the outcome of negotiations between the UK Government and the EU.

## Tariff:

Another potential Brexit impact could be the raising of tariffs on UK origin goods entering the EU and EU goods entering the UK. This could lead to increased costs.

As previously mentioned, only 1% of our raw materials are of EU origin and we don't claim preferential origin for any imports so we expect the impact of any tariffs on goods from the EU to have a minimal impact on our cost base.

Sales by EU Most Favoured Nation Tariff Rate



81% of Panorama's product sales are of zero tariff goods in most of the world, including the EU. Due to the provisions of Information Technology Agreement (ITA), this is highly unlikely to change in the event of Brexit.

We intend for our French subsidiary to import most products that do attract an EU tariff directly from our Singapore subsidiary and perform the simple processing required to make them marketable in-house. Our costs will thereby remain the same for these products.

Finally, we have extensive experience in employing special procedures, draw back and first sale invoicing to reduce tariff payments.

As a result we expect any post Brexit tariff barriers to have little impact on our cost base.

**Trade Friction:**

In the event of a no deal Brexit or a sub-optimal trade agreement there may be trade friction caused by increasing paperwork, processing and divergent regulation that could increase costs of trading between the UK and the EU.

We are dedicated to reducing the impact of any friction when trading with EU customers, we intend to do this primarily by supplying our EU customers from our French subsidiary, keeping any disruption 'behind the scenes' and ensuring our goods are placed onto the EU Market by our own company.

UK businesses, including Panorama are already aligned with EU regulation by virtue of our previous membership and Panorama Ltd will continue to ensure that its products conform to European Union Regulations.

All our paperwork is already used for import and export, 100% of our products are assigned the appropriate commodity codes and country of origin for our major markets, including the EU, and we are prepared and equipped to provide proof of preferential or non-preferential origin under any scheme, including a potential future EU/UK FTA, as required.

We believe that due to these measures our customers' experience of any cross-border trade friction in dealing with Panorama Antennas will be kept to a minimum.

**Other:**

All our UK based EU National employees have applied to remain in the UK post-Brexit via the EU Settlement Scheme.

We have confirmed continuity of reporting, banking and insurance for all foreseeable outcomes.

We have secured a large buffer stock of ISPM15 pallets.

We understand and are prepared for the implications of sharing personal data between the UK and the EU under UK GDPR and EU GDPR.

Our Notified Bodies have prepared for a no deal Brexit and will transfer all their UK issued certificates to their EU subsidiaries if there is no provision for reciprocity of Notified Bodies after Brexit. These EU bodies will issue certificates going forward. This will facilitate continuity of product certification.

Through these and other provisions we intend to keep any disruption caused by Brexit to an absolute minimum for our customers and we look forward to a long, continuing business relationship.



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Managing Director

7<sup>th</sup> February 2020