

## Caltag Medsystems Brexit Statement (September 2018)

The decision made by the UK to leave the European Union, or 'Brexit' as it has become known, means that we must embrace the challenges that this decision will bring. In order to ensure that our business is sustainable, we have put into effect a number of strategies which will ensure the strongest possible outcome for our company as the transition away from EU membership takes place.

Inevitably there is still a great deal of uncertainty as the Brexit negotiations take place and we recognise that as Brexit unfolds many of our business partners and customers will be concerned.

We have therefore considered, amongst a number of areas, the potential impact of changes to tariffs and customs borders, the potential impact on our costs, administrative workload and our employees, and the effect of increased volatility of exchange rates.

With a no-deal Brexit, the UK will no longer enjoy the free trade with EU countries that it does now. Trading with countries inside the EU will become similar to trading with those outside the EU, such as the USA. Caltag Medsystems (CML) regularly imports and exports to over 20 countries outside of the EU, and are familiar with import/export declarations and customs duties. We hold an Economic Operator Registration and Identification (EORI) number, as required for international trading, and all products are correctly coded according to the [World Customs Organisation's harmonised codes](#).

Only 18% of products originate from European based companies. The majority of products originate from the USA (54%) UK (18%) and Asia (6%). The Brexit risk from European based manufacture is significant but not critical. CML has contingency plans to open a European Office should the outcome of Brexit negotiations be unfavourable to our business model. CML has contingency plans to stock products from European suppliers to mitigate the immediate impact of Brexit.

In supplying products to European customers 87% are supplied from our USA office and 10% from our UK office. As such there would be little change to European customers as Brexit will not affect the import arrangements from the USA. There would be no change for UK customers.

CML is well versed with the demands of international trade and we have every confidence in the skill and expertise of our administrative staff to cope with any changes resulting from Brexit.

We wish to reassure our partners of our ongoing commitment to continued trade, both within the EU and our other world markets.

