



OSG U.K. LIMITED

No Deal Brexit Update

Dear Kay,

11th November 2020

As we move closer to the Brexit deadline and without a current deal with Europe in place, we thought it prudent to keep customers abreast of our planning for the January 2021 trading conditions.

Currently we are purchasing around 30% of our total sales from products sourced from Europe and whilst there is potential for a WTO trading agreement, we have started to increase our UK stock holding to limit the impact for the UK market. We have continued to increase our stock reserves held in the UK throughout this year, despite the impact of COVID 19. We can confirm that our stock holding is approximately 35% higher now than this time last year and could comfortably supply demand for more than four months from existing reserves.

The other 70% of sales are made up of UK production and purchases from our parent company in Japan, which of course will not be directly affected by a European No Deal scenario. However, having recently spoken with our shipping and customs agents, they are forecasting some short-term logistical problems, but do not believe this will impact on arrival of goods coming from non-EU countries for any significant amount of time.

We are not currently planning to increase prices due to additional Duties or Tariffs at this stage but reserve the right to reconsider this position should things significantly change.

Your faithfully,

Tony Cooper
Director