

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

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Ellies to cease funding of loss-making subsidiary

The Board of Ellies Electronics has taken the difficult decision to halt financial support to its manufacturing subsidiary, Ellies Industries and will make an application to the High Court for the liquidation of Ellies Industries.

Ellies Industries manufactures, sells and distributes various products related to markets in which Ellies serves, including satellite dishes, terrestrial aerials, TV brackets, mounts and shelving solutions. Arrangements will be made to ensure uninterrupted supply of these products to our customers.

This subsidiary has long been underperforming and has been severely impacted by the lack of movement on the Digital Terrestrial Television (DTT) programme by Government. Trading volumes have not been sufficient to generate any profit and the low activity over the past year has not allowed the business unit to recover.

In addition to numerous recovery efforts by management which included seeking third-party funding or selling the subsidiary, the company also engaged the services of an external consultant during 2020 to assess the operations of Ellies Industries to assist in improving its viability. Unfortunately, this exercise did not find a scenario that would return the subsidiary to profitability.

“It is no secret that this subsidiary has been struggling over the last few years because of various challenges and whilst we have put every effort into its recovery, we have unfortunately not been able to turn the business unit around,” says Ellies Electronics CEO, Shaun Prithivirajh.

“It has not been an easy decision to make, but ultimately if this is allowed to continue the contagion will affect the entire group. Decisions that impact directly on people’s livelihoods are deeply painful, but as a Board and leadership team, we have a responsibility to ensure the long-term sustainability of the entire Ellies Group,” concludes Prithivirajh.

Ellies has started the engagement process with all relevant role-players.

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About Ellies Industries

Ellies Industries, which is part of the manufacturing segment, manufactures, sells and distributes various products related to markets in which Ellies serves, including satellite dishes, terrestrial aerials, TV brackets, mounts and shelving solutions, whilst offering industry solutions and custom-made products, with its primary customer being Ellies Electronics.

About Ellies Holdings

Ellies Holdings is an investment holding company for businesses involved in the manufacture, trading and distribution of a diverse range of products and services, inclusive of satellite television products and related accessories, electrical, solar power, signal distribution, residential and commercial LED lighting solutions, fibre connectivity, sound and audio-visual equipment distribution and installation, and Digital Terrestrial Television (DTT).