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Information for shareholders, employees and other stakeholders, from the Chairman.

None of you need telling that we are living through challenging and, in our lifetimes, unprecedented conditions. These manifest themselves in both medical and economic matters, either or both of which can adversely affect the smooth running and progress of all our enterprises and, indeed, our lives.

The purpose of this brief message is to keep you all abreast of how this is affecting the Group and, in particular, the entire loyal and diligent team which is the lifeblood of RTC.

There can be very few organisations which are untouched by the stormy environment in which we now operate, and we are no exception. It is more than ever necessary to have the highest quality team at the top and at all levels below, to plan for changes in the economic outlook, many negative at least in the short term but, increasingly positive as conditions improve, and to act incisively and speedily as required. I am fully confident that we have teams which are wholly competent to see us through to more normal times ahead. Times are hard at present and may not begin to recover for some time yet but we have positioned ourselves to ride the difficult conditions and to be fully ready and able to take advantage of recovery when it finally gathers pace.

Although the first quarter has been satisfactory, if difficult, we are expecting that the second, which we expect to be largely if not wholly at a time of full lockdown, will inevitably produce poor results. We began our preparations for very trying times immediately following our return in January and established and are enacting plans for progressive deterioration with protective action and have tightened the costs screws as and when appropriate. At the same time, we have intensified our push for new sales both in our traditional markets and in new areas of activity.

You will all know that we are heavily focused on infrastructure in the UK, and in particular railway transport, which, as an essential service, continues at reduced levels, and that internationally we are in a theatre which at least so far has changed little. These undoubted strengths are partly offset by general engineering and manufacturing UK recruitment and by smart meter installation activities, both of which are badly affected by lockdown. To deal with these conditions we are taking

advantage of all Government initiatives where useful and needed, have availed ourselves of the Government VAT deferral scheme and have currently valuable staff members on furlough.

You will also all be aware that we have since 2008 been pursuing a policy of prudence and debt reduction alongside a progressive dividend policy to ensure shareholder returns over the long term. In response to current conditions, we have suspended the payment of dividends and any non-vital expenditure, all senior staff have agreed a reduction of salaries of 20% and we are navigating through the present and near future turmoil supported by a strong balance sheet. We are confident that we will return to positive trading as and when conditions improve, ready both structurally and financially to be a leading player in the recovery to come.

Our deferred AGM will take place as planned on 17 June and will be accompanied by a further update on trading and the outlook for the remainder of the year.

W J C Douie, Chairman, RTC Group Plc.