

COVID - 19 Business Update from Group CEO and Chairman, Neil Armstrong 20th April 2020

Dear colleagues, clients, and partners

I write this note, in the hope that you and your loved ones are safe and healthy. To those of you who may have lost family or friends, I offer my deepest sympathies and heartfelt condolences and all of us at Fastflow and United Living express our gratitude for the brave and courageous front-line workers helping us get through this incredibly difficult situation. Hopefully the scientific data shared by the government is signalling that the curve is beginning to flatten, and we can resume more day to day activities and get used to the new normal.

I thought it may be helpful to provide you with an update on how our company is progressing through this period. Since the onset of the pandemic we have implemented a balanced range of robust measures, aimed at dealing with the threat to our people, society and to our business. Probably the hardest business decisions we have ever had to make. In summary;

- On the 24th of March we started to safely and temporarily suspend all business activities, except those deemed essential or business critical, including closure of our new housing sites, our offices and revert, where possible, to remote working.
- Our Group Board took a voluntary 80% pay cut and our Executive Committee a 54% pay cut and we will continue to make salary sacrifices until we are through this challenging period.
- We furloughed around 80% of our workforce but agreed to 'top up' the government payment by 20% for two months.
- Introduced a recruitment freeze.
- Liaised with HMRC to defer tax payments.
- Liaised with our funding and banking partners to extend and revise our credit terms, including utilising our revolving credit facility.

The decision to temporarily suspend our new housing sites was made on the basis of the alarming increases in daily infection and death rates, the availability of suitable PPE and materials which, when combined with the government's instructions, left us unable to see how, at that point, we could work totally safely or financially sustainably.

Throughout this period, we have continued to provide essential and emergency gas, water and property maintenance services - achieved through new safe systems of work and adhering to government guidelines.

Our teams across the UK have been working incredibly hard to develop a methodology to recommence suspended work safely. Having closely followed the advice given by government and the Construction Leadership Council, together with our experience of working safely when providing essential services, we are now in a position to restart.

We are pleased to say that, over the coming weeks, we intend to re-mobilise new housing sites, where it is safe to do so. This will be undertaken on a graduated, phased and risk-controlled basis. We aim to prioritise external work and focus on areas where social distancing can be maintained. We will continue to review government guidelines and assess the ongoing safety and viability of our operations as the situation progresses.

We believe we are satisfactorily resilient and in a good position to weather the storm, thanks to the full support of our clients and our people. I am extremely grateful for all your help to date.

We will keep you updated on a regular basis, as the situation develops. For you and your loved ones, stay healthy and stay safe. Working together, I am confident we will get through this.

If you have any queries, please do not hesitate to contact us on info@unitedliving.co.uk

A handwritten signature in black ink, appearing to read 'Neil Armstrong', with a stylized flourish at the end.

Neil Armstrong
Group CEO and Chairman