

LETTER FROM THE CHAIRMAN

Hardy Plc

(the “Company”)

(Incorporated in the Isle of Man under the Companies Act 2006 with company number 018168V)

Directors

Michael Bretherton Chairman
Richard Galvin Non -Executive Director

Registered office

First Names House,
Victoria Road, Douglas,
Isle of Man,
IM2 4DF

30 April 2026

To the holders of issued shares in the Company’s capital (the “Shareholders”)

Notice of dissolution of the Company

A notice of dissolution of the Company dated 30 April 2026 has been issued by the Directors who will now apply to the Isle of Man Registrar of Companies (the “Registrar”) to dissolve the Company under section 190 of the Isle of Man Companies Act 2006 (the “2006 Act”), with a final distribution of the surplus assets of the Company being made to the Shareholders immediately prior to the dissolution.

Based on the requirements of the Section 190 Dissolution Process and expected timings, it is hoped that a final distribution of the surplus assets of the Company will be made to shareholders during July 2026 ahead of the dissolution of the Company at around the end of that July month or shortly thereafter.

Extracts From The Annual Report for the 12 months to 31 March 2026

In the interests of cost saving and environmental benefits, the Company does not intend to send a hard copy of the Annual Report 2026 to all Shareholders, but has made this document available on its website at www.hardypkc.com and has now notified all Shareholders of such by way of this hard copy letter. The Hardy website will remain in operation for a further period to 31 October 2026 post the expected dissolution of the Company at around the end July 2026 or shortly thereafter.

The Annual Report, together with the financial statements to 31 March 2026, was approved by the Directors on 30 April 2026.

The key performance indicators are set out below:

	31 March 2026	31 March 2025
Net assets (£’000)	252	6,657
Net asset value per share (pence)	0.34	9.02
Loss after tax (£’000)	(277)	(639)
Cash and short term deposits with banks (£’000)	260	38

Hardy generated a net loss of £(277,000) for the year ended 31 March 2026 compared to a loss of £(639,000) in the prior year ended 31 March 2025.

That loss of £(277,000) comprises a net investment loss return of £(138,000) and administrative costs of £(152,000), partially offset by interest income of £13,000. The comparative 2025 loss of £(639,000) included a net investment loss return of £(527,000) and administrative costs of £(114,000), partially offset by interest income of £2,000.

As previously announced, the Directors took the decision in November 2024 that the Company would not make any further investments and would instead pursue an orderly realisation of existing investments and a return of capital to shareholders by way of cash distributions over the short to medium term as and when funds permit.

This is because the Directors consider that the Company's investing strategy, with a focus to invest in the small to middle market capitalisation sectors of the UK or Europe, was no longer sufficiently attractive.

Consequently, there were no investment additions during the year ended 31 March 2026 and during that period the Company realised disposal proceeds of £6,263,000 on the sale of its entire investment portfolio.

Further to the change of strategy noted above, the Company made two capital distributions to shareholders in the year amounting to an aggregate total value of £6,233,000. The first capital distribution to shareholders of 6.5 pence per share was paid on 21 October 2025 amounting to a total value of £4,795,000. A subsequent second capital distribution of 1.95 pence per share was paid to shareholders on 11 February 2026 amounting to a total value of £1,438,000.

The Company held cash balances of £260,000 as at 31 March 2026, compared to cash balances of £38,000 at the previous 31 March 2025 year end.

Net assets at 31 March 2026 were £252,000 (equivalent to 0.34 pence per share) compared with £6,657,000 (equivalent to 9.02 pence per share) at the previous 31 March 2025 year end. The £(6,405,000) decrease in net assets reflects total capital distributions of £(6,233,000) (equivalent to 8.45 pence per share) paid to shareholders in the year, together with the loss recorded for the year of £(277,000), partially offset by the forfeit and return of £105,000 of historic unclaimed distributions made in November 2021.

The only changes to the Company's year end financial position since 31 March 2026 has been the cash settlement of £5,000 of further wind down costs accrued at the year end and with no change to the balance sheet net assets position which remains at £252,000 at today's date of 30 April 2026 and which includes cash balances of £255,000.

Directors

Notice of termination was given to the directors at the end of December 2025 consequent to the planned dissolution of the Company. The directors fees for the year ended 31 March 2026 include payment of those notice periods up until 30 April 2026 at which time Richard Galvin retired following the board meeting on that date and which included approval of the 2026 Annual Report and this letter to Shareholders. I have agreed to continue as the sole director and chairman on an unpaid basis until the date of dissolution of the Company at around the end of July 2026.

I would like to thank Richard Galvin for his help and contribution over the last six years since I became chairman of the Company.

Final capital distribution to shareholders

A further Chairman's letter will be sent to shareholders in around July 2026 giving notice of a final capital distribution of surplus assets and the payment date, together with the likely actual date of dissolution of the Company. The directors believe the value of that final capital distribution will be not less than the 0.34 pence net asset value per share at 31 March 2026, but there can be no certainty of this.

Yours sincerely,

Michael Bretherton
Chairman