

LETTER FROM THE CHAIRMAN

# Hardy Plc

(Incorporated in Isle of Man 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

9 November 2021

To the holders of issued shares of £0.01 in the Company's capital (the "Shareholders")

**Capital distribution to shareholders of £0.12 in cash per issued share of £0.01 in the Company's capital**

On 8 November 2021, the Directors approved the payment of a capital distribution to Shareholders of £0.12 in cash per issued share of £0.01 in the Company's capital (the "Capital Distribution"). The Capital Distribution is payable to all Shareholders on the register as at the close of business on Tuesday 9 November 2021.

Hardy reported audited net assets of £8.5million on 31 March 2020 following the sale of the Company's Hardy Exploration & Production (India) Inc. ("HEPI") subsidiary in October 2019 and the subsequent reorganisation of the Company into a cash shell pending the establishment of another business. At that time the stated strategic intention of Hardy was to use its cash resources, as enlarged by the HEPI sale, for the purposes of acquiring or establishing a company, business or asset that operates in the resources sector or other industries.

In the meantime, part of the Company's resources were deployed into a diversified holding of short-term investments in quoted stocks. The performance of those short-term investments has delivered exceptional capital returns for shareholders and it is, therefore, considered appropriate to distribute those returns back to shareholders in the form of the Capital Distribution. Immediately following the Capital Distribution, Hardy is expected to still have a remaining capital base at approximately the same £8.5million level that was present post the HEPI disposal and company reorganisation and with which it will continue to pursue its above stated strategic intention.

The Capital Distribution represents a repayment of capital out of the distributable reserves created by the cancellation of the Company's share premium following approval of the special business resolution 3 at the Company's Annual General Meeting on 29 September 2021. This Capital Distribution will have the resultant effect of reducing the capital and reserves of the Company by approximately £8.8 million (the "Reduction") and which Reduction is permitted under section 58 of the Companies Act 2006 of the Isle of Man and regulation 7 of the Company's articles of association.

The funds required for the Capital Distribution will be financed by the Company from its existing cash and liquid investment resources.

Capital Distribution entitlement payments to Shareholders will either be made by cheque or by CREST on or around 19 November 2021 as set out below:

*Shares in certificated form*

Where a Shareholder holds shares in certificated form, payment will be by sterling cheque despatched by first class post on or around 19 November 2021 at the risk of the person(s) entitled thereto. All cheques will be drawn on a branch of a UK clearing bank.

*Shares in uncertificated form (that is, in CREST)*

Where a Shareholder holds shares in uncertificated form, payment will be made in sterling on or around 19 November by means of CREST in accordance with the CREST payment arrangements.

**Action to be taken**

Shareholders will not be required to take any action in order receive their Capital Distribution entitlements which will be paid by the Company's transfer agent, Computershare Investor Services Plc, under the arrangements referred to above.

Yours sincerely,

Michael Bretherton  
Chairman