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26 March 2024

H C SLINGSBY PLC
("Slingsby", "the Group" or the "Company")

Update Regarding Retirement Benefits Scheme

HC Slingsby PLC, one of the market leaders in the distribution of industrial and commercial equipment, provides the following update in respect of its defined benefit pension scheme, the H.C. Slingsby PLC Retirement Benefits Scheme ("the Scheme").

The Company has agreed a new Schedule of Contributions and Recovery Plan with the Trustee of the Scheme pursuant to the requirements of the Pension Act 1995 ("the New Trustee Agreement") which replaces previous Scheme funding obligations.

The actuarial valuation of the Scheme as at 1 January 2023 showed a funding shortfall (technical provisions minus value of assets) of approximately £7.2 million (30 June 2019: funding shortfall of £10.5m).

Under the New Trustee Agreement, the Company is scheduled to pay:

- £5,222 per month from 1 April 2024 to 31 December 2024;
- £29,167 per month from 1 January 2025 to 31 December 2025;
- £33,333 per month from 1 January 2026 to 31 December 2026; and
- £37,500 per month from 1 January 2027 until the shortfall has been met, increasing annually at each 1 July by 3%.

The phasing of deficit reduction contributions above, represents a short-to medium term total cash saving to the Group over the years 2024, 2025 and 2026 of approximately £390,000 when compared to the previous arrangement. This re-phasing of deficit reduction contributions, whilst improving the Group's shorter-term cash outlook, does not alter the Company's obligation to fund the Scheme's shortfall in its entirety.

Over January 2023 to June 2023 Slingsby made contributions of £33,334 per month to the Scheme and from July 2023 to March 2024, the Company made contributions of £34,334 per month.

The Company remains required to pay an additional contingent shortfall-correction contribution to the Scheme equal to 50% of the Group's cashflow in excess of £150,000 for each year (on the basis of the audited cashflow statement adjusted for any changes in borrowings). The payments due under the New Trustee Agreement will be reviewed no later than 15 months after 1 January 2026, the next actuarial valuation date of the Scheme.

The Company will also continue to pay up to £160,000 per annum towards the running costs of the Scheme.

The Company has undertaken not to make any distribution to shareholders prior to 1 June 2025 and has an obligation under its previous Trustee agreement to limit any distributions from 1 June 2025 onwards to an amount not greater than £60,000 plus 50% of its audited net cashflow (adjusted for any changes in borrowings). The Company remains obliged to consult with the Trustee regarding certain other matters but is not obliged to change its approach as a result.

For further information, please contact:

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