

17 February 2025

Springfield Properties plc
("Springfield", the "Company" or the "Group")

Springfield Signs Land Sale Agreement with Barratt

Proceeds of £64.2m to accelerate removal of bank debt and capitalise on the substantial opportunities in the North of Scotland

Springfield Properties plc (AIM: SPR), a leading housebuilder in Scotland focused on delivering private and affordable housing, announces that it has signed an agreement with BDW Trading Limited ("Barratt"), the principal operating subsidiary of Barratt Redrow plc, for the profitable sale of 2,480 plots of undeveloped land with planning consent across six sites for £64.2m (the "Land Sale").

Proceeds from the Land Sale will be received over four years and will be used to accelerate the removal of the Group's outstanding bank debt and to capitalise on the significant growth opportunities emerging in the North of Scotland.

In addition, the Group and Barratt have entered into non-binding discussions regarding the possible sale of additional future land holdings on a number of other sites (the "Prospective Land").

The Land Sale

The Group will sell to Barratt 2,480 plots of undeveloped land across six sites (the "Land")^[1].

As a result of the Land Sale, the Group expects to report profit for FY 2025 significantly ahead of market expectations. Further details on the Group's outlook for FY 2025 are provided in its H1 2025 results announcement.

The Land and the Prospective Land is from the Group's future land pipeline and is primarily located across Central Scotland. Following the Land Sale, the Group will continue to have a large high quality land bank, providing over nine years of activity (based on owned and contracted land), and will continue to operate in Central Scotland, including delivering homes at the Bertha Park and Dykes of Gray villages.

The Land Sale will complete by 31 May 2025, with the Group receiving the consideration of £64.2m in cash in four tranches over the next four years. As a result, the Group expects to reach a net cash position in FY 2027.

The Land Sale only entails the transfer of undeveloped land. No employees or other assets are being transferred as a result of the Land Sale.

Opportunities in the North of Scotland

Following the Land Sale, the Group's strategic growth focus will be on opportunities in the North of Scotland where the Group is uniquely placed to capitalise on the substantial need for new housing to cater for the high population and economic growth expectations in the region. This is being driven by the UK Government-financed green infrastructure development in the North of Scotland. Scottish and Southern Electricity Networks ("SSEN") are investing £31bn into upgrading the electricity network in the region and the project will require around 5,000 workers at its peak in 2027. In addition, the Inverness and Cromarty Firth Green Freeport is expected to create more than 10,000 jobs locally with new investment of over £3bn. The Group has commenced discussions with key stakeholders about how to meet the demand for the new housing required to cater for the significant population growth.

The Directors believe that Springfield is uniquely placed to capitalise on these opportunities thanks to its large land bank across the Highlands and Moray, with a majority of plots already having planning in place, and its established position as a leading housebuilder in the region.

Innes Smith, Chief Executive Officer of Springfield Properties, said:"This profitable land sale will enable us to realise the value of our assets, accelerate our plans to remove bank debt and focus on the significant opportunity in the North of Scotland where we are uniquely positioned to excel. New housing is required to cater for the thousands of workers needed to deliver the substantial green infrastructure development coming to the region and the ongoing population growth as result of the economic stimulus these projects will bring. With significant land holdings across the Highlands and Moray and an established presence, we are excellently positioned to capitalise on this opportunity. In addition, we continue to have a large high quality land bank, with this deal demonstrating the long-term value of that asset. Accordingly, and with a significantly strengthened balance sheet, we continue to look to the future with confidence."

Enquiries

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Analyst Research

Equity Development and Progressive Equity produce freely available research on Springfield Properties plc, including financial forecasts. This is available to view and download here:

<https://www.thespringfieldgroup.co.uk/news/updates-and-analyst-reports>

[1] The Land comprises approximately 998 plots at Durieshill, Stirling; 929 plots at Lingerwood, Midlothian; 100 plots at Tranent, East Lothian; 138 plots at Ness Side, Inverness; 315 plots across two sites at Western Gateway, Dundee

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