

HARWORTH GROUP PLC

('Harworth' or the 'Group' or the 'Company')

AGM Statement

Significant progress across major sites and submission of Northern Gateway planning application

Harworth Group plc, a leading land and property regenerator of sustainable developments, is publishing an operational update for 2025 to date, ahead of the Company's Annual General Meeting (AGM) to be held today at 10am. The results of the AGM will be announced at the conclusion of the meeting.

Lynda Shillaw, Chief Executive of Harworth, commented: "Following a record year in 2024, with significant operational momentum across all parts of the business, we continue progress towards the delivery of our targets of £1bn EPRA NDV by the end of 2027, and growing our Investment Portfolio to £0.9bn by the end of 2029. Despite a global backdrop that is more volatile and challenging today than two months ago when we last updated the market, we entered 2025 on a robust footing. We continue to bear fruit from the investment made in scaling our business and we are taking advantage of the particularly dry weather to advance enabling and infrastructure works, supporting our priority of increasing the direct development of Industrial & Logistics stock.

"2025 has seen the team make good progress across our major sites, including submitting one of the largest planning applications in the UK for 6.5m sq ft of employment space, as part of Phase 1 of our joint venture at Northern Gateway in Greater Manchester. With 24.2 million sq ft of Industrial & Logistics space and 13,610 Residential plots consented or in the planning system, our focus is on structurally undersupplied sectors. Our management actions of unlocking the underlying value of our extensive land bank and growing our scale and financial flexibility - by increasing our development of modern Grade A Industrial & Logistics assets - will help to insulate our business amidst the ongoing geopolitical and economic uncertainty."

Markets beginning to see some respite

Despite the backdrop, the residential market, in our regions of Yorkshire and Midlands, is seeing improved affordability with falling mortgage rates and accelerated real wage growth, albeit this is tempered by historically low consumer confidence and the impact of the UK's October Budget on businesses. Both Yorkshire and the Humber and the Midlands benefitted from year-on-year house price inflation to Q1-2025 of 5%+, according to Goodbody, although nationally, Nationwide is quoting house price inflation of 3.9% for the same period, down from 4.7% for 2024.

Falling interest rates should begin to improve the viability of sites stimulating development across our regions, but again this will be tempered by a number of factors: the impact of macroeconomic events on occupiers and investors; the impact of the spending review on government's ability to support development by enabling offsite infrastructure; and regulatory and policy changes and associated impacts in additional costs and/or delays.

The recently announced trade deal between the UK and the US, in combination with the indication that the 90 day pause in trade tariffs will allow for further global negotiations, is expected to bring some respite to volatile markets, and should be positive for our sector as businesses have more stability. In our regions, while decision making cycles have lengthened, we are seeing a steady level of enquiries from occupiers across our pipeline and would expect these to pick up as geopolitical and economic tensions improve, and requirements to onshore supply chains and manufacturing manifest themselves.

Significant infrastructure and enabling works underway, underpinning our developments

Our portfolio sits across three regions, two sectors and three portfolios with the following abbreviations -

Three regions: Yorkshire & Central ('YAC'), Midlands ('MID') and the North West ('NOW')

Two sectors: Industrial & Logistics ('I&L') and Residential ('R')

Three portfolios: Investment Portfolio ('IP'), Strategic Land ('SL') and Major Developments ('MD')

- At Wingates (Bolton) | NOW | I&L | MD / SL, we began 2025 with 1 m sq ft consented for logistics and manufacturing

space and a further 1.9m sq ft with a planning allocation. The realignment of the A6 is scheduled to complete in June and Phase 1 infrastructure works are also underway, preparing the site for development.

- At Skelton Grange (Leeds) | YAC | I&L | MD, where we sold two parcels of land to Microsoft, having completed the Phase 1 sale in December 2024, we continue to progress the infrastructure and site remediation works to enable completion of Phase 2 of the transaction in 2026.
- At Gascoigne Wood (Selby) | YAC | I&L | SL, where we have planning consent for 1.5m sq ft of I&L, we have substantially completed the demolition works prior to commencing the initial site clearance and enabling works in H2.
- At Chatterley Valley (Stoke) | NOW | I&L | MD, which is development ready and can deliver up to 1.2m sq. ft of I&L space, marketing of the site is underway, and subject to market conditions, construction is anticipated to start later this year.
- At Gateway 36 (Barnsley) | YAC | I&L | MD, the next phase is ready for delivery and being marketed - a further 250,000 sq ft is in for detailed planning and we are in active negotiations with prospective occupiers.

Extensive land bank underpins our ability to deliver our targets

Our extensive land bank underpins our ability to deliver our targets. At 30 April, our I&L pipeline increased to 34.1m sq ft (Dec 2024: 33.6m), and our Residential plots stood at 30,763 (Dec 2024: 31,264).

Largest planning application submitted

At Northern Gateway (Greater Manchester) | NOW | I&L | SL, where the site has been allocated primarily for advanced manufacturing and I&L, we continue to assemble land into our joint venture, which has recently submitted one of the largest planning applications in the UK for 6.5m sq ft of employment space, as part of Phase 1 of the development.

Residential sales indicating healthy pricing

Following a record year for Residential plot sales in 2024, our sales programme for 2025 is underway, having completed, exchanged or in advanced legal negotiations on over 1,000 plots, including Planning Promotion Agreements (PPAs), with initial sales achieving healthy pricing levels. Housebuilders remain cautiously and selectively active in the land market and we are seeing a return to more stable reservation rates after March's surge following the budget stamp duty changes coming into force.

Funding our development pipeline

We entered 2025 with a strong balance sheet and available liquidity, providing the financial flexibility to execute on a significant level of enabling and infrastructure work needed to support our ambitious development pipeline. Recent months have seen us strategically deploy development expenditure to advance site clearance, infrastructure and earthworks and secure power reservations across multiple sites.

Using the flexible funding provided by our revolving credit facility (RCF), we partially drew down on this facility, bringing our available liquidity to £85.6m at the end of April (Dec 2024: £192.4m), with net debt at the end of April of £154.4m (Dec 2024: £46.7m), representing a net loan to portfolio value ('LTV') of 17.5% (Dec 2024: 5.4%), well within our own policy of up to 25% during the year. The majority of our sales are typically weighted towards H2, allowing us to pay down debt and increase our firepower towards the end of the year.

Sustainability

Alongside our 2024 Annual Report and Accounts, in April 2025, we published our 2024 Net Zero Carbon (NZC) Pathway Progress Report setting out our journey towards our targets to achieve NZC operationally by 2030 and NZC for all our emissions by 2040. The report describes how our evolving approach is embedded in our sustainable developments alongside measuring our progress towards our goals.

For further information

Harworth Group plc

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Annual General Meeting

The AGM will be held at 10am today at The Brearley Room, AMP Technology Centre, Advanced Manufacturing Park, Brunel

Way, Catcliffe, Rotherham, S60 5WG. Shareholders are advised to check our website at <https://harworthgroup.com/investors/annual-general-meeting> for the most up to date information.

About Harworth

Harworth Group plc (LSE: HWG), is a leading land and property regenerator of sustainable developments. We own, develop, and manage a portfolio of over 15,000 acres of Strategic Land over 100 sites located throughout the North of England and Midlands. We specialise in delivering long-term value for all stakeholders by regenerating large, complex sites, particularly former industrial sites, into new Industrial & Logistics developments and serviced Residential land to create sustainable places, support new homes, jobs and communities where people want to live and work. Visit www.harworthgroup.com for further information. LEI: 213800R8JSSGK2KPG21

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