

Hargreaves Services plc
("Hargreaves", the "Company" or the "Group")

Sale of first tranche of Renewable Energy Land Assets completed

Hargreaves Services plc (AIM: HSP), a diversified group delivering services to the environmental, infrastructure and property sectors, announces completion of the sale of the first tranche of renewable energy land assets (the "Sold Assets") to Meadow Partners, a real estate investment and asset management firm, for an initial cash consideration of £8.8m. An additional top up consideration, expected to be £3.8m, is due by September 2029 contingent on future wind yields (combined the "Disposal").

The Sold Assets consist of land generating rental income streams from two wind farms and three access agreements in South Lanarkshire, Scotland, with a current annual rental income of £0.7m per annum, inclusive of a variable top up of £0.2m per annum reflecting wind yields experienced to date.

Subsequent to the initial receipt of £8.8m, further payments are expected to be received based on the average additional variable rental income realised in the second and third years of operation of the Sold Assets. It is expected that this top up payment will be £3.8m, in aggregate, and could be as much as £5.0m if wind yields are strong. Top up payments are expected to be received no later than September 2029, three years post commission of the Sold Assets.

The Sold Assets formed part of the renewable energy asset land portfolio independently valued by Jones Lang Lasalle at a minimum of, in aggregate, £27.0m in July 2025, and have an aggregate book value of £7.4m. The Sold Assets represented £12.6m of the Jones Lang Lasalle valuation and £4.0m of the book value. The £8.8m initial cash consideration plus the anticipated £3.8m top up consideration is in line with the independent valuation.

The Disposal is a significant step forward in the Group's stated strategy of realising value from its renewable energy land asset portfolio.

The Board anticipates that the Disposal will result in a one-off net benefit to PBT and cash in the financial year ending 31 May 2026 of £3.0m and £8.0m respectively*.

Commenting on the Disposal, Roger McDowell, Chair of Hargreaves Services plc, said:*"We are delighted to announce this initial transaction in relation to our portfolio of renewable energy land assets. This sale represents the first phase in the Group's strategy to realise cash from these assets, and we are currently evaluating different mechanisms to return this cash to shareholders. This transaction marks the beginning of a number of material disposals from our developing renewables portfolio, which we intend to deliver for shareholders in the coming years."*

*The Company considers consensus market expectations prior to the release of this announcement for the year ending 31 May 2026 to be revenue of £270.9m, underlying PBT of £21.4m, EPS of 53.6p and cash of £26.2m.

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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About Hargreaves Services plc (<https://www.hsgplc.co.uk/>)

Hargreaves Services plc is a diversified group delivering services to the environmental, industrial and property sectors, supporting key industries within the UK and South East Asia. The Company's three business segments are Services, Hargreaves Land and an investment in a German joint venture, Hargreaves Raw Materials Services GmbH ("HRMS"). Services provides critical support to many core industries including Energy, Environmental, UK Infrastructure and certain manufacturing industries through the provision of materials handling, mechanical and electrical contracting services, logistics and major earthworks. Hargreaves Land is focused on the sustainable development of brownfield sites for both residential and commercial purposes. HRMS trades in specialist commodity markets and owns DK Recycling, a specialist recycler of steel waste material. Hargreaves is headquartered in County Durham and has operational centres across the UK, as well as in Hong Kong and a joint venture in Duisburg, Germany.

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