

Harworth Group plc
("Harworth" or the "Company")

AGM Trading Update

A strong start to 2021 as demand for serviced land and industrial units remains robust

Harworth Group plc, a leading regenerator of land and property for development and investment, will hold its Annual General Meeting at 2pm today. Given that some restrictions on gatherings and social distancing requirements remain in place, shareholders are requested not to attend the AGM in person. The Company provides the following update on its operational performance and will announce the results of the AGM later today.

Lynda Shillaw, Chief Executive of Harworth, commented: "Harworth has made a strong start to 2021, as we continue to progress our pipeline totalling 30,668 housing plots and 26.1 million sq ft of commercial space. Demand for our serviced land and industrial units has been robust so far this year, and we continue to progress planning applications across our Strategic Land portfolio, including our 1,000-home mixed-use development at Ironbridge, which secured the first of its two required planning approvals last week. With a powerful sense of purpose, a strong balance sheet and substantial high-quality development pipeline, we are well-positioned to deliver growth over the remainder of the year."

Residential pipeline

Our residential pipeline comprises 9,473 consented housing plots across our Major Development sites and the potential for a further 21,195 housing plots across our Strategic Land sites, of which 2,418 are in planning and awaiting determination. We continue to identify acquisition opportunities to add to our pipeline and drive future growth.

Our largest residential development currently in the planning system is in Ironbridge, Shropshire, where we have plans to regenerate the former Ironbridge Power Station into a mixed-use development comprising 1,000 new homes, alongside a range of commercial, leisure and community uses. Last week, we secured planning approval from Telford & Wrekin Council, one of the two councils determining the application, and we expect to receive a decision from the other, Shropshire Council, early in the summer.

Across our Major Development sites demand for our serviced residential plots remains strong, with 54% of budgeted residential plot sales for this year either completed, exchanged, or in heads of terms, ahead of both our expectations and our progress at the same point last year. This includes our recent exchange on the sale of 16.2 acres to Taylor Wimpey for the delivery of 258 new homes at Moss Nook in St Helens, Merseyside, our first residential development in the North West.

At Waverley, South Yorkshire, we are progressing the planning of Olive Lane, a new heart of the community for over 2,500 residents now living at the development and over 2,000 workers at the Advanced Manufacturing Park ("AMP"). The proposals include a supermarket, restaurants and cafes, a medical centre, and offices, alongside additional residential development, all of which will create a vibrant centre for local people. We expect to submit a planning application for Olive Lane later this summer.

Industrial & Logistics pipeline

Our industrial & logistics pipeline comprises 7.9 million sq ft of consented space across our Major Development sites, and the potential for an additional 18.2 million sq ft across our Strategic Land sites, of which 4.2 million sq ft is currently in planning awaiting determination.

One of our largest industrial & logistics developments currently in the planning system is for 1.1 million sq ft of commercial space at our site in Wingates, Greater Manchester. The site is strategically located adjacent to

Junction 6 of the M61 and in close proximity to Harworth's existing Logistics North site. We expect to receive a decision on our application in the second half of 2021. Elsewhere in our Strategic Land portfolio, we have continued land assembly works at our site in Ansty, Warwickshire, with the purchase of a 128-acre land parcel in January for £3.0 million. Once land assembly works are complete, we intend to submit a planning application for over 3.0 million sq ft of prime logistics space at the site, which is adjacent to Junction 2 of the M6 and the M69.

Across our Major Development sites, we are continuing the direct development of small-scale units and the sale of land plots for development, with 72% of budgeted industrial & logistics land sales for this year either completed, exchanged, or in heads of terms. Our development strategy includes the construction by Harworth of a 50,800 sq ft unit at Logistics North, which reached practical completion last week, and of 52,000 sq ft of manufacturing space across two units at the AMP in Waverley, which is due to commence shortly. At our site in Bardon Hill, Leicestershire, where we have outline planning consent for up to 350,000 sq ft of commercial space, we intend to commence the direct development of the first industrial units this summer. Elsewhere at the AMP, we sold a parcel of land to premium sportswear manufacturer, SBD Apparel, for the construction by Harworth of a new 100,000 sq ft facility, allowing SBD Apparel to consolidate its operations into a single site and increase its manufacturing output.

Income Generation portfolio

Our Income Generation portfolio mainly comprises industrial Business Space and Natural Resources assets, providing a recurring rental income that covers our administrative expenses, finance costs and tax, in addition to asset management opportunities and the potential for capital value growth. So far in 2021, rent collection across our Business Space portfolio remains high at 98%, reflecting the strength of our diverse occupier base.

In April we acquired Towngate Business Park, Widnes for £12.7 million, reflecting a net initial yield of 7.1% and a reversionary yield of 9.4%. The asset provides 262,000 sq ft of fully-let industrial space across nine-industrial units, with easy access to the M62.

We continue to pursue opportunities to churn this portfolio, selling mature assets where we have completed asset management initiatives and recycling the proceeds into higher yielding opportunities where we can extract growth through active asset management and small-scale development.

Strong balance sheet and financial position

Harworth remains well-capitalised and we continue to manage our cashflows sustainably. As at 30 April 2021 we had net debt of £94.0 million (31 December 2020: £71.2 million), and a pro-forma LTV of 14.7% (31 December 2020: 11.5%), based on 31 December 2020 valuations. This continues to provide significant headroom and flexibility.

The Harworth Way

As a leading master developer and regenerator, strong Environmental, Social and Governance ("ESG") credentials are central to Harworth's purpose and are encapsulated in "The Harworth Way". We have made significant progress in this area and, in April, we established an ESG Committee of the Board chaired by Angela Bromfield, our Senior Independent Director, to provide oversight, on behalf of the Board, in relation to the Group's ESG strategy, reporting, and activities. A particular focus for the Committee in the coming year will be the setting of appropriate ESG targets across our business, and enhancing the collection, monitoring and disclosure of the relevant data.

For further information

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About Harworth

Listed on the Premium Segment of the Main Market, Harworth Group plc (LSE: HWG) is a leading sustainable regenerator of land and property for development and investment which owns, develops and manages a portfolio of approximately 16,000 acres of land on around 100 sites located throughout the North of England and Midlands. The Group specialises in the regeneration of large, complex sites, in particular former industrial sites, into new residential developments and employment areas (www.harworthgroup.com).

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