

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

AGM Trading Update

Continued operational momentum resulting from strategic delivery and robust demand

Harworth Group plc, a leading regenerator of land and property for sustainable development and investment, provides the following update on its operational performance in advance of its Annual General Meeting, which will take place at 2pm today. The Company will announce the results of its AGM following the conclusion of the meeting.

Lynda Shillaw, Chief Executive of Harworth, commented: "We have continued our strong operational momentum into 2022, delivering our growth strategy against an ongoing backdrop of robust demand for our serviced residential plots and industrial & logistics products. We have demonstrated a step change in the scale of our direct development so far this year and recently launched our initial single-family Build to Rent portfolio of up to 1,200 homes: together these will accelerate the delivery of our development sites whilst creating further sustainable places where people want to live and work.

"We have also made great progress in replenishing our strategic land bank, with land acquisitions completed so far this year adding 3.9m sq. ft of industrial & logistics space and 793 residential plots to our pipeline. Although these sites are still largely in the land assembly phase, they represent significant opportunities that will ensure we maintain our target 12-15 year land supply as we deliver on our strategic plan.

"Despite macroeconomic headwinds, the fundamental supply and demand factors driving growth in the industrial & logistics and residential markets remain intact. These strong underlying market drivers, combined with our proven successful track record as a developer of large complex sites, our robust financial position, and our focus on creating high-quality, sustainable places, give us confidence in our ability to deliver on our medium-term ambition for Harworth to reach £1bn of EPRA NDV."

Advancing 635,000 sq. ft of direct development and land sales across 32.2m sq. ft industrial & logistics pipeline

- 332,000 sq. ft of Grade A space at Bardon Hill, Leicestershire, due to practically complete in August 2022; in advanced negotiations with a number of potential occupiers
- Development of a further 303,000 sq. ft underway or being prepared at the Advanced Manufacturing Park, Waverley and Gateway 36, Barnsley; a combination of build-to-suit and speculative development
- Received planning permission to begin site preparation for 1.2m sq. ft of space at Chatterley Valley, Staffordshire; technical work underway in advance of starting 1.1m sq. ft of space at Wingates, Bolton
- 36% of budgeted industrial & logistics land sales⁽¹⁾ for the year have either completed, exchanged or are in heads of terms, either in-line with or at a premium to book value

Progressing serviced plot sales across 30,557-plot residential pipeline, with single-family Build to Rent ("BTR") portfolio set to accelerate this further

- 100% of budgeted serviced residential plot sales for the year have either completed, exchanged or are in heads of terms, either in-line with or at a premium to book value
- Completed the sale of unserviced land at the Yorkshire Main colliery site in Doncaster to MJ Gleeson for the delivery of 333 homes, in-line with book value
- Launch of a portfolio of up to 1,200 single-family BTR homes across 10 sites, to be delivered through a forward-funding agreement; significant early interest from potential investment partners

Acquisitions drive further pipeline growth, with planning decisions expected for a number of key sites

- Completed a number of land acquisitions so far this year, adding 793 plots and 3.9m sq. ft to Harworth's total development pipeline

- Expecting planning determinations later this year for 3.0m sq. ft of industrial & logistics space across: Gascoigne Wood, North Yorkshire; Skelton Grange, Leeds; and Houghton Main, Barnsley

Investment Portfolio showing robust operational metrics, supported by strong leasing activity

- As at 30 April 2022, portfolio had an average rent of £6.21 per sq. ft (31 December 2021: £6.32) and vacancy of 3.9% (31 December 2021: 4.1%)⁽²⁾
- Completed 47,500 sq. ft of leasing deals; new lettings at an average 19% premium to ERV, and renewals on average 14% ahead of previous passing rent

Harworth remains well capitalised with strong balance sheet and financial position

- As at 30 April 2022, net debt was £71.6m (31 December 2021: £25.7m), resulting in a pro-forma LTV of 9.1% (31 December 2021: 3.4%), based on 31 December 2021 valuations
- Available liquidity increased to £132.4m (31 December 2021: £128.0m), following the signing of a new £200m revolving credit facility and planned infrastructure spend to accelerate delivery on our sites

Further development and implementation of the Harworth Way, targeting enhanced measurement and reporting of societal and environmental benefits

- Peter Henry appointed as Director of Sustainability; with over 10 years' experience at Harworth having formerly been Regional Director for Yorkshire & Central, Peter has been integral to forming many of the Company's key principles for sustainable regeneration and placemaking
- Bardon Hill development targeting Net Zero Carbon in construction status, aligned to the UK Green Building Council framework
- Underlining Harworth's commitment to sustainability, the Board has recently undertaken a search for an additional Non-Executive Director with expertise in this area. That process is close to reaching a conclusion, and we expect to make an announcement on a new appointment shortly

Harworth will be hosting a Capital Markets Day for institutional investors and analysts on 15 June 2022, with parts of the event webcast live on the Harworth website. Please contact investors@harworthgroup.com for further information.

Notes:

(1) Excludes the sale of the Kellingley development site, for which Harworth exchanged contracts in 2021. The transaction will only complete if all sale conditions are satisfied prior to 31 August 2022

(2) Calculated using the European Public Real Estate Association (EPRA) Best Practices Recommendations Guidelines

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 14,000 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 and industrial & logistics developments. Visit www.harworthgroup.com for further information. LEI: 213800R8JSSGK2KPF21