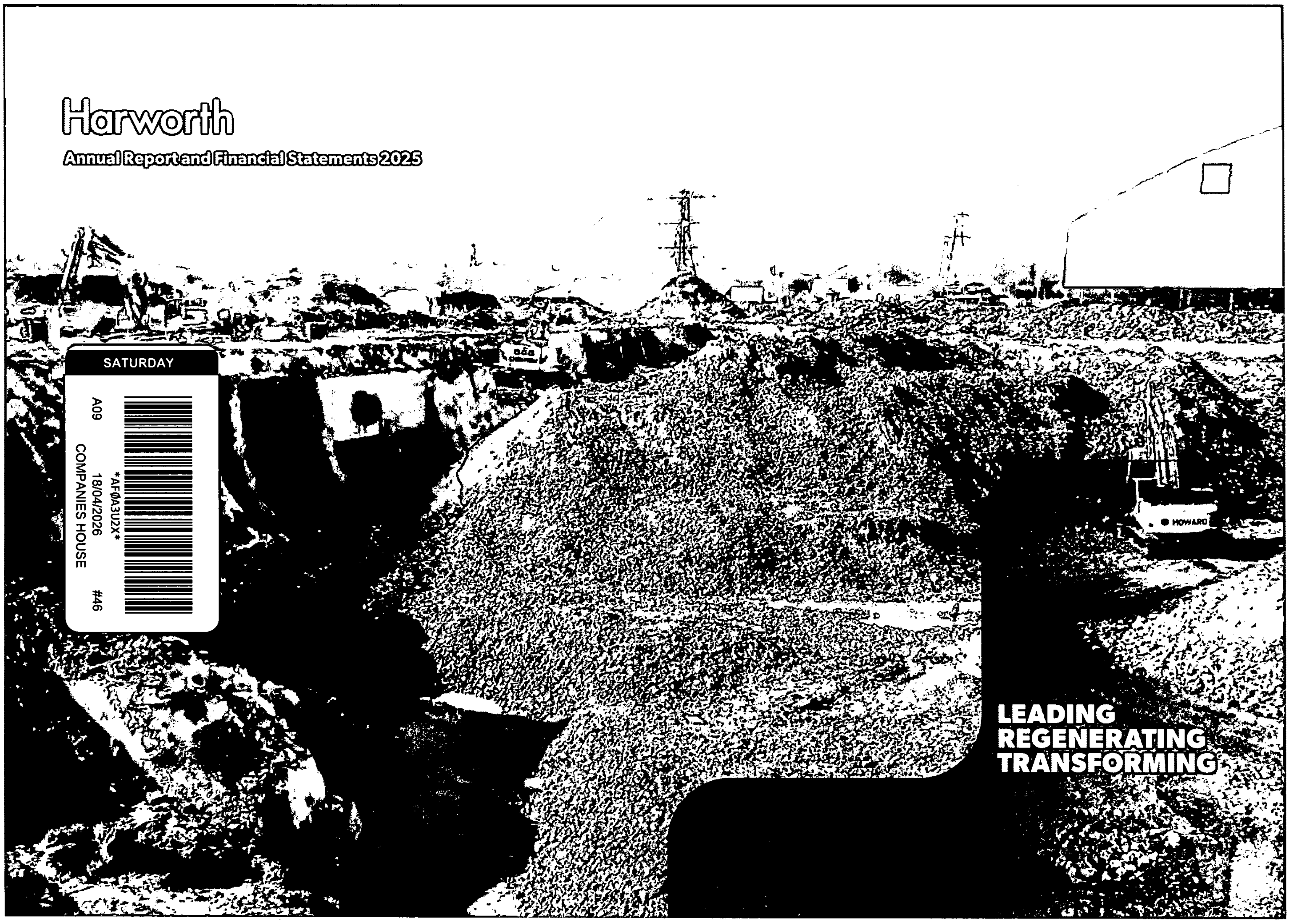
Harworth

Annual Report and Financial Statements 2025



LEADING
REGENERATING
TRANSFORMING

2025 Highlights

TOTAL ACCOUNTING RETURN
1.7%
2024: 9.1%

EPRA NDV PER SHARE[1]
224.4p
2024: 222.3p

PORTFOLIO WEIGHTED TO I&L[2]
70%
2024: 63%

TOTAL PROPERTY RETURN[3]
8.4%
2024: 12.0%

I&L PIPELINE
35.0m sq ft
2024: 33.6m sq ft

LOCATION-BASED SCOPE 1,2,3 EMISSIONS[4]
612 tCO_2e
2024: 690 tCO_2e

Annual Report key

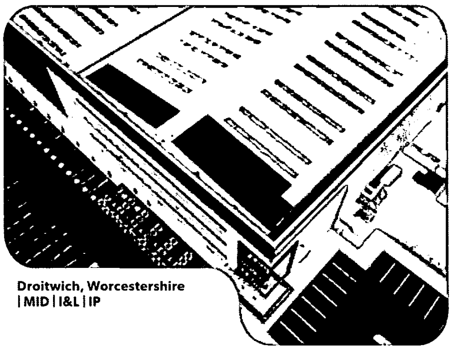
Sectors
I&L Industrial & Logistics | R Residential | NR Natural Resources & Other

Portfolio
IP Investment Portfolio | MD Major Developments | SL Strategic Land

Regions
YAC Yorkshire & Central | MID Midlands

1. European Public Real Estate Association Net Disposal Value.
2. By portfolio value.
3. Total Property Return ('TPR') is the ungeared return of the property portfolio as a percentage of capital employed. TPR calculations calculated by MSCI.
4. Scope 3 emissions related to business travel, homeworking and business waste.

Front cover image: Skelton Grange, West Yorkshire | YAC | I&L | MD



Droitwich, Worcestershire | MID | I&L | IP

Wingates, Greater Manchester | NOW | I&L | MD

CONTENTS

Find out more
www.harworthgroup.com

At the forefront of sustainable regeneration.
Go to page 4

Our focus is on making a meaningful impact.
Go to page 14

Harworth

Harworth is a leading regeneration, strategic land and development business focused primarily on the Industrial & Logistics sector.

Unlocking the potential of land
Go to page 28

We transform land and property into places where people want to live and work and make a positive impact on our planet, communities and people.

Find out more about Harworth
www.harworthgroup.com

Harworth at a glance

A leading regeneration, strategic land and development business

Our purpose and expertise lie in the transformation of land and property into sustainable places where people want to live and work.

As a master developer, we create long-term value by acquiring and assembling sites that are large and complex, and transforming them into high-quality Industrial and Logistics and Residential developments.

Our purpose, culture and values
Our ability to execute our strategy and deliver our purpose is reliant on delivering against our sustainability framework, 'The Harworth Way', and our 'One Harworth' culture, ensuring we work together with respect, where individuality is valued and appreciated.

FOCUSED ON TWO SECTORS

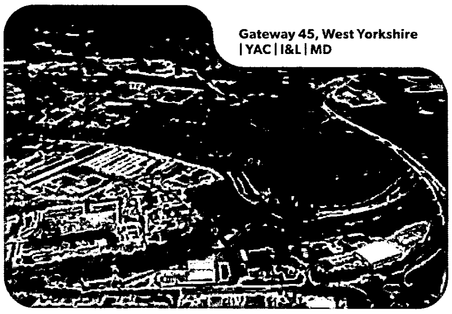
70% Industrial & Logistics

30% Residential & Other

Portfolio weighting by value

WITH TWO CORE PRODUCTS

1. Serviced remediated land for sale
2. Developed to hold or to sell

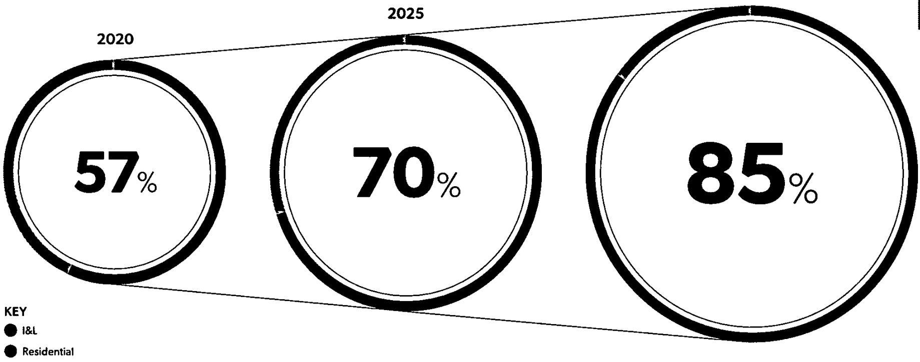


Gateway 45, West Yorkshire | YAC | I&L | MD

DELIVERING AGAINST OUR AMBITIOUS STRATEGY

£1bn
Targeting EPRA NDV by 2029

I&L PORTFOLIO TRAJECTORY
Weighting by portfolio value



Harworth at a glance
continued

Our portfolio: the foundation for long-term sustainable growth and value-creation
Our extensive Industrial & Logistics and Residential portfolio is strategically located across Yorkshire, the Midlands and the North West.

It includes recently acquired Strategic Land undergoing or awaiting the planning process, Major Development sites where infrastructure or development works are underway, and established manufacturing and logistics hubs.

I&L LAND BANK

35m sq ft
of capacity to deliver I&L space

Find out more on page 41

75%
of I&L land bank capacity is consented or in the planning system[1]

Find out more on page 41

>£**5**bn
Gross Development Value for I&L within land bank

I&L INVESTMENT PORTFOLIO

76%
of core I&L Investment Portfolio is Grade A[2]

Find out more on page 43

11.2years
WAULT to expiry[3]

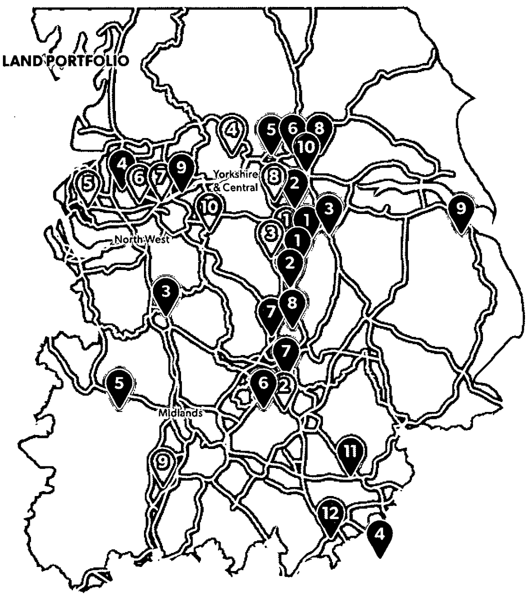
Find out more on page 43

1.0%
EPRA vacancy rate[4]

Find out more on page 43

1. In the planning system includes draft allocations, allocations and awaiting determination.
2. By value.
3. Weighted Average Unexpired Lease Term.
4. European Public Real Estate Association vacancy rate.

OUR PROPERTY & LAND PORTFOLIO

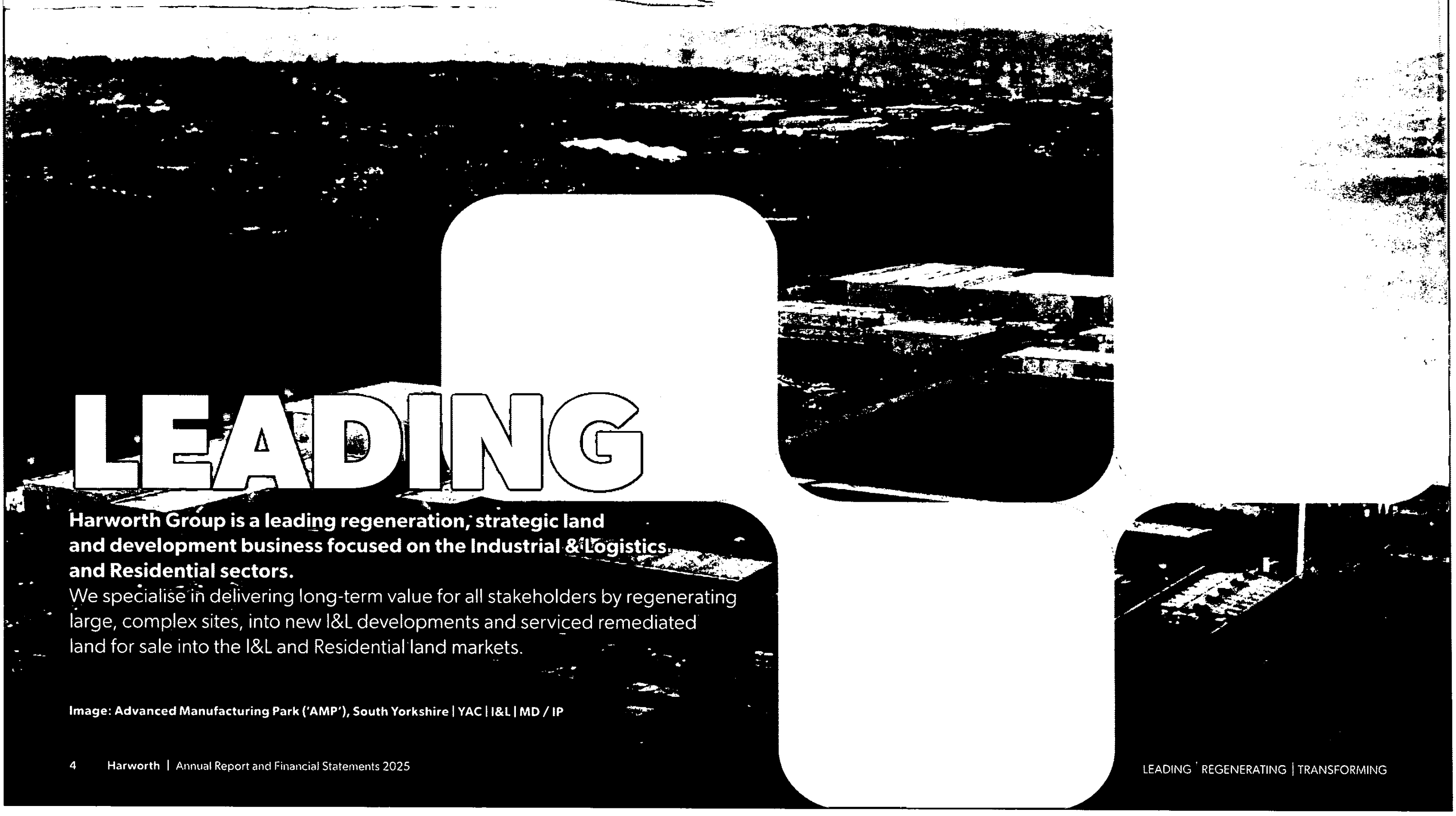


KEY
- I&L Strategic Land — Refer to page 42
- I&L Major Developments — Refer to page 42
- I&L Investment Portfolio — Refer to page 44
- Residential Strategic Land — Refer to page 45
- Residential Major Developments — Refer to page 45

I&L: 70% OF PORTFOLIO VALUE
- **Strategic Land** £149.3m
- **Major Developments** £198.2m
- **Investment Portfolio** £305.0m

RESIDENTIAL: 27% OF PORTFOLIO VALUE
- **Strategic Land** £61.5m
- **Major Developments** £192.3m

OTHER: 3% OF PORTFOLIO VALUE
- **Total NRS & other** £31.0m



LEADING

Harworth Group is a leading regeneration, strategic land and development business focused on the Industrial & Logistics and Residential sectors.

We specialise in delivering long-term value for all stakeholders by regenerating large, complex sites, into new I&L developments and serviced remediated land for sale into the I&L and Residential land markets.

Image: Advanced Manufacturing Park ('AMP'), South Yorkshire | YAC | I&L | MD / IP

Investment case

Creating value
for our stakeholders

Chatterley Valley, Staffordshire
| NOW | I&L | MD

Unique skill set	We have unrivalled in-house expertise as a specialist regenerator of large, complex sites alongside a depth of experience in acquisitions, land servicing and remediation, planning, development and placemaking.	Our insight and long-term approach mean that we are able to unlock the potential of challenging sites where others have struggled or avoided them altogether.	**9.2**m sq ft Planning achieved for I&L space since 2021
Extensive land bank	We own over 15,000 acres of land with the potential to develop over 35m sq ft of employment space and enable over 29,000 homes across the North of England and the Midlands. We also continue to progress our powered land portfolio, building on our history specialising in developing industrial sites.	We have grown this land bank over time through targeted acquisitions. This scale, combined with our preference for freehold ownership, provides us with significant opportunities and flexibility.	**35.0**m sq ft Potential I&L capacity within our land bank **Find out more** on page 41
Undersupplied markets	Our core focus markets of I&L and Residential have strong structural tailwinds and are critical to the growth of the UK economy. Within the I&L sector, we focus on developing and owning Grade A space that meets the evolving needs of occupiers.	Our Residential products focus on de-risked serviced land for housebuilders, including mixed-tenure and affordable housing.	**9.5**% Prime I&L rent growth in 2025 in the North West **Find out more** on page 24
Strong financial position	We have consistently maintained a strong financial position, with low loan-to-value and significant available liquidity. Combined with having no major refinancing requirements until 2029 to invest in our land and developments, this provides us with flexibility and firepower.	We seek to maintain balanced cash flows by funding the majority of infrastructure expenditure with disposal proceeds, while allowing for portfolio growth.	**15.6**% Net Loan to value **Find out more** on page 56
Responsible business	Our purpose is to invest to create sustainable places where people want to live and work. We aim to have a lasting positive impact by supporting new homes, jobs and communities, and delivering long-term value.	We have ambitious targets that underline our commitment to sustainability, including to be operationally NZC by 2030 and NZC for all emissions by 2040.	**65.6**k Jobs Potentially supported in local economies by our I&L portfolio

Key performance indicators

Strategic progress continued in 2025

FINANCIAL TRACK RECORD

TOTAL ACCOUNTING RETURN (%) A

2025 PERFORMANCE
Our Total Accounting Return ('TAR') of 1.7% was the result of a 0.9% increase in EPRA Net Disposal Value per share during the year, as well as payment of 1.663p in dividends. Since 2021, we have delivered cumulative Total Accounting Returns of 44.5%.

1.7%

Growth in EPRA Net Disposal Value during the period in addition to dividends paid, as a proportion of EPRA Net Disposal Value at the beginning of the year.

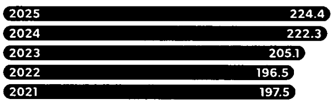
LINK TO GROWTH DRIVERS
1 2 3 4

LINK TO GROUP TARGETS
£

EPRA NDV PER SHARE (p) B

2025 PERFORMANCE
EPRA Net Disposal Value per share ('EPRA NDV') grew 0.9% due to higher valuations within our I&L portfolio, with positive management actions driving value as sites progressed through planning and development, partially offset by valuation losses on Residential Major Development sites, impacted by inflationary pressures, some limited site specific cost increases and challenging market conditions.

224.4p



An EPRA metric that represents a net asset valuation where development property is included at fair value rather than cost and deferred tax, financial instruments and other adjustments are calculated to the full extent of their liability.

LINK TO GROWTH DRIVERS
1 2 3 4

LINK TO GROUP TARGETS
£

TOTAL PROPERTY RETURN (%) C

2025 PERFORMANCE
Total Property Return ('TPR'), calculated by MSCI of 8.4% compares to the MSCI UK Annual Property Index of 5.6%. Our return reflects a strong performance across our I&L portfolio, including Strategic Land, Major Developments and Investment Portfolio, reduced by returns on Residential land.

8.4%

A measure of the ungeared return for the portfolio calculated as the change in capital value, less any capex incurred, plus net income, expressed as a percentage of capital employed over the period concerned, calculated by MSCI.

LINK TO GROWTH DRIVERS
1 2 3 4

LINK TO GROUP TARGETS
£

NET LOAN TO PORTFOLIO VALUE (%) D

2025 PERFORMANCE
Our Net Loan to Portfolio Value ('LTV') increased as we drove significant investment and operational progress on sites as well, as from the acquisition of the remaining 50% interest in Aire Valley Land LLP, with LTV remaining well within our self-imposed target within year of less than 25% as we completed sales to provide headroom for reinvestment.

15.6%

Net debt as a proportion of the aggregate value of properties and investments.

LINK TO GROWTH DRIVERS
1 2 3 4

LINK TO GROUP TARGETS

Key performance indicators
continued

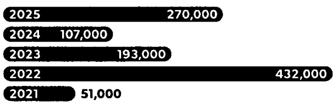
KEY
Link to growth drivers
- **1** Reposition core Investment Portfolio
- **2** Increase capacity for Industrial & Logistics developments
- **3** Accelerating Residential sales & broadening range
- **4** Scaling up through land acquisition and promotion
- **£** Group targets See page 123 for more information
- **H** The Harworth Way See pages 32-35 for more information

STRATEGIC TRACK RECORD

INDUSTRIAL & LOGISTICS SPACE DIRECTLY DEVELOPED (SQ FT) E

2025 PERFORMANCE
In the year we completed 0.3m sq ft which was transferred to our Investment Portfolio and now contributes £2.7m to headline annual rent.

270,000 sq ft



The amount of I&L space developed by Harworth, either speculatively or on a build-to-suit basis for an end occupier or investor, achieving practical completion during the year.

LINK TO GROWTH DRIVERS
1 2

LINK TO GROUP TARGETS
£ H

INDUSTRIAL & LOGISTICS CONSENTS OR IN PLANNING (%)[1] F

2025 PERFORMANCE
The increase reflects the record-level of planning applications submitted in the year, with 13.7m sq ft now awaiting determination, compared to 4.9m sq ft in 2024.

75%

Land in the planning system with an allocation or awaiting determination carries a lower risk to approval, an important step in value creation, as well as alongside consented land, this forms our pipeline for future development.

1. I&L with planning consent or in the planning system (having a draft allocation, allocation or awaiting determination).

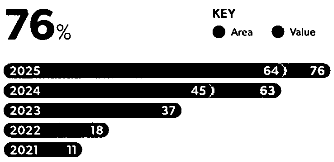
LINK TO GROWTH DRIVERS
2 4

LINK TO GROUP TARGETS
£ H

INDUSTRIAL & LOGISTICS WEIGHTED GRADE A BY VALUE & AREA (%) G

2025 PERFORMANCE
The proportion of our Investment Portfolio that is Grade A significantly increased due to the completion of 80,000 sq ft of pre-let and 169,000 sq ft of speculative Grade A direct development during the year, coupled with sales of secondary assets.

76%



The proportion of our Investment Portfolio by area and value that could be classified as modern Grade A Industrial & Logistics space. Grade A is a widely used industry term that is understood to mean 'best-in-class' space, which is new or relatively new, high-specification and in a desirable location, allowing the unit to attract a rent that is above the market average.

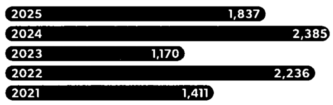
LINK TO GROWTH DRIVERS
1 2

LINK TO GROUP TARGETS
£ H

NUMBER OF RESIDENTIAL PLOTS SOLD H

2025 PERFORMANCE
We completed the sale of 1,837 Residential plots, 725 plot sales under Planning Promotion Agreements ('PPAs'), generating fees of £3.1m as revenue, together with 1,112 freehold plot sales generating headline sales of £52.0m, demonstrating continued demand for the Group's residential land products.

1,837 plots



The number of Residential plots equivalent to land parcel sales housebuilders or registered providers during the year, either through freehold sale or Planning Promotion Agreement ('PPA').

LINK TO GROWTH DRIVERS
3

LINK TO GROUP TARGETS
£ H

Key performance indicators
continued

KEY
Link to growth drivers

- **1** Reposition core Investment Portfolio
- **3** Accelerating Residential sales & broadening range
- **2** Increase capacity for Industrial & Logistics developments
- **4** Scaling up through land acquisition and promotion
- **£** Group targets
See page 123 for more information
- **H** The Harworth Way
See pages 32-35 for more information

SUSTAINABILITY TRACK RECORD

PROPORTION OF I&L BUILDING SPACE DEVELOPED IN YEAR INCORPORATING RENEWABLE ENERGY PROVISION (%) I

2025 PERFORMANCE
All new commercial buildings in 2025 included renewable energy sources through rooftop solar installations. Over 15,400 sq m of panels have been installed since 2023, totalling 3,303 kWp with an additional 1,666 kWp installed in 2025.

100%

2025	100
2024	100
2023	100
2022	N/A
2021	N/A

As part of our NZC Pathway, published in 2023, we committed that all new commercial buildings would incorporate renewable energy provision.

LINK TO GROWTH DRIVERS
1 2

LINK TO GROUP TARGETS
£ H

LOCATION-BASED SCOPE 1, 2, 3 EMISSIONS (tCO_2e) J

2025 PERFORMANCE
Location-based emissions reduced from 690[1] tCO_2e in 2024 to 612 tCO_2e in 2025. This 11% year-on-year reduction was achieved through our continued transition to a Grade A portfolio, benefiting from energy efficiency measures and the targeted use of alternative fuels in our site operations, thereby lowering overall energy usage.

612 tCO_2e

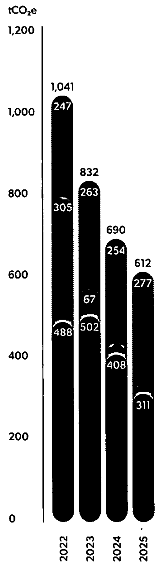
2025	612
2024	690[2]
2023	832
2022	1,041
2021	1,118

Emissions that are captured by our target to be operationally Net Zero Carbon ('NZC') by 2030.

LINK TO GROWTH DRIVERS
1

LINK TO GROUP TARGETS
£ H

ANNUAL tCO_2e BY EMISSION SOURCE



KEY
- Company
- Development
- Managed Assets

For definitions, see our 2025 Net Zero Carbon Pathway Report

> **We continue to make good progress against our sustainability commitments.**
>
> **KITTY PATMORE**
> CHIEF FINANCIAL OFFICER

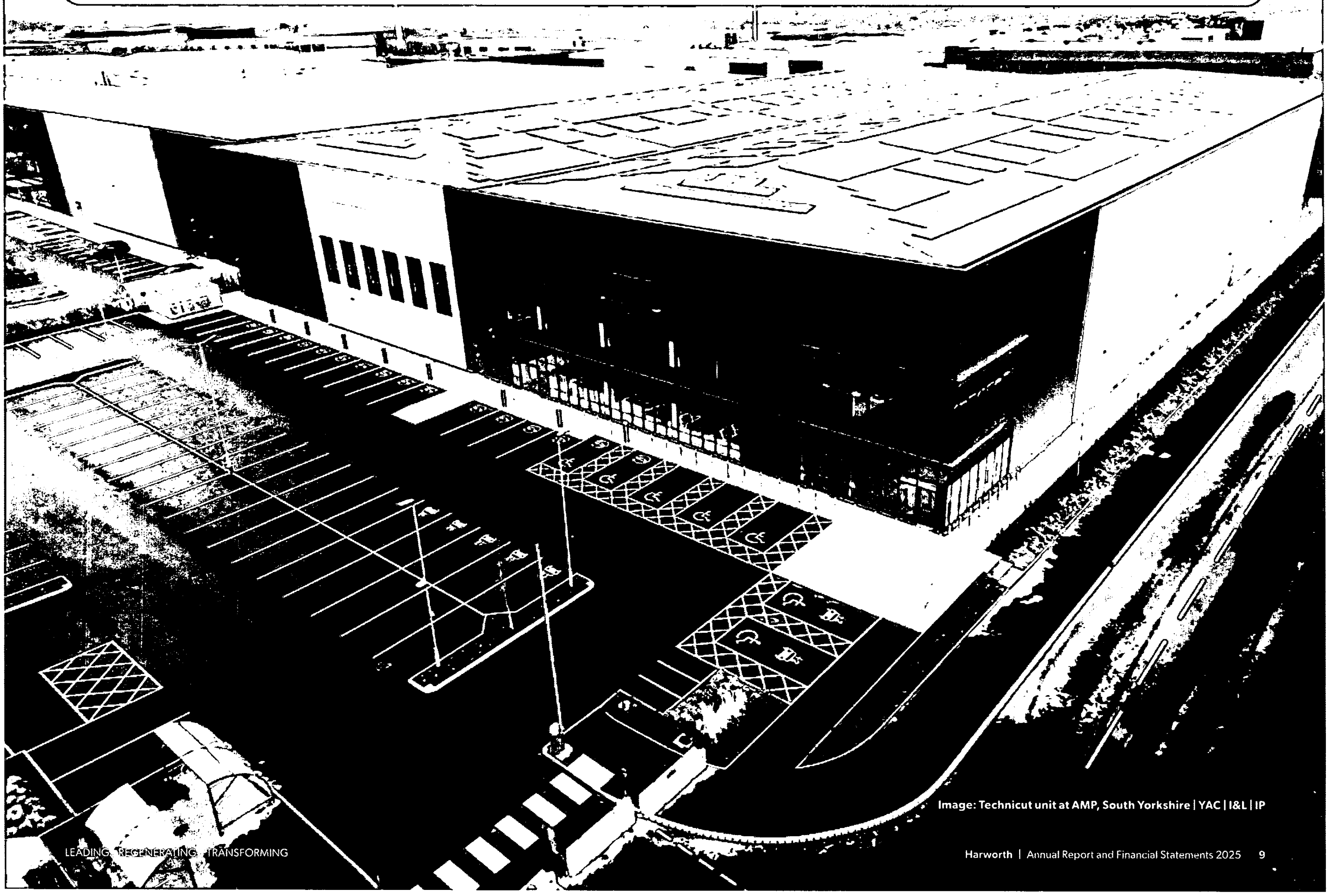
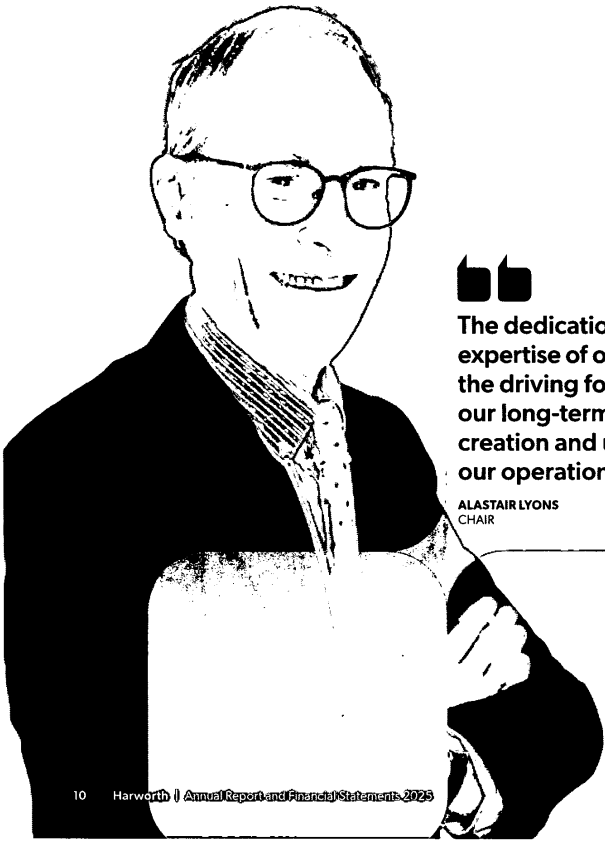


Image: Technicut unit at AMP, South Yorkshire | YAC | I&L | IP

Chair's statement



Embedding growth
with a positive lasting impact

> **The dedication and expertise of our people is the driving force behind our long-term value creation and underpins our operational success.**
>
> **ALASTAIR LYONS**
> CHAIR

Introduction
During 2025, we have executed against our strategy to deliver for our shareholders and wider stakeholders in a challenging environment and further position our business for long-term success and value creation.

This has been a year of sustained operational progress following our strategic pivot to accelerate our Industrial & Logistics ('I&L') land bank, allocate capital to site investment for future delivery, and retain more prime Grade A assets in our Investment Portfolio.

The UK macroeconomic backdrop has been challenging throughout 2025 with its impact particularly apparent across the residential sector, where weakening residential fundamentals have been exacerbated by supply side regulatory and cost hurdles and lack of demand-side stimulus. Our future pipeline remains focused on I&L where 2025 saw greater stability of market fundamentals. Prudent investment in site assembly and enabling works has meant we are well placed to deliver Grade A assets when momentum builds in the market.

With interest rates staying higher for longer than anticipated and with occupier and investor caution regarding UK fiscal policy, a broad-based uplift in demand has yet to come through. Most market commentators are reporting further weak growth in Q4 2025, impacting demand and asset valuations, particularly across the residential market. Overall, timeframes to conclude deals remain elongated, and while there was a short respite post the autumn UK Budget, we are mindful of the potential impact on this year of recent geopolitical uncertainty and the resulting wider macroeconomic effects. This has been, and remains, a challenging environment for our teams at Harworth, as they have worked diligently to successfully complete sales and lettings transactions.

Against this backdrop, the business has successfully evolved the quality of the Investment Portfolio by transferring in new Grade A developments and reducing vacancy through strong letting activity. Total Property Sales of £115.0m completed, including 1,837 of Residential plot sales. These transactions are testament to the capability of our people, their specialist skill set and deep market network. The continued outperformance relative to the market of the I&L land and property portfolio supports our decision to allocate capital to the next generation of sites in anticipation of improved market demand and thereby deliver value creating management actions.

Chair's statement
continued

Harworth autumn conference led by Lynda Shillaw, Chief Executive

Andrew Blackshaw, Chief Operating Officer

Sustainable outcomes, including our Net Zero Carbon ambitions, are well embedded into our delivery operating model.

ALASTAIR LYONS
CHAIR

People and culture Read more on page 96
External Board performance review Read more on page 103
Director remuneration Read more on page 116

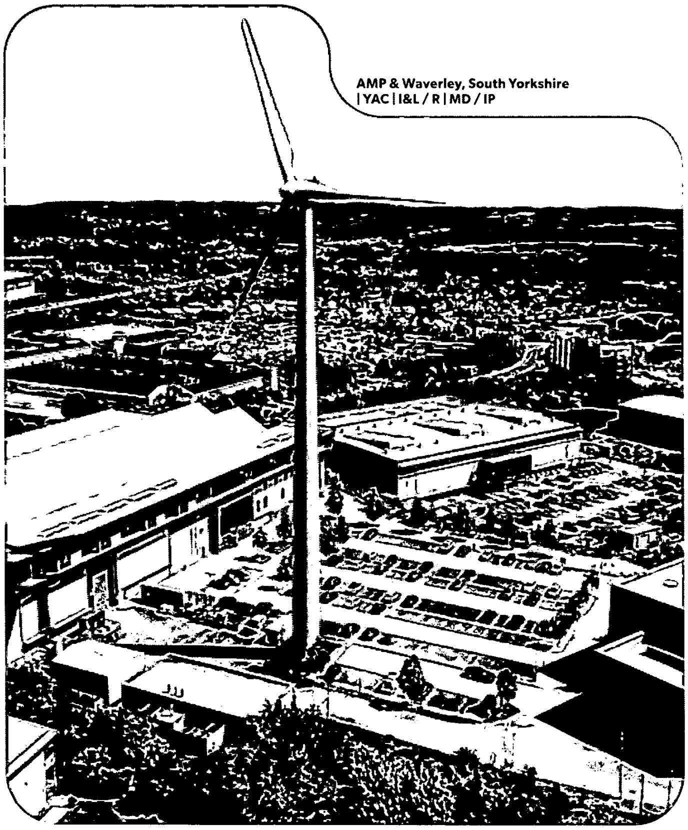
Our people

The long-term sustained growth of Harworth is best delivered by creating an environment that cultivates a high-performance culture. Our high talent retention and strong employee engagement and happiness scores have culminated in the award of the Investor People Gold accreditation. This a relatively rare achievement for a first-time assessment and reflects the growing effectiveness of our people strategies and our drive for continuous improvement, supporting our people to achieve their full potential for the benefit of all our stakeholders.

The speed with which we can progress as a business directly depends on our success in bringing together the necessary skills, experience and relationships. It is therefore critical that we attract and retain the leadership talent we need to achieve our strategic ambitions. This was the driver behind the Remuneration Policy that was strongly supported by shareholders at the May 2025 AGM to cover the 2025-2027 three-year period. We consulted widely prior to putting this policy to the vote and have subsequently further explained our rationale to those of our shareholders who disagreed with our approach.

In 2025, Harworth's leadership successfully delivered an internal restructure to better support the business's future growth. Operations moved from a regional to national structure to improve delivery capabilities, support scale and accelerate existing successes. As we continue to pursue our strategic ambitions by growing the next generation of sites, the associated development pipeline and our I&L Investment Portfolio, we recognise the need to ensure that our people have the resources and capabilities to add maximum value working alongside our Harworth partners.

Chair's statement
continued



The Harworth Way
As a leading regeneration specialist and strategic land owner, our unique oversight of the full development lifecycle - from land assembly and planning, through to multi-phased infrastructure, building and placemaking - enables us to align commercial outcomes with the creation of long-term benefit for our communities, people and the planet. By supporting the delivery of new jobs and homes we aim to ensure a positive lasting impact.

Sustainable outcomes, including our Net Zero Carbon ('NZC') ambitions, are well embedded into our delivery operating model and form a fundamental element of our overall growth strategy. The Harworth Way continues to serve as our framework for integrating sustainability and social value from idea and design concept to final occupation, guiding our decisions as to how to invest in, develop, and manage our sites.

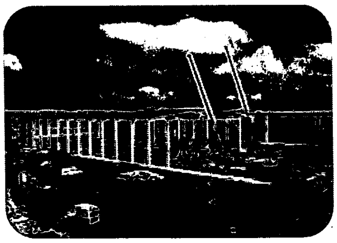
We continue to make good progress against our 2030 NZC target for our business operations. Collaboration with our supply chain is central to our progress towards achieving our 2040 NZC target for all emissions. Our upstream Scope 3 emissions reporting via our contractors and suppliers and downstream emissions from tenants in our I&L Investment Portfolio are key to identifying our largest elements of emissions and guiding us as to where to focus to meet our targets. We have a strong track record of working in partnership with suppliers, occupiers, and local and combined authorities and are well placed to deliver whole life carbon and detailed energy assessments as part of our approach to developments.

Since 2022, our developments have met specified embodied carbon and operational energy targets, with rooftop solar included as standard. More recently, our work on nature and Biodiversity Net Gain ('BNG') has matured, delivering our first two habitat banks, to support the development of our sites. This is a model that we will look to replicate across our portfolio with more sites in the planning pipeline as we integrate BNG into our serviced land offering, ensuring our focus on nature and on our environmental impact is central to the products that we deliver and demonstrating The Harworth Way Planet Pillar in action.

Last year, recognising that sustainability reporting is mainstream for our business, we took the decision to move oversight to the main Board, rather than having it focused on by only a subset of our directors through the ESG Committee. Aligning development-level reporting through emerging industry standards and corporate-level reporting via the IFRS' International Sustainability Standards Board ('ISSB') should improve governance in this area, this being achieved at Harworth by making oversight of sustainability reporting the responsibility of the Audit Committee.

The Harworth Way Read more on pages 32-35

Chair's statement
continued



Droitwich, Worcestershire | MID | I&L | IP

Waverley site tour | YAC | R | MD

Board updates
At the 2025 Annual General Meeting, Ruth Cooke, retired from the Board as an independent Non-Executive Director, having joined in March 2019. My grateful thanks go to her for her contribution over the years, particularly as we developed our mixed tenure Residential offering, bringing her very valuable perspectives as Chief Executive of one of the largest regional housing associations.

Last September, we appointed Phil Redding as a new independent Non-Executive Director, bringing significant experience and capability within the industrial and logistics sector, having served in C-suite positions at both SEGRO and most recently Tritax. As we pursue opportunities to transform our high-quality land bank, Phil's track record in scaling UK industrial and logistics platforms will be of great value to the Board.

On behalf of the Board, my thanks to everyone both within Harworth, and to our shareholders, partners, advisers, suppliers and contractors, who have made possible the significant progress we have achieved over the past year, both bringing sites to fruition and in particular in advancing the developments that will enable us to deliver growth and meet our strategic targets, whilst delivering attractive returns over the coming years.

ALASTAIR LYONS
CHAIR
17 MARCH 2026

GOVERNANCE HIGHLIGHTS IN 2025

Board composition and succession
Strengthened Board expertise with the appointment of Phil Redding as an independent Non-Executive Director, supporting our industrial and logistics growth ambitions. Further details on Board changes and succession planning are in the Nomination Committee report on pages 104 to 109.

Board effectiveness
Completed an external Board performance review, confirming effective operation of the Board and its Committees. For details on the process and findings, see page 103.

Remuneration Policy
Implemented a new Directors' Remuneration Policy following significant shareholder engagement and approval at the AGM. Details of how the Policy applied in 2025 is detailed in the Directors' Remuneration Report (pages 116 to 132).

Culture and workforce engagement
Monitored cultural indicators coupled with direct employee engagement, ensuring alignment between culture and strategy and reinforcing the Board's role in setting the tone from the top. See the Board's approach to culture and engagement on page 96.

Stakeholder engagement
Continued to consider stakeholder interests in all decisions, as reflected in our Section 172(1) Statement (pages 100 to 102).

Review of principal risks
Oversaw a comprehensive review of the Group's principal and emerging risks, ensuring alignment with strategy and resilience planning. See the Effectively managing our risk section on page 58.

QUICK LINKS

Nomination Committee
Read more on page 104

ALASTAIR LYONS
COMMITTEE CHAIR

Audit Committee
Read more on page 110

PATRICK O'DONNELL BOURKE
COMMITTEE CHAIR

Remuneration Committee
Read more on page 116

ANGELA BROMFIELD
COMMITTEE CHAIR

REGENERATING

Our focus is on making a meaningful impact
Specialising in regenerating large, complex former industrial sites, Harworth transforms land into sustainable Industrial & Logistics and Residential developments, supporting new jobs, homes, and communities across the UK.

Image: Gascoigne Wood, North Yorkshire | YAC | I&L | SL

Chief Executive's Q&A

A conversation with
Lynda Shillaw, Chief Executive

Q

What differentiates Harworth from your competitors?

FIVE-YEAR TAR*

44.5%

*Total Accounting Return to 31 December 2025

FIVE-YEAR TOTAL PROPERTY SALES

£705m

Harworth's unique operating model generates capital growth by delivering the full lifecycle of our high-quality land bank, offering the flexibility to pivot into high-growth opportunities, generating attractive risk-adjusted returns.

We focus on large scale, regionally significant developments that are key to stimulating and supporting economic growth and are aligned with Government policy.

Our proposition to our clients is unique, offering two core products: serviced land for sale to occupiers, operators or investors and direct development on behalf of others or to hold in our own I&L Investment Portfolio.

We have an excellent track record of materially outperforming much of the sector and our peers, having delivered a cumulative Total Accounting Return of 44.5% to the end of 2025 and outperforming the MSCI UK Annual Property Index over the last five years.

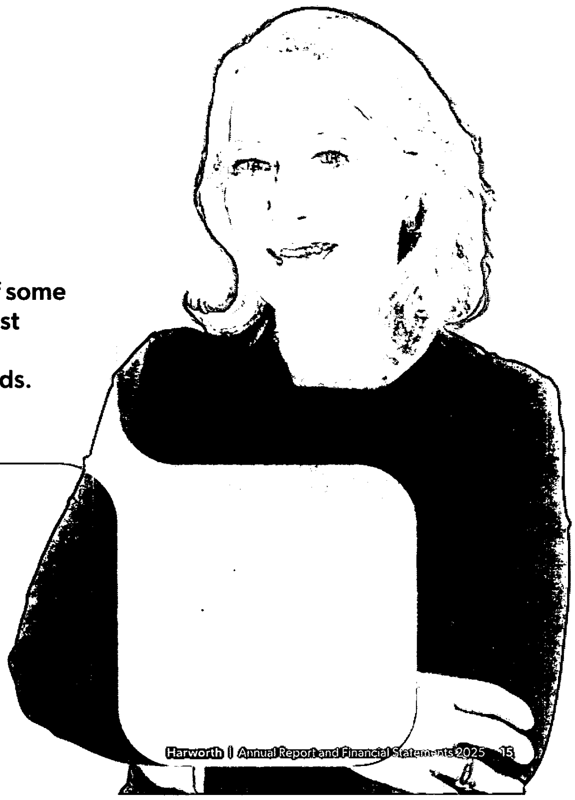
The Harworth Platform is underpinned by our specialist skills in land assembly, planning, engineering, power and remediation to enable the servicing of large scale, often former industrial sites and our ability to replicate successful product for world-leading businesses. This is best demonstrated by our flagship asset, the Advanced Manufacturing Park and Waverley community.

LINK TO KPIs

A B C D E F G H

We are at the intersection of some of the UK's most powerful and structural trends.

LYNDA SHILLAW
CHIEF EXECUTIVE



Chief Executive's Q&A
continued

Q

Where do you see the best opportunities for growth?

POWER PIPELINE

0.8GW

I&L PIPELINE

35m sq ft

Harworth is at the intersection of some of the UK's most powerful and structural trends, including data, advanced technologies, reindustrialisation and clean growth. Combined with land at scale, we see power-enabled land as core to delivering product to these sectors and are excited by the level of organic growth within our existing land bank, where we are already establishing a long-term portfolio with 0.8 GW of land and power positions capable of supplying these power-aligned sectors over the next five to ten years.

The flexibility of strategic land is that it allows us to choose growth sectors through-the-cycle. Our data centre and power-enabled land portfolio sits within our existing land bank, where we already own or control land identified for I&L use. Therefore, cost plans for servicing the land are already in our budgets and leveraging our track record in building on industrial sites, we have the unique skill set and power expertise within the business to minimise risk.

These higher value uses, combined with our existing portfolio provides the opportunity to accelerate sites and achieve superior risk-adjusted returns.

Our regional focus is also proving a catalyst, with the North increasingly recognised as a strategically important data centre market, underpinned by targeted Government support, improving power availability and benefits from London's capacity constraints. Greater Manchester and Yorkshire are emerging as key secondary growth markets, benefiting from grid reinforcement, access to renewables, lower land costs and strong local authority alignment. Our portfolio is directly exposed to Manchester, through our Northern Gateway JV, and Yorkshire (Leeds-Sheffield) via Skelton Grange, where Microsoft's hyperscale data centre development is expected to act as a catalyst for regional growth and deliver up to £4bn of inward investment on completion. In this context, we believe our power-enabled land proposition offers exciting routes to market with the potential to both accelerate sites and enhance values.

LINK TO KPIs

A B C D E F G H

Q

How would you describe the current market environment for your portfolio?

Both of our core I&L and Residential markets remain strategically important to UK economic growth, are structurally undersupplied and supported by Government policy. We favour I&L for its strong fundamentals, benefiting from solid occupier demand and powerful structural trends (see Q2). Residential had a weaker year, impacted by slower market conditions, increased regulatory cost pressures and the absence of demand-side stimulus.

Supply chain reshoring, logistics requirements and growth in advanced manufacturing are established drivers for the I&L market and future growth is earmarked to emerging defence requirements. Robust rental growth and stable prime yields across all regions reinforced I&L's position as one of the most favoured real estate sectors, which aligns well with our portfolio positioning.

Notwithstanding, the past three years have been challenging for the UK property market, with 2025 characterised by heightened macroeconomic uncertainty. Trade tariffs weighed on international business confidence early in the year, while domestic occupiers and investors delayed decisions in response to the October 2024 UK Budget and ahead of the late 2025 autumn Budget. As a result, transaction activity was heavily back-end loaded, with a high proportion completing in the final quarter of 2025.

The dichotomy between the positive I&L market fundamentals and challenging Residential market was most stark in 2025, with our Residential sales reflecting these weaker market conditions and completing at an overall average discount of 4% against June 2025 book values. Despite this, we believe accelerating our Residential sales programme to reinvest in higher-returning I&L opportunities will create more value and deliver better returns.

LINK TO KPIs

E F H

Chief Executive's Q&A
continued

Q

How are you allocating capital in the current cycle?

LOAN-TO-VALUE
15.6%

CASH & DEBT HEADROOM
£127.1m

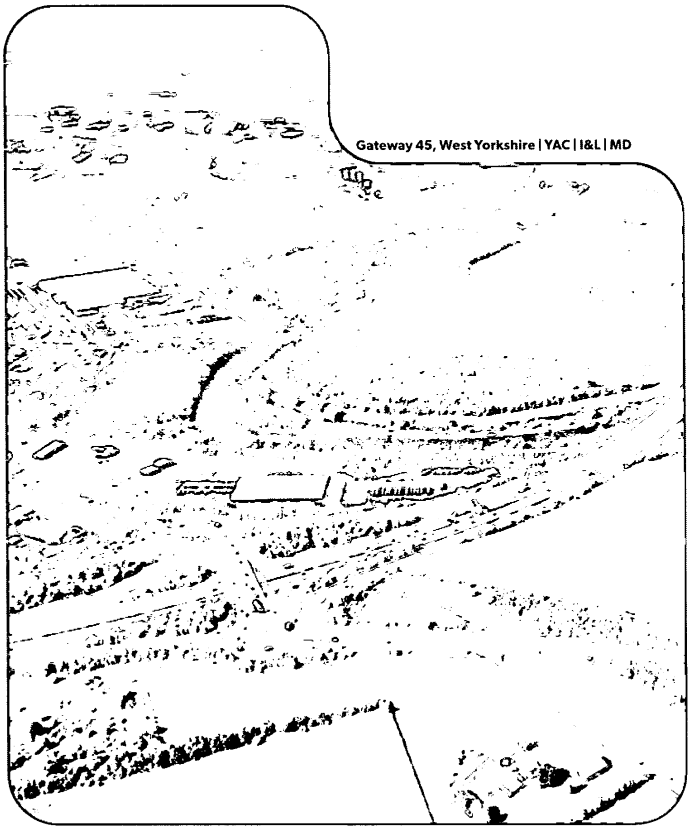
As at 31 Dec 2025

Our capital allocation principles are clear; we maintain balance sheet discipline with guardrails of 20% LTV at the year-end and 25% during the year and we self-fund our spend by recycling capital from serviced land and property sales into primarily I&L land and developments, aiming to grow I&L to 85% of portfolio value by 2029. Over the last five years, we have generated c.£700m in land and property sales proceeds, reinvesting it to grow the portfolio by 52% with no additional equity. Our return profile is weighted to capital growth and underpinned by a consistent dividend policy; our dividend has grown by 10% each year since 2015.

We balance investment in early-stage planning, which drives the highest returns as we get closer to planning consents, with spend on development sites to realise value and capital for reinvestment. Our capital recycling programme includes accelerating sales proceeds from our mature Residential land portfolio and redeploying capital from secondary I&L Investment Portfolio properties into infrastructure works and the development of new Grade A assets, which are liquid and enable us to crystallise development profits. With this portfolio now 76% Grade A by value, we are well on the path to 100% Grade A.

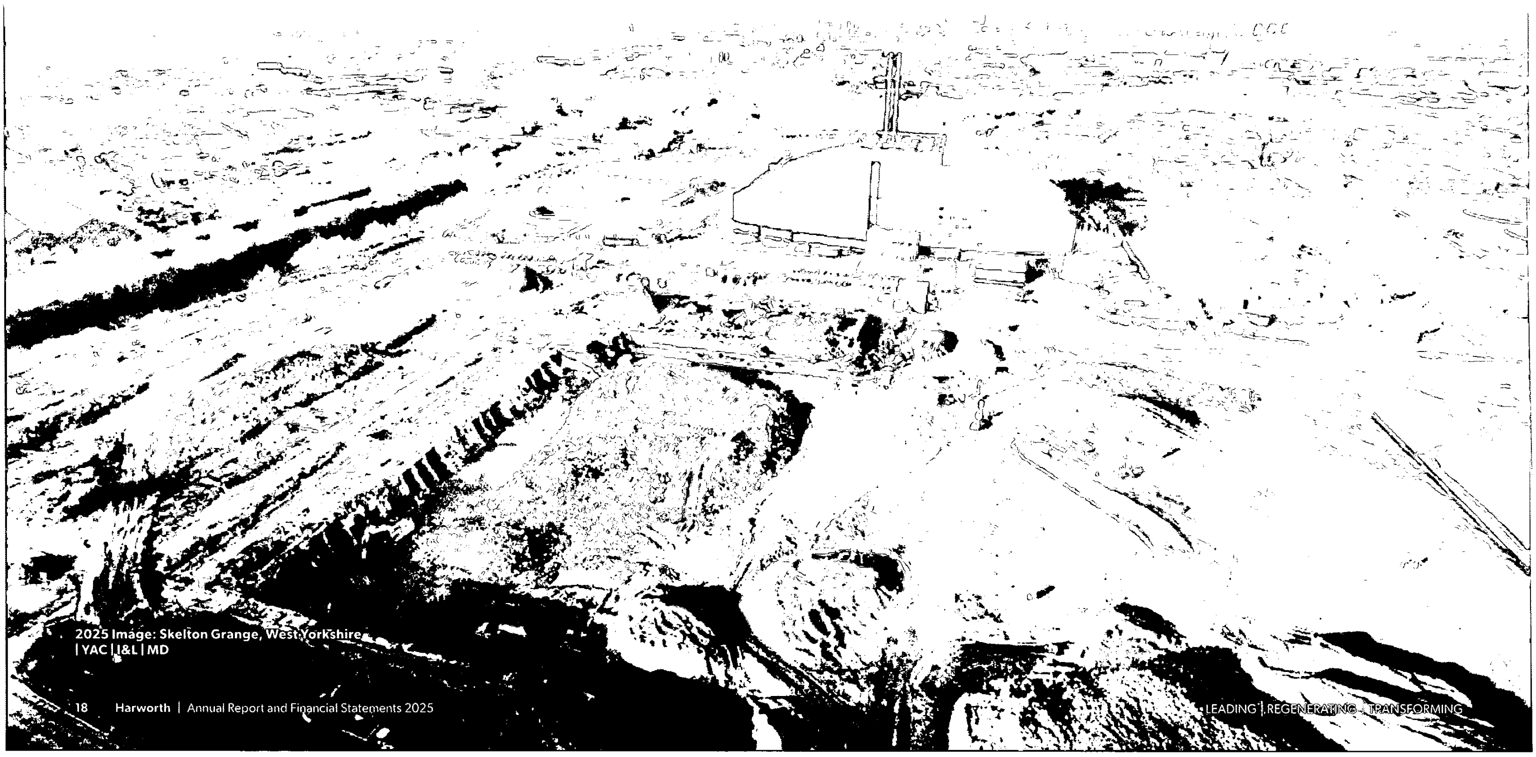
We continue to see attractive investment opportunities and will allocate capital based on assessment against a variety of appraisal metrics to ensure that capital deployment aligns to our strategic objectives. Looking forward, we plan to develop part of our near-term pipeline on the balance sheet. For the remainder, alongside our serviced land product, we intend to lean into capital partnerships, reducing our capital exposure while improving returns through earning additional third-party fees.

LINK TO KPIs
A B C D E G H



Gateway 45, West Yorkshire | YAC | I&L | MD

Our business model in action



2025 Image: Skelton Grange, West Yorkshire
| YAC | I&L | MD

Skelton Grange, West Yorkshire

Our business model in action

Acquired | **Planning approval** | **Remediation & infrastructure** | **Direct developments for sale**

Find out more on page 29

Unlocking inherent value through our specialist expertise in highly complex brownfield remediation

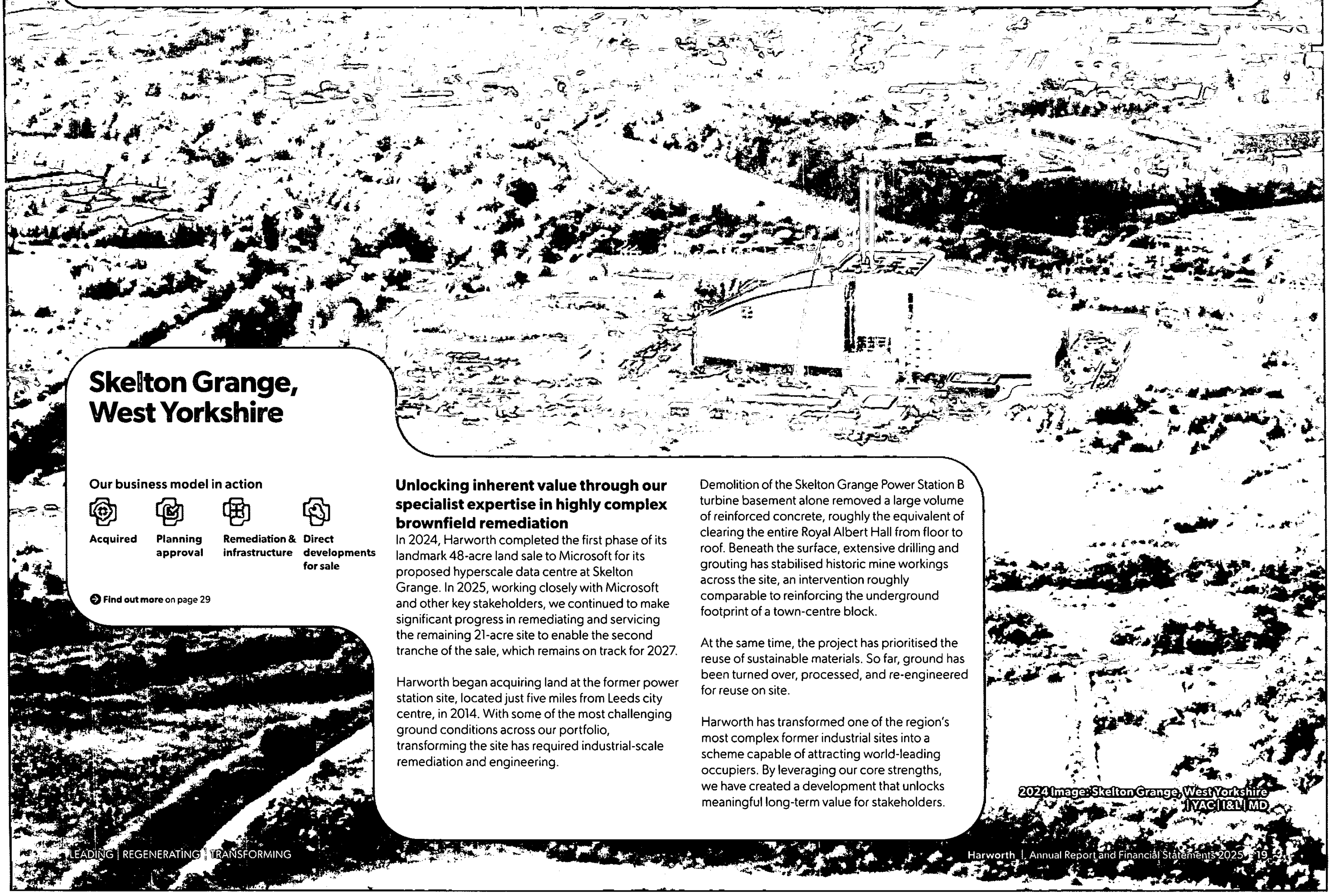
In 2024, Harworth completed the first phase of its landmark 48-acre land sale to Microsoft for its proposed hyperscale data centre at Skelton Grange. In 2025, working closely with Microsoft and other key stakeholders, we continued to make significant progress in remediating and servicing the remaining 21-acre site to enable the second tranche of the sale, which remains on track for 2027.

Harworth began acquiring land at the former power station site, located just five miles from Leeds city centre, in 2014. With some of the most challenging ground conditions across our portfolio, transforming the site has required industrial-scale remediation and engineering.

Demolition of the Skelton Grange Power Station B turbine basement alone removed a large volume of reinforced concrete, roughly the equivalent of clearing the entire Royal Albert Hall from floor to roof. Beneath the surface, extensive drilling and grouting has stabilised historic mine workings across the site, an intervention roughly comparable to reinforcing the underground footprint of a town-centre block.

At the same time, the project has prioritised the reuse of sustainable materials. So far, ground has been turned over, processed, and re-engineered for reuse on site.

Harworth has transformed one of the region's most complex former industrial sites into a scheme capable of attracting world-leading occupiers. By leveraging our core strengths, we have created a development that unlocks meaningful long-term value for stakeholders.



2024 Image: Skelton Grange, West Yorkshire | YAC | I&L | MD

Our growth drivers

Strategic priorities focusing on growth

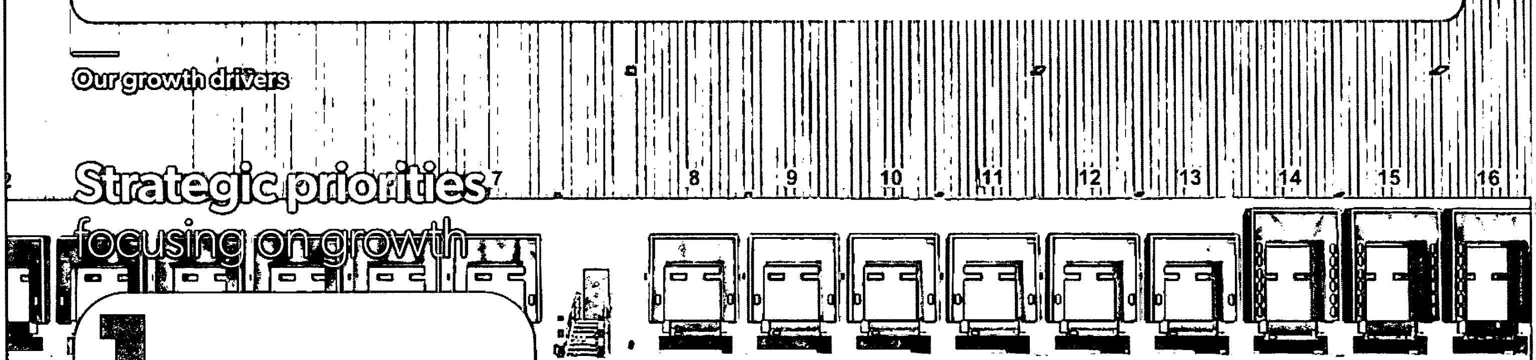


Image: Logistics North, Greater Manchester | NOW | I&L | IP

1

GROWTH DRIVER:

Repositioning our core Investment Portfolio to modern Grade A

AMBITION

100% Grade A
by area

PROGRESS IN 2025	76% by value 64% by area
2024	63% by value 45% by area
2020	<10%

RATIONALE

Our Investment Portfolio is integral to the way that we fund our business, as well as providing opportunities for capital and income growth through asset management.

The portfolio is increasingly focused on Grade A space that we both develop and selectively acquire. Grade A assets are more institutionally attractive, liquid and provide the opportunity to monetise development profits.

DELIVERY

We are repositioning our core Investment Portfolio by retaining I&L assets that we directly develop and selectively acquiring strategic Grade A stock, while disposing of existing properties where we have maximised value with the aim of growing a sustainable, high-quality Grade A portfolio, with good access to infrastructure and proximity to urban centres, and that meets the needs of modern occupiers.

LINK TO KPIs
- EPRA NDV per Share
- Total Property Return
- Net Loan to Portfolio Value
- I&L Space Directly developed
- I&L IP Weighted Grade A by Value & Area
- Proportion of I&L Building Space Developed in year incorporating renewable energy provision
- Scope 1, Scope 2, Scope 3 Business travel emissions

LINK TO PRINCIPAL RISKS
- Planning System
- Construction Supply Chain
- Physical Climate Events
- Real Estate End Markets
- Liquidity
- Climate Transition and Reporting

Our growth drivers
continued

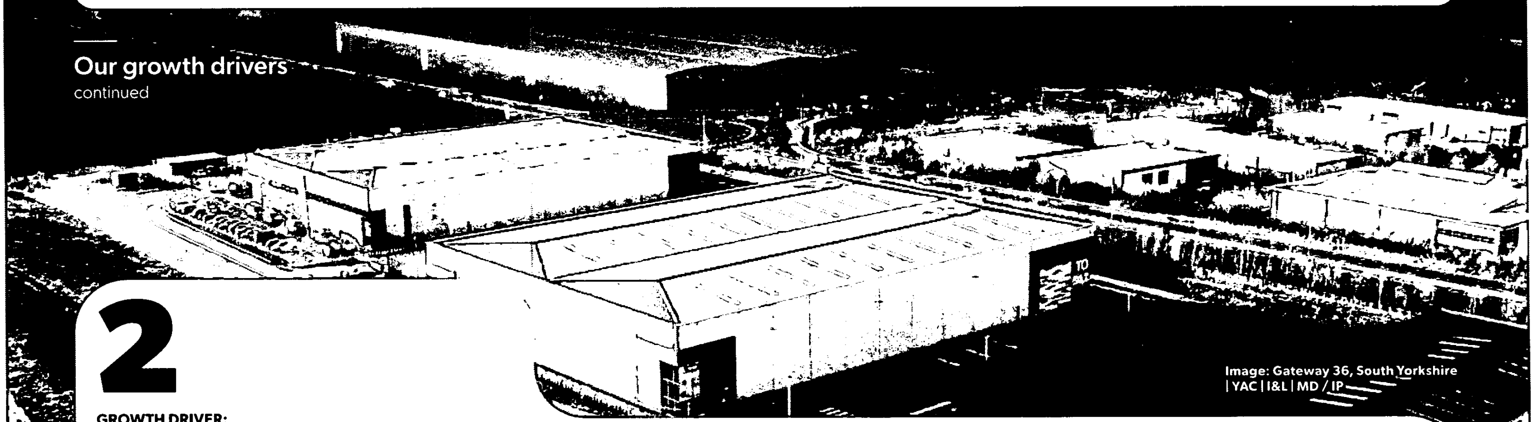


Image: Gateway 36, South Yorkshire | YAC | I&L | MD / IP

2

GROWTH DRIVER:

Increasing direct development of Industrial & Logistics stock

AMBITION

800,000 sq ft

Run-rate of completed I&L space (average pa)

PROGRESS IN 2025	270,000 sq ft[1] 2.3m sq ft[2]
2024	377,000 sq ft[1] 1.3m sq ft[2]
2020	200,000 sq ft[1] 0.4m sq ft[2]

LINK TO KPIs
- Total Accounting Return
- EPRA NDV per share
- Total Property Return
- Net LTV
- I&L space directly developed
- I&L consents or in planning
- I&L IP weighted Grade A
- Proportion of I&L building space in year incorporating renewable energy provision
- Scope 1, Scope 2, Scope 3 Business travel emissions

LINK TO PRINCIPAL RISKS
- Power Infrastructure
- Planning System
- Construction Supply Chain
- Physical Climate Events
- Real Estate End Markets
- Capital & Liquidity
- Climate Transition & Reporting NZC pathway
- Government Policy Implementation

RATIONALE

We have a strong track record of delivering high quality developments, having built c.1.1m sq ft of I&L space since 2021 and sold land for 6.6m sq ft.

Looking ahead, our consented pipeline is capable of delivering a further 8.5m sq ft, of high-quality sites in strong locations, that are attractive to both investors and occupiers, and at year-end, we had enabling works completed or significantly progressed on sites with capacity for 4m sq ft.

DELIVERY

Our strategy is to undertake the direct development of our consented pipeline, alongside serviced land sales, scaling up to an average run-rate of 800,000 sq ft per annum.

Alongside developments we complete ourselves, we focus on pre-let, build-to-suit and forward funding opportunities, including the potential of joint ventures and other funding models. Serviced land sales, where we can realise value early such as through high-value uses, remain a cornerstone of the model for funding and value creation.

1. I&L vertical development completed or started in year.
2. Enabling works completed to facilitate the start of I&L developments.

Image: Waverley, South Yorkshire | YAC | R | MD

3

GROWTH DRIVER:

Accelerating sales and broadening the range of our Residential products

LINK TO KPIs

- Total Accounting Return
- Net asset value, EPRA NDV per share and LTV
- Industrial & Logistics space directly developed
- Total Industrial & Logistics pipeline
- Potential GVA
- Scope 1, Scope 2, Scope 3 Business travel emissions

LINK TO PRINCIPAL RISKS

- Planning
- Supply chain cost inflation and constraints
- Supply chain and delivery partner management
- Statutory costs of development
- Residential markets
- Organisational development and design
- Availability of appropriate capital
- NZC pathway

AMBITION

2,000 plots
Sold on average pa

PROGRESS IN 2025

PROGRESS IN 2025	1,837 plots
2024	2,385 plots
2020	862 plots[1]

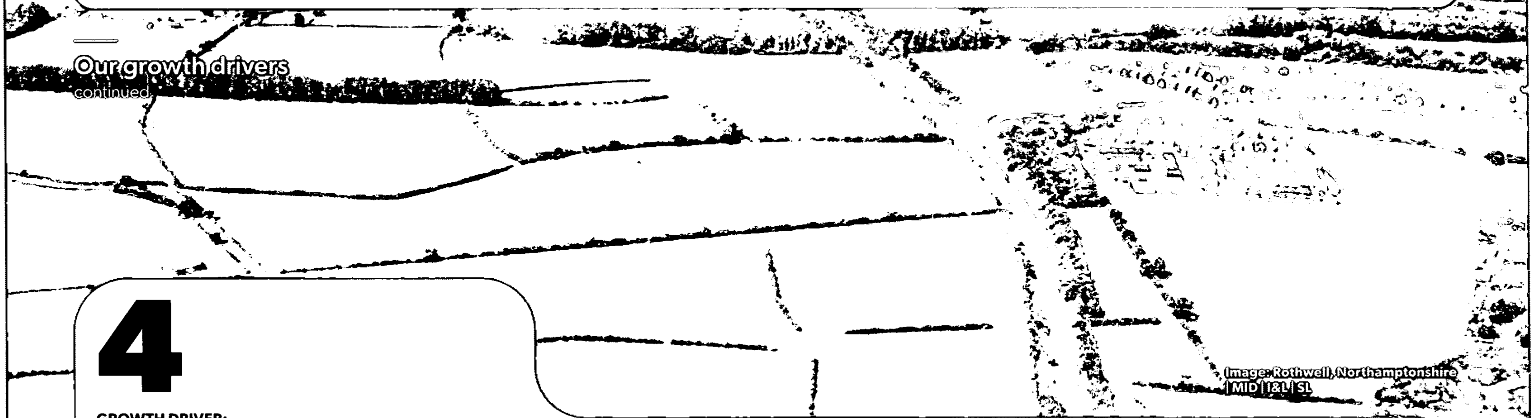
RATIONALE

Our land bank is significant and has the ability to deliver 29,386 plots into the market with 3,065 of those already consented, meaning we are well-positioned to support the UK Government's housing targets. While strong demand remains for the traditional build-to-sell product offered by housebuilders, there is increased consumer and investor appetite for mixed tenure products, including single-family, Build-to-Rent ('BtR') and affordable housing.

DELIVERY

Our sites are well-suited to delivering institutional-quality mixed tenure products. Our current annual average since the target was set in 2021 is around 1,800 plot sales, putting us well on track to achieve our ambition of 2,000 plot sales per annum by the end of 2027. We will continue to target capital light and partnership structures for delivery and enhanced risk adjusted returns.

1. Annual Average 2015-2020.



Our growth drivers
continued

Image: Rothwell, Northamptonshire | MID | I&L | SL

4

GROWTH DRIVER:

Scaling up through land acquisitions and promotion activities

AMBITION

12-15 years

Maintain land supply line

PROGRESS IN 2025	35.0m sq ft[1] 29,386 plots[2]
2024	33.6m sq ft[1] 31,264 plots[2]
2020	27.3m sq ft[1] 30,668 plots[2]

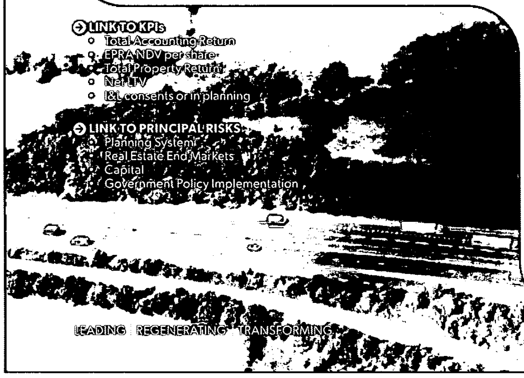
RATIONALE

Our extensive land bank underpins our ability to deliver our ambitions and growth targets. We take a long-term view to replenishing our land bank, with a focus on acquiring and assembling land through a strategic mixture of freeholds, options, and PPAs, and applying our expertise to unlock significant value as we take brownfield sites through land assembly, masterplanning, remediation and planning.

DELIVERY

We aim to maintain a 12 to 15-year land supply at any time, taking account of our annual direct development volume and serviced land sales ambitions. Organic growth of the pipeline will be supplemented by developing key partnerships to assemble and deliver large-scale regeneration schemes. Controlling a large land bank with sites at various stages in the development cycle allows us to enhance and smooth returns as well as providing flexibility, allowing us to manage risk and be opportunistic.

1. Total Industrial & Logistics pipeline at year-end.
2. Total Residential pipeline at year-end.



LINK TO KPIs
- Total Accounting Return
- EPRA NDV per share
- Total Property Return
- Net LTV
- I&L consents or in planning

LINK TO PRINCIPAL RISKS
- Planning System
- Real Estate End Markets
- Capital
- Government Policy Implementation

Our markets

Core markets targeting sectors with structural undersupply

Our high-quality strategic land bank gives us the ability to focus on growth sectors through the cycle and our current strategic focus is to shift the weighting of the portfolio into the industrial and logistics market, with 70% of our portfolio currently in I&L and the remaining predominantly in Residential. These markets remain critical to the UK's economic growth continuing to face structural undersupply. Our focus and ambition to grow the portfolio I&L weighting to 85% underpins our growth though this phase of the cycle, especially in light of the impact on the Residential market of global macro and increased geopolitical uncertainties witnessed in 2025, combined with regulatory pressures.

Macro uncertainty weighed heavily on investor and occupier sentiment throughout 2025, from trade tariffs impacting confidence in large international businesses in the first half, to UK businesses waiting for the late Budget to be issued in the autumn. This resulted in delays in our sales transactions which were almost entirely second half weighted with a high proportion completing in the final quarter.

INDUSTRIAL & LOGISTICS UK MARKET

2025 TAKE-UP

24.5m sq ft

9% up on 2024

SUPPLY AS AT Q4 2025

40.9m sq ft

4% lower than the end of 2024

2025 PRELIMINARY I&L INVESTMENT VOLUMES

£8.7bn

Up 24% on 2024

2025 PRIME HEADLINE RENT INCREASE

4.7%

2024: 6.0%

INDUSTRIAL & LOGISTICS

Industrial and logistics assets remain amongst the favoured real estate sub-sectors with continued rent growth and stable yields for prime industrial assets in all regions.

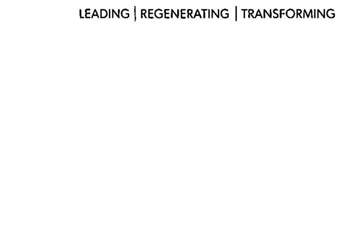
Occupier demand for I&L assets in 2025 was dominated by supply chain reshoring and manufacturing alongside logistics requirements which continued to push rents forwards. We see both advanced manufacturing and defence as growing trends in the industrial market and we anticipate these sectors will drive more manufacturing take-up in the medium term, a trend that aligns well with our portfolio.

According to JLL, Grade A big box logistics take-up was up 9% year-on-year and up 27% over the pre-COVID average, reaching 24.5m sq ft. Speculative take-up was 8.7m sq ft with Grade A supply down 9% on H1-2025 and 4% on 2024. Aligned with our own strategy of reducing speculative build, floorspace speculatively under construction fell to 5.6m sq ft, down 54% year-on-year. We let 379,000 sq ft space in 2025, with demand picking up at the end of the year post Budget, although transaction timelines were prolonged throughout the year.

All these factors combined meant that our regions saw healthy rental growth with the North and Midlands amongst the UK's most active logistics corridors, supported by food retail expansion, manufacturing onshoring and relative affordability in comparison to the South East. Prime headline rents grew by 4.7% nationally, supported by constrained Grade A supply. The North West benefited from more attractive rental growth, with prime rents for Manchester up 9.5% year-on-year. We expect our attractive North West portfolio to benefit from this growth on sites such as Chatterley Valley, Wingates and our Northern Gateway JV, where a 6.5m sq ft planning application was submitted in 2025.

Our Investment Portfolio saw like-for-like headline rental growth for lettings on existing space, renewals and rent reviews completed of 10.4%. This validates our conviction for high-quality Grade A I&L space in strong locations.

Danielli unit at AMP, South Yorkshire | YAC | I&L | IP



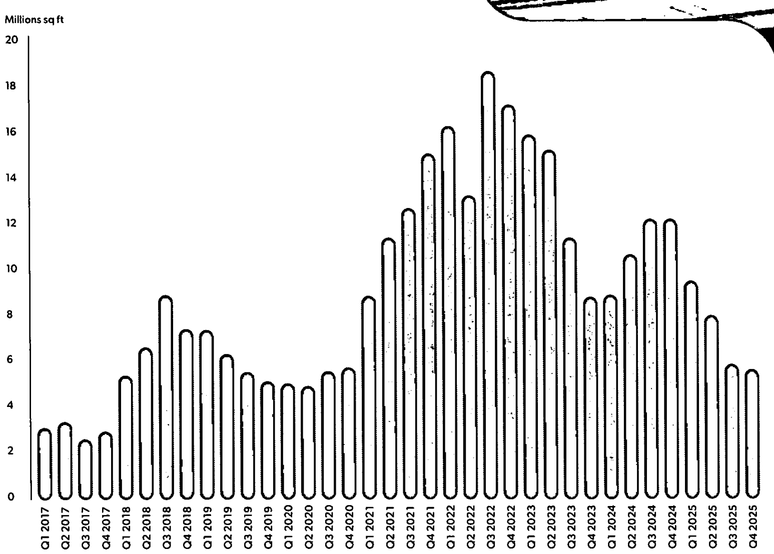
Bardon Hill, Leicestershire | MID | I&L | IP

Our markets
continued

Image: Logistics North, Greater Manchester | NOW | I&L | IP

NEW SUPPLY:
BIG BOX LOGISTICS SPECULATIVELY UNDER CONSTRUCTION IN THE UK

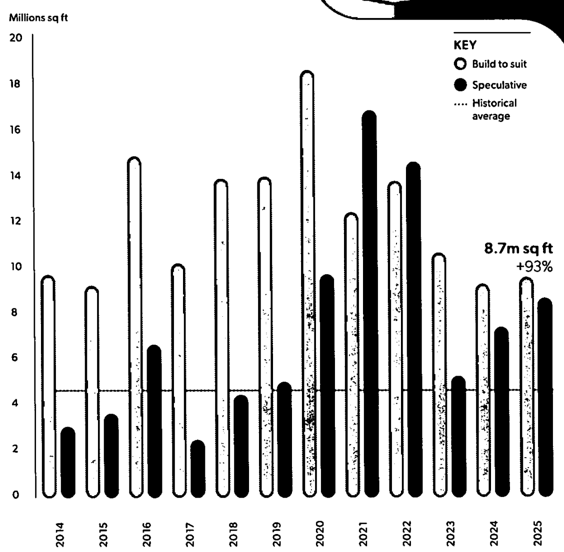
Floorspace speculatively under construction fell in 2025. There was 5.6 million sq ft of space speculative under construction at the end of 2025, 54% down on end 2024.



Source: JLL

NEW TAKE-UP:
UK BIG BOX LOGISTICS TAKE-UP

Around 8.7 million sq ft of new speculative floorspace was taken up in 2025, 93% higher than the pre-covid average 2015–2019.



Source: JLL

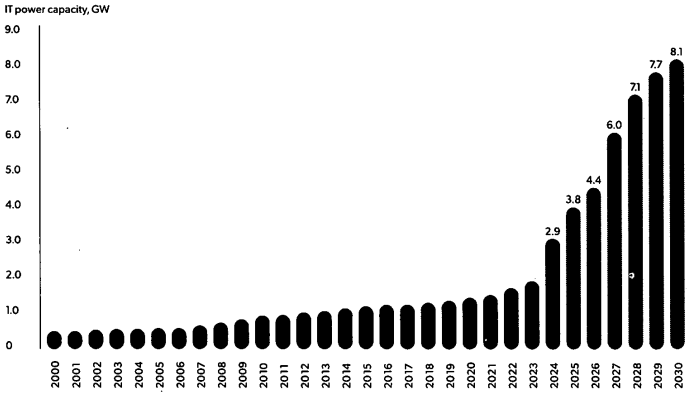
Our markets
continued

DATA CENTRE SITES

The UK is Europe's largest and most mature data centre market with strong connectivity and foreign investment. The Government's recognition of data centres as 'Critical National Infrastructure' will help to drive sites through planning and shorten delivery timelines. The UK market is forecast to more than double by 2030 driven by unprecedented demand for cloud services, AI computing, advanced manufacturing and public sector digitalisation and data storage and our regional markets are set to benefit. The North is increasingly recognised as a strategically important regional data centre market, driven by London capacity constraints, improving power availability and targeted government support. Greater Manchester and Yorkshire are emerging as key secondary growth markets, supported by grid reinforcement and an increasing share of new capacity and access to renewable energy. Combined with lower land costs and strong local authority alignment, investors are increasingly looking to invest in these markets.

The regional market is anchored by three clusters of which two are in our portfolio, Manchester, where our Northern Gateway JV sits, and Yorkshire (Leeds – Sheffield), where our Skelton Grange site for Microsoft sits. These sites are a catalyst for economic growth in our regions, with our Skelton Grange site estimated to deliver c.£4bn of inward investment when the development completes. This is further supported by a Public First study quantifying that for the whole of the UK, doubling data centre access increases Gross Value Added by £36.5bn.

Growth in UK data centre pipeline
Announced data centre pipeline to add 6.2 GW of additional IT power capacity by 2030.



Source: Oxford Economics

Our growing power-enabled land bank provides exciting routes to market.

JONATHAN HAIGH
CHIEF INVESTMENT OFFICER

OUR POWER-ENABLED LAND BANK

Timely access to constrained large capacity power connections is increasingly in focus as occupiers' and investors' appetite for power-enabled land continues to grow for data centre and specialist I&L facilities.

Leveraging the attributes of our sites with our expertise in power, end-user requirements and relationships, we are creating and responding to opportunities to deliver into these growth sectors that harness trends around data, advanced technologies, reindustrialisation and clean growth.

With demonstrated capability, we continue to expand our data centre site credentials where we are working to capitalise on cloud computing and real time AI services demand, where proximity to end-users is essential, such as with Microsoft at our Skelton Grange site in Leeds, and additionally into emerging low-latency edge computing demand.

Our growing power-enabled land bank and focus on both existing and anticipated end-user requirements provide exciting routes to market with potential to both accelerate sites and optimise value to generate attractive risk-adjusted returns.

Our markets
continued

RESIDENTIAL

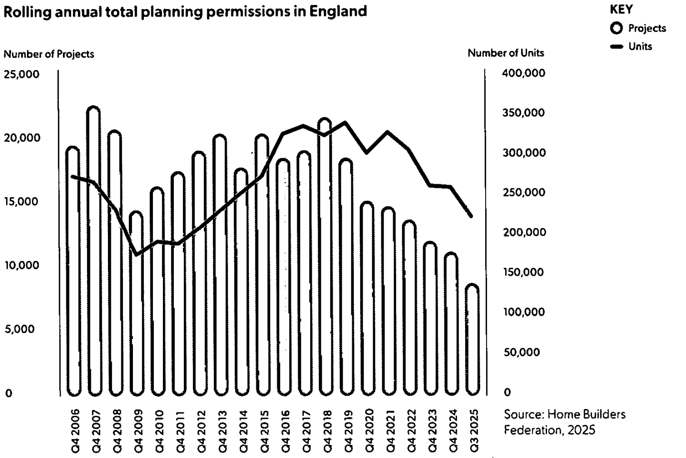
Macroeconomic uncertainty, sticky inflation and relatively high mortgage borrowing costs slowed down the housing market from the summer, with 2025 UK house price growth at +0.6%, according to Savills, albeit our regions of the North West and Yorkshire outpaced the South, at +3.5% and +2.2%, respectively. Despite Government's positive policy intent, the market has not witnessed a recovery in planning application consents, with the House Builders Federation confirming that planning permissions are at their lowest level since 2013 and expecting many local authorities to fail their Housing Delivery Targets, suggesting a further squeeze on delivery for the next two years and little to no change in either Local Plans or Planning Promotion Strategy.

Alongside low house price growth, increased build costs and the regulatory cost burden of the Future Homes Standard and Building Safety Levy, support some views that the Government's 1.5m homes target in this Parliament term, may not be achievable, with Savills predicting between 0.8-0.9m homes built over the period. Only the North saw a small positive bump in residential Greenfield land values with Urban down along with the rest of the UK. We see an increased opportunity to bring land forward as land supply is shrinking in many key locations with almost 60% of Local Authorities lacking a five-year housing supply.

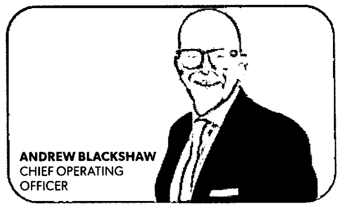
The Bank of England eased interest rates four times by a total of 100bps across 2025, ending the year at 3.75%. However, February's Monetary Policy Committee ('MPC') saw no change, with a delay to further cuts subject to the MPC satisfying itself that inflation is falling and will hit the BoE's target of 2.0%.

Although medium-term commentators continue to expect house price growth, this will be underpinned by lower mortgage rates and an easing of how mortgage regulation is applied. So far, weak sentiment and an increased tax burden with no demand-side stimulus currently in sight, alongside the potential for interest rate rises with recent macro events, are expected to limit new build capacity and house price growth in early 2026. Forecasts suggest subdued 2026 house price inflation of between flat to 4%.

Rolling annual total planning permissions in England



Source: Home Builders Federation, 2025



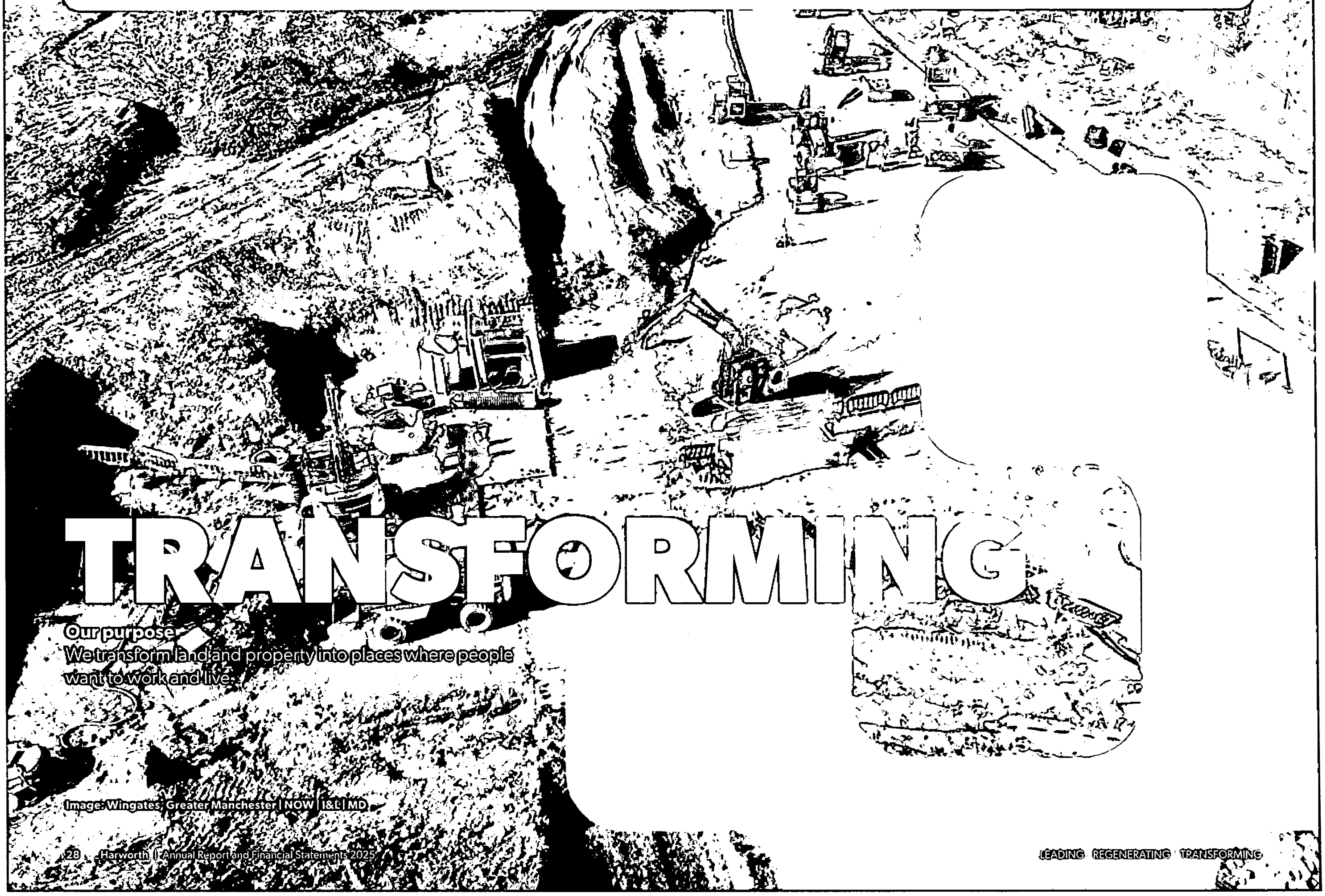
NATIONAL POLICY PLANNING FRAMEWORK ('NPPF')

The Government's emphasis on reforming the planning system is a significant step in the right direction for economic growth.

The return to mandatory housing targets coupled with proposals which significantly elevate the status of I&L development as a key driver of economic growth and critical national infrastructure, including data centres, will be central to our planning strategies.

Alongside the Government's commitment to a period of NPPF stability and its focus on delivery, this combination gives us confidence in promoting our sites through planning.

However, this intent needs to be matched with consistency on the ground. As a result of resource challenges and political uncertainty, delays still persist in both the creation of Local Plans and planning application outcomes, impacting the pace at which we can commence development. We will continue our stakeholder engagement across the sector and all levels of government to collaborate on best ways to remove barriers in order to accelerate value creation.



TRANSFORMING

Our purpose
We transform land and property into places where people want to work and live.

Image: Wingates, Greater Manchester | NOW | I&L | MD

Our business model

What we need to create value
Five key inputs.

Our people
A collaborative, ambitious and innovative culture.

Our land bank
Over 15,000 acres of development potential.

Our key markets
A portfolio focused on the I&L and Residential sectors.

Financing
Our strong financial position gives us flexibility and firepower.

The Harworth Way
Delivering on our purpose, with a lasting positive impact.

How we create value
We leverage our specialist skills and expertise across our regeneration, strategic land and development business.

VALUE CREATION

CREATING ECONOMIC VALUE

STRATEGIC LAND

Acquisition and land assembly

Masterplanning

CREATING ECONOMIC, SOCIAL AND ENVIRONMENTAL VALUE

MAJOR DEVELOPMENTS

Planning approval

Remediation & infrastructure

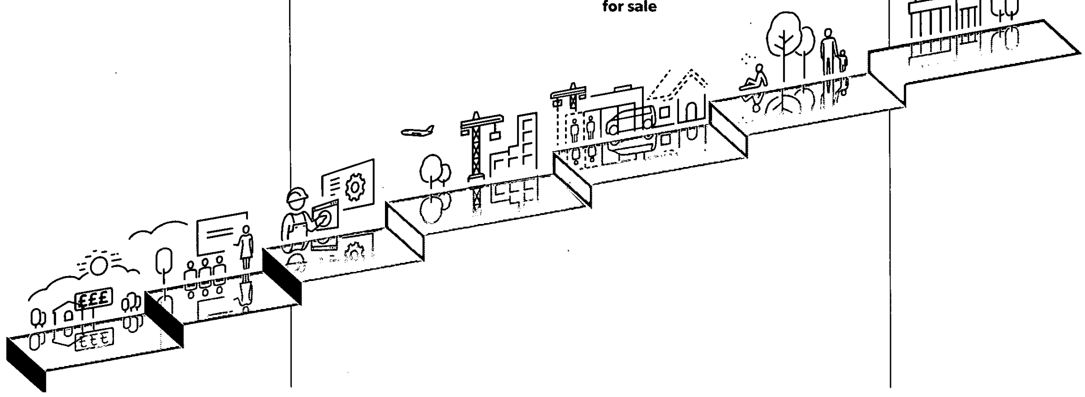
Direct developments for sale

Placemaking

CREATING ECONOMIC, SOCIAL AND ENVIRONMENTAL VALUE

INVESTMENT PORTFOLIO

Asset management



The value we create

Our people
'Excellent' employee net promoter score of +49.

Investors
Strong financial returns, with a target to reach £1bn of EPRA NDV by the end of 2028/2029.

Communities
Sustainable places where people want to live and work, with green and blue space and amenities.

Suppliers
Strong partnerships based on trust, fairness and shared values.

Customers
Developing high-quality products and delivering on our promises.

Funders
An open dialogue, with regular updates on our operational and financial performance.

Government
A trusted partner in delivering jobs, homes and opportunities across our regions.

Our business model
continued

Leveraging our specialist skills
and expertise to create value

Acquisition & land assembly
Our acquisition teams work across our regions to identify new sites to add to our portfolio, through freehold purchases, options or PPAs. Larger sites are often assembled over a number of years through the acquisition of smaller land parcels.

Masterplanning
Working with local authorities and other stakeholders, we create a strategic vision for a site which addresses local needs for employment space or housing in an area. Our sites often complement or contribute to the wider strategic aims of local and central government.

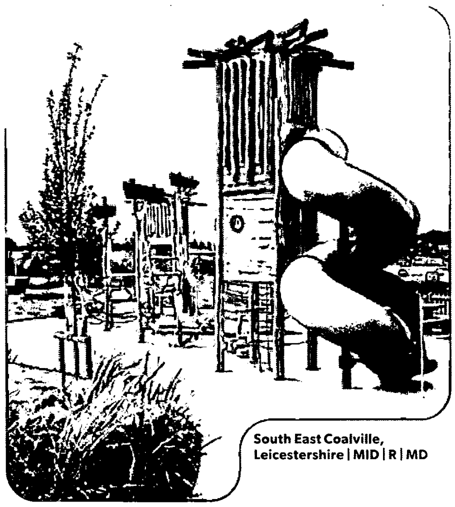
Planning approval
Once a strategic vision for a site has been determined, our planners work with local authorities to progress this through the planning system. We have a very high success rate of securing planning consents, while working collaboratively with local stakeholders.

Remediation & infrastructure
Once planning consent has been obtained, our in-house teams ensure completion of land remediation works, construction of necessary infrastructure such as roads, and creation of development platforms for the site's proposed use.

Plot sales & direct development
At our I&L sites, we sell serviced land to developers and develop buildings ourselves for occupiers and owners. At our Residential sites, we either sell serviced plots to housebuilders or enter into forward-funding agreements with selected partners to deliver alternative tenures such as BTR homes and affordable housing.

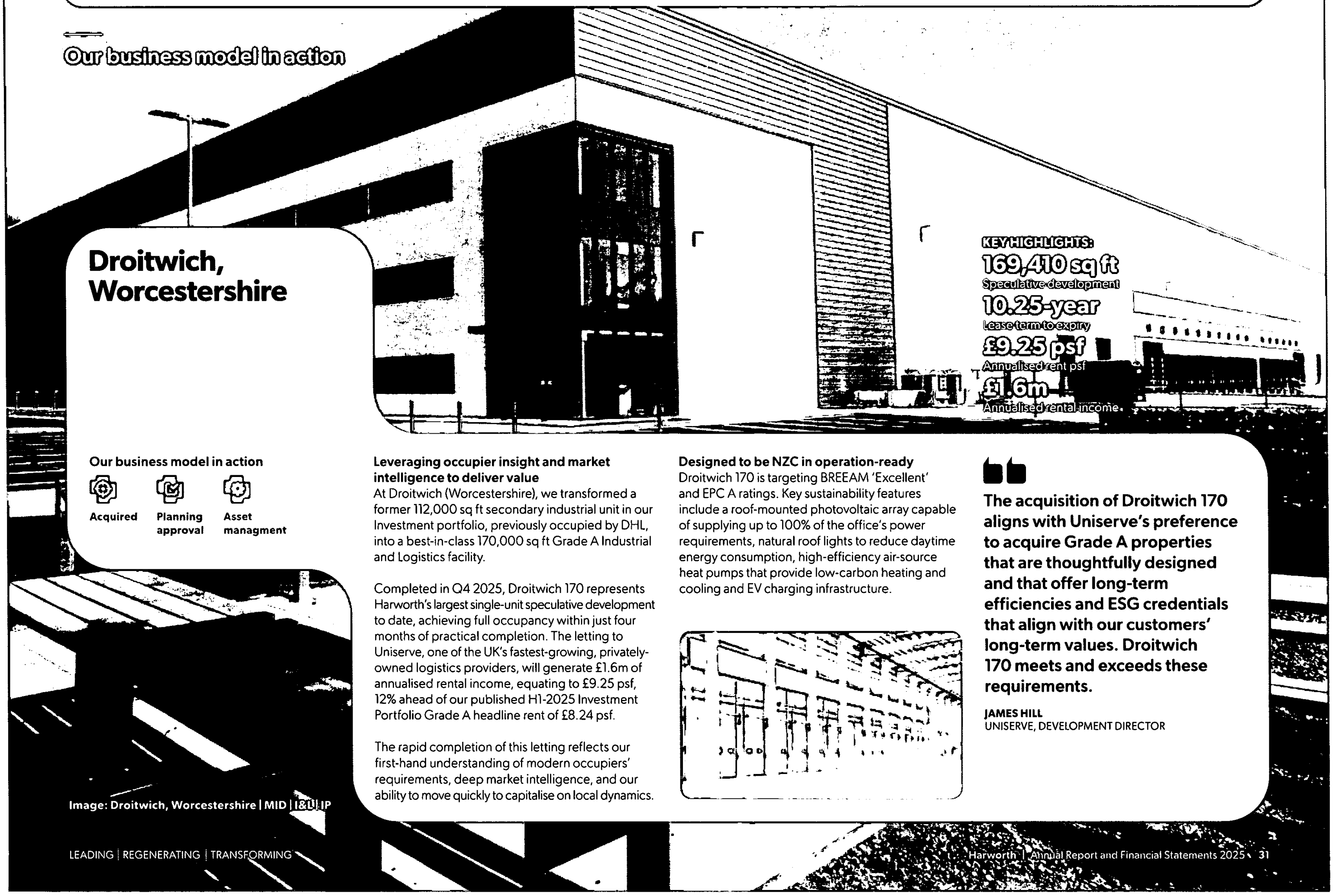
Placemaking
We invest in our sites, alongside plot sales and direct development, to provide additional infrastructure, amenities and green and blue spaces. This investment creates a sense of community that improves the wellbeing of residents and those working there, and enhances the attraction and value of our sites.

Asset management
We retain some of the Grade A I&L units that we directly develop and let these to a diverse range of occupiers. This generates a recurring income and allows us to derive further value from the high standards of placemaking and environmental specifications at our sites.



South East Coalville, Leicestershire | MID | R | MD

Our business model in action



Droitwich, Worcestershire

KEY HIGHLIGHTS:

169,410 sq ft
Speculative development

10.25-year
Lease term to expiry

£9.25 psf
Annualised rent psf

£1.6m
Annualised rental income

Our business model in action

Acquired | **Planning approval** | **Asset managment**

Leveraging occupier insight and market intelligence to deliver value
At Droitwich (Worcestershire), we transformed a former 112,000 sq ft secondary industrial unit in our Investment portfolio, previously occupied by DHL, into a best-in-class 170,000 sq ft Grade A Industrial and Logistics facility.

Completed in Q4 2025, Droitwich 170 represents Harworth's largest single-unit speculative development to date, achieving full occupancy within just four months of practical completion. The letting to Uniserve, one of the UK's fastest-growing, privately-owned logistics providers, will generate £1.6m of annualised rental income, equating to £9.25 psf, 12% ahead of our published H1-2025 Investment Portfolio Grade A headline rent of £8.24 psf.

The rapid completion of this letting reflects our first-hand understanding of modern occupiers' requirements, deep market intelligence, and our ability to move quickly to capitalise on local dynamics.

Designed to be NZC in operation-ready
Droitwich 170 is targeting BREEAM 'Excellent' and EPC A ratings. Key sustainability features include a roof-mounted photovoltaic array capable of supplying up to 100% of the office's power requirements, natural roof lights to reduce daytime energy consumption, high-efficiency air-source heat pumps that provide low-carbon heating and cooling and EV charging infrastructure.

The acquisition of Droitwich 170 aligns with Uniserve's preference to acquire Grade A properties that are thoughtfully designed and that offer long-term efficiencies and ESG credentials that align with our customers' long-term values. Droitwich 170 meets and exceeds these requirements.

JAMES HILL
UNISERVE, DEVELOPMENT DIRECTOR

Image: Droitwich, Worcestershire | MID | I&L | IP

The Harworth Way

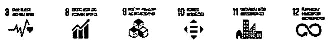
Our integrated approach to sustainability and social value

The Harworth Way is our framework for integrating sustainability and social value into both our business and the developments we create. It is critical to our ability to make a lasting positive impact on the environment and our communities.

As a framework, The Harworth Way is continually evolving. It is responsive to the ever-changing needs of the environments and communities we work within and, alongside our strategy, guides how we create sustainable places where people want to live and work.

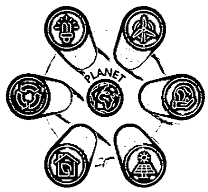
Our approach recognises that we cannot deliver our developments in isolation; working with all our stakeholders at every stage of the process is fundamental to achieving our aims.

Aligned to our strategy
Our strategy and operations are aligned to six United Nations Sustainable Development Goals ('SDGs') which, together with The Harworth Way, allows us to make the biggest impact as a business.

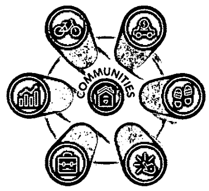


Delivering for our planet, communities and people
Our commitment to integrating sustainability and social value into our business is delivered through The Harworth Way's three primary Impact Pillars of Planet, Communities and People, along with two Supporting Pillars of Governance and Partners.

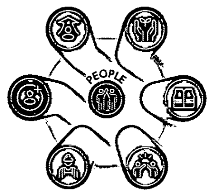
Our Focus Impact Areas
Each Impact Pillar comprises six Focus Impact Areas, which represent the key drivers for delivering that Pillar.



- Driving building efficiency & integrating energy into development
- Improving energy efficiency in our Investment Portfolio
- Protecting & promoting biodiversity
- Net Zero Carbon pathway
- Developing responsibly & building in climate resilience
- Circular economy & whole life carbon



- Supporting jobs and growing economies
- Holistic travel planning
- Creating inclusive spaces
- Promoting healthier lifestyles
- Creating sustainable communities & preserving heritage
- Growing economies



- Culture
- Being socially responsible
- Promoting engagement & happiness
- Wellbeing
- Employee experience
- Promoting health and safety

The Harworth Way
continued

Impact area: Planet

Driving building efficiency & integrating energy into development	BREEAM Very Good target was achieved across the three I&L buildings developed in 2025 (one achieved BREEAM Outstanding, one BREEAM Excellent and one BREEAM Very Good), and Olive Lane, our mixed-use development at Waverley (South Yorkshire), also achieved BREEAM Excellent; all secured an EPC A rating. All I&L buildings, along with the schools and premises at Olive Lane, incorporate rooftop solar, as we continue to expand our approach to integrating renewable energy into our developments.
Improving energy efficiency in our Investment Portfolio	Working closely with our JV partner, KFIM, at Multiply Logistics North (Greater Manchester), we completed our first rooftop solar retrofit installation. In a collaborative approach with the tenant, Hardscape, 699 m2 of solar panels, providing 156 kWp are now available to the tenant to mitigate their energy use and ongoing operational carbon emissions.
Protecting & promoting biodiversity	We created our first Biodiversity Net Gain ('BNG') Habitat Bank in Killamarsh (North Derbyshire). As part of an innovative approach to serviced plot provision, we created 41 acres of BNG, providing 10% of BNG uplift for the housing being provided by Homes by Honey and Harron Homes. Building on our success, we have established a second Habitat Bank at Allerton Bywater in Leeds, creating an additional 112 acres of nature recovery and 153 BNG units.
Net Zero Carbon pathway	In 2025, we continued to progress our 2030 commitment to be operationally net-zero. Our emissions in the year reduced from 690 tCO_2e to 612 tCO_2e, an 11% year-on-year reduction. This, alongside the completion of planting >250,000 trees, gives us confidence that we will meet our target.
Developing responsibly & building in climate resilience	Our I&L building specification builds in climate resilience. Our buildings are designed to be NZC in operation ready, with all buildings targeting BREEAM 'Excellent' and EPC A ratings. Key sustainability features include roof-mounted photovoltaic arrays, natural roof lights to reduce daytime energy consumption, high-efficiency air-source heat pumps providing low-carbon heating and cooling and EV charging infrastructure.
Circular economy & whole life carbon	In 2025, we monitored construction-stage embodied carbon emissions across 39 contracts, with all our I&L buildings meeting the embodied carbon emissions targets. We updated our whole-life carbon brief for suppliers and contractors to align with emerging industry guidance under the UK NZC Building Standard, building on our knowledge base, which now extends to 58 construction contracts over the past three years.

Allerton Bywater, Leeds, a first for the region

In 2025, we established our first Habitat Banks and expanded our master developer approach. Harworth's second Habitat Bank is also a regional first. Located on the former spoil tips of the historic Allerton Bywater Colliery, this 112-acre site has been secured through a Section 106 agreement with Leeds City Council, the first of its kind within this local authority area.

Adjacent to the RSPB's Fairburn Ings Nature Reserve, the site has already undergone restoration and now enters a 30-year phase of active ecological enhancement and stewardship. With 153 Biodiversity Units available and formally registered on Defra's Biodiversity Gain Site Register, the bank provides a high-quality, locally relevant solution for developers unable to meet 10% BNG requirements onsite.

This is a powerful example of how post-industrial land can be repurposed to deliver long-term natural value, supporting development and biodiversity in equal measure.

The Harworth Way
continued

Impact area:
Communities

COMMUNITIES

Supporting jobs and growing economies

Our regeneration projects continued to create positive economic and social impacts in our regions, supporting jobs, investment and innovation. In 2025 we completed 270,000 sq ft of employment space, which will support high skill jobs, opened Olive Lane, a new convenience, healthcare, retail and leisure destination at Waverley. We also delivered our second forest school at Thoresby, providing a further 210 new primary school places in an energy-efficient, modular building, integrated into the new community. Overall, we progressed into 39 construction contracts in 2025, supporting both national and local jobs in the construction and professional services sectors.

Holistic travel planning

Working with our Sustainable Travel Plan Managers, we understand the travel needs of the communities we create, enabling a range of sustainable travel improvements and a range of community events in 2025. Specific initiatives included the creation of interactive maps to highlight walking and cycling routes across our residential development sites, while undertaking a wide range of cycling promotions through maintenance lessons, skills sessions, and family bike rides. We also saw a 10% reduction in single occupancy car use trips on our major residential development sites.

Creating inclusive spaces

We engaged with >11,000 residents on our housing developments through 2025. With activities and events ranging from school visits to Easter Egg hunts, from bee walks to bike maintenance sessions, and from organising street food festivals to meeting the people living in the places we create, it was a wonderful year of community events and meeting the people living in the places we create.

Promoting healthier lifestyles

Our approach to encouraging health and wellbeing across our housing developments has seen a really encouraging rise in participation across our sites. At Cadley Park (Derby), the Parkrun has now seen over 4,000 participants, with the annual Waverley Dash at Waverley (South Yorkshire) attracting over 100 entrants in 2025. Combined with a wide range of bike activities and several yoga sessions, it's been an active year all round!

Creating sustainable communities & preserving heritage

In 2025, we completed 57 new affordable homes as part of our Riverdale Park (Doncaster) and Simpson Park (Doncaster) regeneration schemes. Working in partnership with Great Places, Strata Homes and Vistry, we will provide a total of 287 energy-efficient new homes across our Riverdale Park, Simpson Park and Rossington schemes. In addition, we worked closely with our development partners, building systems to monitor and report embodied carbon emissions for the new homes, building knowledge for both Harworth and our suppliers.

Olive Lane, Waverley, the heart of the community

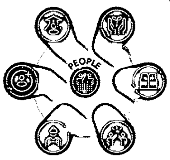
The new high street at Waverley, Olive Lane, opened in March 2025. Olive Lane is the heart of the community, bringing together homes and everyday life through a great mix of shops, restaurants and local services, including a supermarket, medical centre, nursery and vet, creating a lively, welcoming centre for Waverley and the AMP. The opening of Olive Lane completed the jigsaw in delivering a truly mixed-use place, offering homes, education, employment, retail, leisure, healthcare, open spaces and nature recovery across over 700 acres.

The creation of Olive Lane is a significant milestone in the development of Waverley – it is a place for those living and working in the community, providing amenities for the growing community to come together and socialise. The area is pedestrianised with a public square providing the community with additional outdoor space.

The launch event in May, a street food festival with musicians and entertainment, attracted over 1,000 residents and throughout the year, a wide range of activities has seen the high street come to life.

The Harworth Way
continued

Impact area: People



Culture	Cultivating a high-performance, ethical culture supports Harworth's long-term growth and prosperity. Our commitment to making Harworth an outstanding place to work was recognised with a Gold Award in our first Investors in People accreditation, alongside two national business culture awards.
Being socially responsible	This year, we continued to make steady progress in Equality, Diversity and Inclusion. Female representation increased to 44% of the workforce (2024: 42%), supported by the first year in which female hires exceeded male hires. The proportion of women in senior roles also increased following organisational change and recruitment activity. Our EDI data is now fully embedded within our HR information system, enabling improved governance, transparency and year-on-year insight.
Promoting engagement & happiness	Employee engagement and happiness remain areas of focus, reflecting a desire to encourage open dialogue between all levels in the organisation. We achieve this through staff events, employee forums, and frequent surveys. We consistently achieve statistically reliable response rates above 80%, and for the second consecutive year since introducing Employee Net Promoter Score, we achieved scores within the 'Excellent' range, improving by two points in employee pride scores. For the fifth consecutive year, engagement remains within the upper quartile.
Wellbeing	We offer a comprehensive wellbeing benefits package designed to support physical and mental health. This includes private medical insurance and dental cover, confidential health assessments, and an employee assistance programme. By enabling timely access to healthcare, preventive support, and independent professional advice, these benefits help colleagues stay healthy, supported, and productive, reinforcing our commitment to being a responsible and sustainable employer.
Employee experience	Harworth focuses on delivering a positive, consistent employee experience from recruitment through to career progression. Our stable talent turnover/retention profile is currently at 4%, significantly lower than our sector average. Our internal promotion rate sits at 23%, reflecting a strong commitment to developing talent from within. Furthermore, our employee gender split shows a 2 percentage-point year-on-year improvement, continuing the long-term trend of narrowing the gender gap. The number of female role-holders at senior levels (role band 2 and above) also increased during 2025.
Promoting health and safety	We further strengthened Environment, Health, and Safety governance in 2025, completing key strategic workstreams, delivering 650+ assurance activities, and achieving 100% mandatory H&S training completion with no regulatory reportable incidents. Enhanced risk management and improved oversight have increased organisational accountability.

Chief Executive's review

Positioning our portfolio
to realise value

I am pleased with the performance of our teams and our operational execution throughout 2025.

LYNDA SHILLAW
CHIEF EXECUTIVE

The operational progress in 2025 reinforces our core strengths: a high-quality land bank, a disciplined balance sheet, and a proven delivery platform capable of generating sector leading returns.

During the year, we progressed actions to improve the quality of our business and drive long-term growth. These actions focused investment on enabling works at key I&L sites, including Chatterley Valley (Staffordshire), Wingates (Greater Manchester), Gascoigne Wood (North Yorkshire) and Skelton Grange (South Yorkshire). We now have our largest-ever portfolio of substantially complete serviced land with the capacity to deliver c.4.0m sq ft, opening up optionality for delivery of development and value realisation.

We progressed the works at Skelton Grange (West Yorkshire) to deliver serviced land for a hyperscale data centre for Microsoft, where we expect a further £53.2m payment, for the second phase of the sale in the next 12 months. On the back of this significant transaction, we have been scaling our power-enabled land portfolio, building on our track record in developing industrial sites. We have been actively pursuing a portfolio totalling 0.8GW of power connections, either conditionally secured or in pipeline with Network Operators, capable of supplying data centres and power-intensive sectors, over the next five to ten years.

In January we reconfirmed our ability to grow EPRA NDV to £1bn and announced an extension to the delivery timeline to between end of 2028 and of end 2029 to reflect the impact of ongoing macroeconomic weakness and resulting investor and business uncertainty which has lengthened timings to complete deals. Our conviction in our ability to continue to unlock value across our land bank and execute on high-value transactions, including power-enabled land, remains unchanged, and we are encouraged by a 1.6m sq ft pipeline of strong interest across our I&L land and property portfolio, ensuring we are well placed to capture the positive momentum observed following the November 2025 UK Budget and emerging improvements in industrial market fundamentals.

With geopolitical uncertainty increased in recent weeks, following the escalation of conflict in the Middle East, we are monitoring the impact on interest rates and the potential inflationary impact feeding through to the UK economy which if sustained could impact the timing of our plans. We remain committed to delivering our strategic

Chief Executive's review
continued

OPERATIONAL PERFORMANCE

Growth drivers	Metric	2020[1]	2024	2025	Ambitions by end of 2027
Reposition core Investment Portfolio	Grade A as % of portfolio value	20	63	76	100% Grade A
Increasing direct development of I&L space	Sq ft of I&L capacity[2] (m sq ft)	C: 0.2[3] E: 0.4	C: 0.1 E: 3.1[4]	C: 0.3 E: 4.0[5]	0.8m sq ft run-rate (average per annum)
Accelerating Residential sales & broadening range	Residential plot sales	862[3]	2,385	1,837	2,000 plots (average per annum)
Scaling up through land acquisition and promotion	Years of land supply remaining	12-15 yrs	12-15 yrs	12-15 yrs	Maintain land supply of 12-15 years
					Ambitions beyond 2027
Grow EPRA NDV	EPRA NDV (£m)	515.9[6]	719.5	727.3	£1bn by end of 2028 to end of 2029[7]
Grow Investment Portfolio	IP (£m)	221.4[8]	297.2	305.0	£0.9bn by end of 2029

1. Targets announced 2021. FY20 used as baseline.
2. C = completed; E: enabling works completed or underway.
3. Annual average 2015 to 2020.
4. Total enabling works in 2024 included 1.3m sq ft of works completed and 1.8m sq ft underway at year-end.
5. Total enabling works in 2025 included 2.2m sq ft of works completed and 1.8m sq ft underway at year-end.
6. EPRA NDV at 31 December 2020.
7. Announced in 19 January 2026 trading statement that the timeline has extended out to a range of between the end of 2028 to end of 2029.
8. Announced H2 2024. FY2023 of £221.4m is used as baseline.

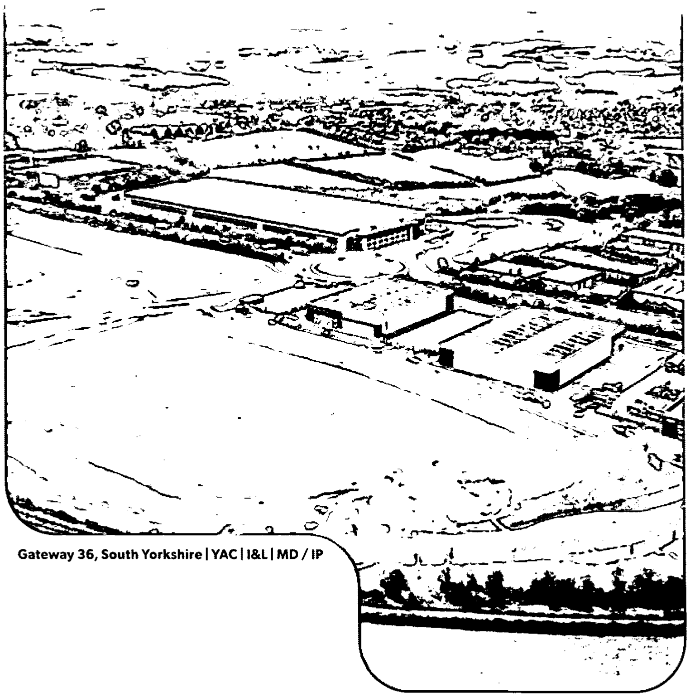
objectives in the face of challenging market conditions and continue to focus on the areas we can control to drive our land bank forward and accelerate the delivery of our sites while achieving our NZC ambitions.

OPERATIONAL PERFORMANCE

Having launched our strategy in 2021 to grow EPRA NDV to £1bn, we have followed a clear roadmap and transparent set of growth drivers against which to judge our progress, as set out in the table above.

I&L delivery

Our Investment Portfolio stood at £305.0m at 31 December 2025, comprising 33% of the overall portfolio. Repositioning our Investment Portfolio to modern Grade A continues to progress and stood at 76% by value (64% by area), from a starting point of 23% by value, five years earlier. In the year, we successfully delivered on direct development of new units and made asset sales, which were either of secondary assets or where we had already maximised value through asset management or re-development initiatives. This places us well on our way to achieving our 100% Grade A target.



Gateway 36, South Yorkshire | YAC | I&L | MD / IP

Chief Executive's review
continued

Our I&L Major Developments ('MD') portfolio value was £198.2m, comprising 21% of the overall portfolio. It is the main driver of direct development, together with our I&L Strategic Land ('SL') portfolio providing the next generation of Harworth sites. The I&L MD portfolio consists of nine sites at various stages of development, ranging from early enabling works, like Wingates (Greater Manchester), to sites ready to develop, like Chatterley Valley (Staffordshire) and Gateway 36 (South Yorkshire). During the year, we completed direct developments at the AMP (South Yorkshire) and Droitwich (Worcestershire) and transferred these Grade A units from MD to the Investment Portfolio. Land with capacity to deliver 4.0m sq ft has had enabling works completed or significantly progressed.

Our target is to enable land with a capacity to deliver an 800,000 sq ft run-rate of I&L space by 2027 and a cumulative total of 4m sq ft. We plan to develop this in part for our Investment Portfolio, with the remainder to be delivered via a number of potential routes:

- Traditional serviced land sales
- Built-to-suit (serviced land sale with a development management fee), or
- Forward funding (serviced land sale with a development management and asset management fee)

Regardless of the route, our enabling works create development platforms for vertical construction and are a critical component of creating value, driving portfolio performance and TAR, which remain our priorities. In the year, we leveraged our balance sheet capacity to invest in our sites, creating serviced land parcels that we believe will drive the greatest value for shareholders.

Accelerating the delivery of our high-quality land bank is a key skill set and fundamental to our business model. Both the quality of the land bank and our ownership structure have a role to play.

We are increasingly pursuing more capital light ownership, including strategic partnerships, to ensure we are well placed to deliver product into the market and optimise returns as well as looking to work with external capital sources.

Data centres and power-enabled land
The North and Midlands are well positioned for such development offering a combination of power connection capability, fibre backbones, skills and lower land value, and at this point in the cycle are capable of creating superior risk-adjusted returns. Since early works began on Skelton Grange as a possible data centre site, we have been reviewing our portfolio to identify further opportunities.

Power is the critical component to meeting emerging sector demand, such as data centres, and we have been working on building a power-enabled land bank within our Strategic Land and Major Developments portfolio for a number of years, accelerating value creation potential through accessing power companies and data centre operators, securing power reservations and planning, typically prior to investment in land servicing costs. This means that we now have 0.8GW of land and power positions, over half of which are in the power application system and capable of supplying power-intensive sectors over the next decade.

We have a deep skill set in land assembly, remediation and servicing of large-scale sites, in house technical and power teams who develop and secure solutions for both brownfield – former mining and power station sites – and land that is allocated or can deliver at scale as part of regional growth plans across our portfolio.

Policy support is reasonable to favourable across our regions, and, where we see it as a key enabler to support regional growth we will work with local and Government stakeholders to achieve AI Growth Zone status. Working with all parties to open sites up, and our land and relationships in this sector, both with power companies and data centre operators looking for the best sites, give us meaningful potential to unlock value over the medium term.

Residential delivery
Our Residential product is an important source of cash flow funding to ensure we can accelerate our land bank and apply capital to higher growth opportunities to deliver value. We completed 1,837 Residential plot sales in the period, in line with our four-year average and off the back of record sales last year. These sales included 725 plots through PPAs, generating fee revenue of £3.1m and 1,112 freehold plots at headline sales of £52.0m. A further 746 Residential plots sales were conditionally exchanged at year-end, with 155 now complete. Headline sales values were stable, but completions were at an overall average discount of 4% against June book values. The impact of macro uncertainty, increased regulatory costs, and a slower sales market resulted in Residential Major Development valuations reducing at the end of the year. Looking ahead, there remains a short supply of high-quality consented serviced land and the potential for demand-side stimulus to have a positive impact on the housing market.

Since 2020, we have sold over 9,000 plots to housebuilders or affordable housing providers and at year-end, our land bank had 3,065 consented plots remaining, reduced from 9,355 plots in 2020, now comprising 10% of the residential land bank of 29,386 plots. Our residential strategy has been to work through this mature consented land bank more quickly as this part of the portfolio has a higher carrying value with value gains created through planning and early-stage place-making.

Going forwards, we remain focused on securing planning approval for the 9,085 plots that are currently in the planning pipeline, realising value through planning and using capital light and partnership structures for delivery. We are committed to pursuing the highest risk-adjusted returns by continuing to recycle capital from our residential sites to reinvest into our development pipeline, targeting increasing our I&L portfolio weighting to 85% by 2029.

OUTLOOK
We have a clear desire to increase our I&L weighting to 85% by 2029, having grown from a baseline 57% (end of 2020) to 70% at the end of 2025. This portfolio sits at an inflection point, benefiting from structural drivers and emerging sectors which are aligned to our pipeline, underpinned by robust local and national policy support. We have a strong conviction in the core market themes driving demand for industrial and logistics and emerging demand for data centres and advanced manufacturing clusters in our regions.

Positioned at the intersection of reindustrialisation, advanced technologies, data and clean growth, Harworth is leveraging its strategically located land bank, power and engineering expertise and proven track record in delivering advanced manufacturing ecosystems to create value. Our flagship Advanced Manufacturing Park (South Yorkshire) provides a blueprint for globally competitive manufacturing hubs, and our pipeline of nationally significant sites, combined with the Harworth Platform, enables the repeatable delivery of product to world-leading businesses, as we unlock sites such as Wingates and Northern Gateway in Greater Manchester.

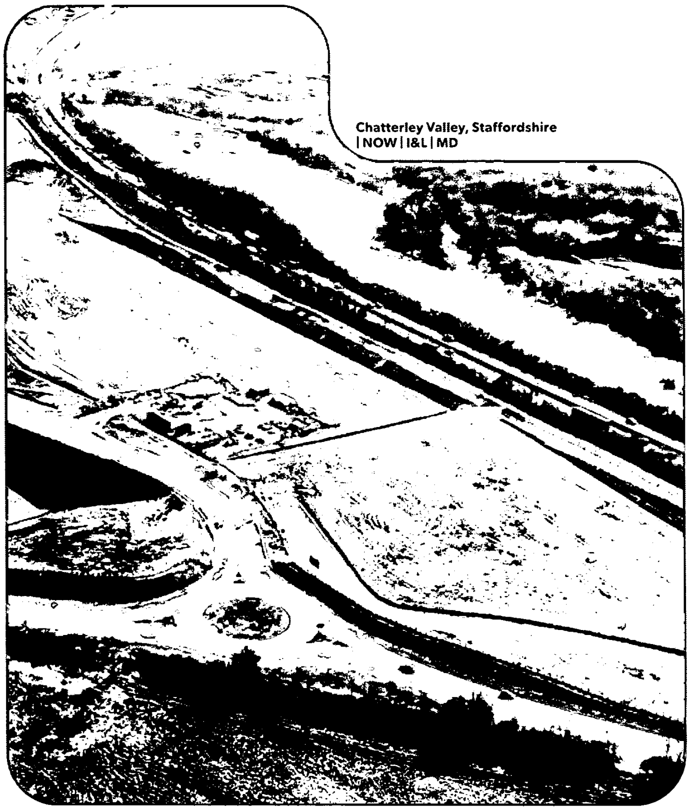
Chief Executive's review
continued

Our conviction in the potential of our portfolio to deliver attractive through-the-cycle returns remains strong, underpinned by significant progress made in establishing a long-term data centre and power-enabled land pipeline, enabling us to bring product into emerging high-value sectors. Our in-house power and engineering expertise, and resources deployed to accelerate site delivery in strong strategic locations with policy support, are essential ingredients for success. We have been actively pursuing upside opportunities with c.0.8 GW of power connections, either conditionally secured or in the pipeline with Network Operators. Together with future applications currently advancing, these represent significant progress towards near and longer-term transactions that have the potential to deliver enhanced value gains and superior returns for investors.

We are in a period of market volatility triggered by global events outside the control of management teams which, if prolonged, could impact the UK economy and our ability to deliver our plans within our expected timescales. We are focused on what we can do, the strength and quality of our land bank, and the optionality it gives us to lean into emerging themes.

Harworth is well positioned to deliver attractive returns for shareholders. Supported by targeted capital investment that enhances liquidity and funding flexibility across our key sites, we have a clear, deliverable pathway ahead of us. These foundations give us confidence in achieving our £1 billion EPRA NDV target and reaching this milestone between the end of 2028 and 2029.

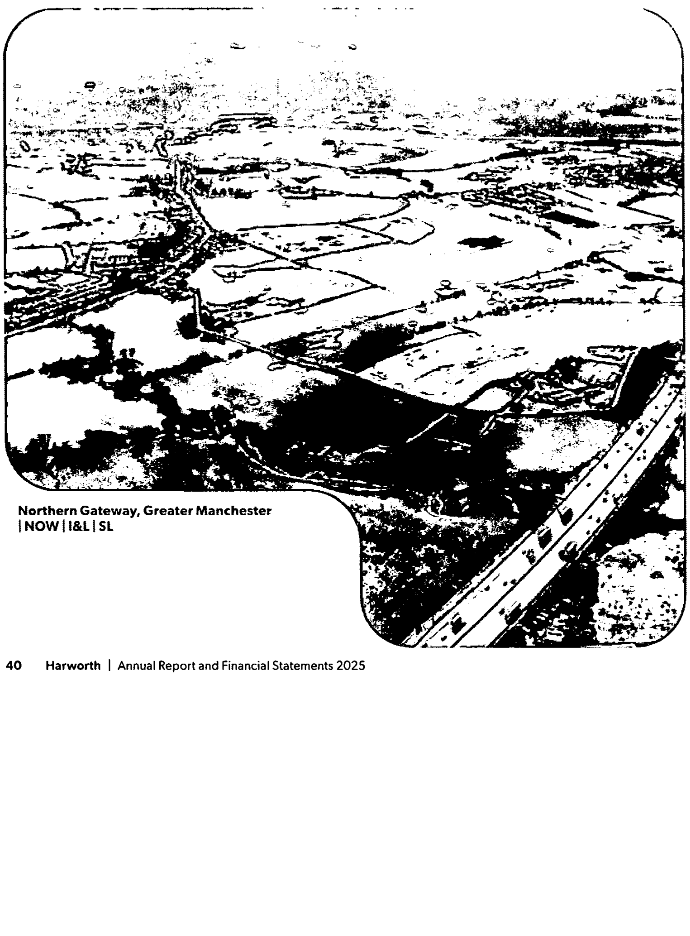
LYNDA SHILLAW
CHIEF EXECUTIVE
16 MARCH 2026



Chatterley Valley, Staffordshire
| NOW | I&L | MD

Operational review

A year of sustained operational progress



Northern Gateway, Greater Manchester
| NOW | I&L | SL

Overview

The land & property portfolio value totalled £937.2m at 31 December 2025 (2024: £858.8m, 2020: £618.2m) and is weighted 70% to I&L (2024: 63%, 2020: 57%). The Income Generation portfolio makes up 36% of the portfolio value (2024: 38%, 2020: 44%) and comprises the I&L Investment Portfolio and Natural Resources & Agriculture, with the remaining 64% being the Capital Growth portfolio of SL and MD across I&L and Residential. The portfolio split is set out in the table below alongside movements in the portfolio value since 2024. The largest contributors to the movements in the year were development spend in opening sites up and acquisitions net of disposals, followed by revaluation movements.

LAND & PROPERTY PORTFOLIO VALUE

(£m)	2025	2024
I&L		
Strategic Land	**149.3**	109.7
Major Developments	**198.2**	138.1
Investment Portfolio	**305.0**	297.2
Subtotal I&L	**652.5**	545.0
Residential		
Strategic Land	**61.5**	61.0
Major Developments	**192.3**	223.8
Subtotal Residential	**253.7**	284.8
Total NRS & other	**31.0**	29.0
Total portfolio value	**937.2**	858.8

PORTFOLIO VALUE MOVEMENTS

(£m)	
31-Dec-2024	**858.8**
Development spend	97.7
Acquisitions	40.0
Disposals	(98.1)
Value gains	53.6
Transfers	(16.1)
Net JV investment	1.3
31-Dec-2025	**937.2**

Note: There are minor differences on some totals due to roundings.

Operational review
continued

INDUSTRIAL & LOGISTICS (I&L)

Land portfolio

At 31 December 2025, the I&L pipeline totalled 35.0 m sq ft (2024: 33.6m sq ft) comprising a consented pipeline of 8.5m sq ft (2024: 8.4m sq ft). The I&L pipeline & planning progress table to the right sets out the stage our pipeline had reached at year-end 2025 in comparison to year-end 2024.

More of our pipeline is either consented or in the planning system, at 75% (2024: 63%). The pipeline was 45% owned freehold, with the remaining 55% controlled through JV arrangements 12%, options 38% or PPAs 5% (2024: 50% freehold).

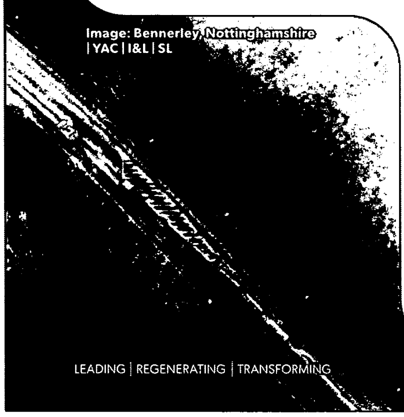


Image: Bennerley, Nottinghamshire | YAC | I&L | SL

Planning

I&L PIPELINE & PLANNING PROGRESS[1]

(m sq ft)	2025	2024
Pre-planning	**8.8**	12.5
Draft allocations	**1.1**	2.9
Allocations	**2.9**	4.9
Awaiting determination	**13.7**	4.9
Consented	**8.5**	8.4
Total pipeline	**35.0**	33.6
Consented or in the planning system[2]	**75%**	63%

1. Harworth's share.
2. In the planning system includes draft allocations, allocations and awaiting determination.

In the period, draft allocations were received for 1.1m sq ft (total draft allocations now 5.8m sq ft). Sites awaiting determination include Northern Gateway (Greater Manchester), Rothwell (Kettering) and Junction 15 (Northampton).

As at 31 December 2025, applications totalling 13.7m sq ft across 10 sites were in the planning system awaiting determination. This is up significantly from year-end 2024: 4.9m sq ft, mainly due to new planning applications submitted in 2025 for 8.2m sq ft across six sites:

2025 I&L PLANNING SUBMISSIONS

2025 I&L planning submissions	Sq ft ('000s)	Ownership[1]
1. Northern Gateway (Greater Manchester) NOW | I&L | SL	500	JV
Northern Gateway (Greater Manchester) NOW | I&L | SL	2,750	JV/O
2. Junction 15 (Northamptonshire) MID | I&L | SL/O	1,540	O
3. Diseworth West (East Midlands) MID | I&L | SL | FH	213	FH
Diseworth West (East Midlands) MID | I&L | SL | PPA	437	PPA
4. Rufford (Nottinghamshire) YAC | I&L| SL	283	FH
5. Gonerby (Lincolnshire) YAC | I&L | SL	1,289	O
6. Bennerley (Nottinghamshire) YAC | I&L | SL	1,200	FH
Total	**8,212**	

1. Ownership includes FH: Freehold, PPA: Planning Promotion Agreement, JV: Joint-venture and O: Option.

Land assembly

At Gateway 45 (West Yorkshire) YAC | I&L | MD, we acquired our JV partner's 50% holding in what was previously called the Aire Valley Land LLP JV. Adjacent to our Skelton Grange (West Yorkshire) site, where we are undertaking enabling works on behalf of Microsoft for its proposed hyperscale data centre, this tactical acquisition underpins the future growth of the broader site as the land was recently released from HS2 safeguarding and has the capacity to deliver up to 0.8m sq ft of I&L space.

Direct development

At the Advanced Manufacturing Park ('AMP') (Rotherham) YAC | I&L | IP, we completed an 80,000 sq ft unit pre-let to Sheffield-based Technicut, a global leader in the design and manufacture of high-performance components for the aerospace industry. This advanced manufacturing facility included the incorporation of renewable energy through an innovative green lease structure and transferred into our Investment Portfolio during the period.

At Droitwich (Worcester) MID | I&L | MD, our largest development in the year, a 169,300 sq ft of Grade A I&L space, practical completion was achieved in H2 with a subsequent letting to Uniserve for the entire space on a 10.25-year term-certain lease with an annualised rent of £1.6m.

We invested significantly in our sites to create serviced land parcels and deliver developments, with enabling works now complete or significantly progressed on sites which have capacity to deliver 5.8m sq ft of I&L space.

At year-end, a further 1.8m sq ft of enabling works were underway primarily at Phase 1, Wingates (Greater Manchester) and at Gascoigne Wood (North Yorkshire) | YAC | I&L | SL, alongside continuing progress on Plot 2 at Skelton Grange, in support of the £53.2m second phase of the sale to Microsoft for its proposed hyperscale data centre, targeted for completion in the next 12 months.

Operational review
continued

Image: Rothwell, West Midlands | YAC | I&L | SL

KEY I&L DEVELOPMENT SITES

Site	Site type/ Ownership[1]	Sold or developed (sq ft)	Consented/ planned (sq ft)	Estimated GDV remaining to develop (£)	Stage	Forecast site completion
● 1 Advanced Manufacturing Park (AMP) (Rotherham)	MD/FH	1.9m	0.2m/0.0m	£30m - £40m	Direct development or plot sale	2027
● 2 Gateway 36 (Barnsley)	MD/FH	0.4m	0.6m/0.5m	£130m - £150m	Direct development or plot sale	2033
● 3 Chatterley Valley (Stoke-on-Trent)	MD/FH	0.0m	1.2m/0.0m	£170m - £190m	Land remediation and infrastructure development	2028
○ 4 Wingates (Bolton)	MD & SL/FH & O	0.0m	1.0m/1.9m	£520m - £580m	Land remediation and infrastructure development	2033
● 5 Skelton Grange (Leeds)	SL/FH	0.6m	0.5m/0.3m	Confidential	Land remediation and infrastructure development	2030
● 6 Gateway 45 (Leeds)	MD/FH	0.0m	0.8m/0.0m	£150m - £160m	Planning approval	2029
○ 7 Cinderhill (Derby)	SL/FH & PPA	0.0m	1.5m/0.0m	£180m - £190m	Planning approval	2030
○ 8 Gascoigne Wood (Selby)	SL/FH	0.0m	1.5m/0.5m	£270m - £290m	Planning approval	2028
○ 9 Northern Gateway[2] (Greater Manchester)	SL/JV & O	0.0m	0.0m/3.3m	Confidential	Masterplanning	2029-2038
○ 10 N. Yorkshire site	SL/O	0.0m	0.0m/3.3m	Confidential	Masterplanning	2040
○ 11 Rothwell (Kettering)	SL/FH	0.0m	0.0m/1.8m	£300m - £330m	Masterplanning	2029
○ 12 Junction 15 (Northampton)	SL/O	0.0m	0.0m/1.5m	£260m - £280m	Masterplanning	2031

1. Site type includes SL: Strategic Land, and MD: Major Developments, Ownership includes FH: Freehold, PPA: Planning Promotion Agreement, JV: Joint Venture and O: Option.
2. Harworth's share of a joint-venture, adjacent to the M62 and close to the M66, Northern Gateway is the core site of the Atom Valley Mayoral Development Zone, comprising a mix of freehold and optioned land.

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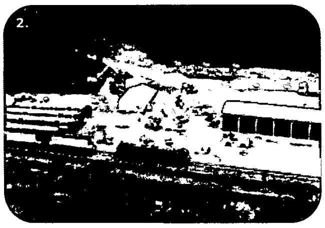


3.


1. Cinderhill, Derbyshire | YAC | I&L | SL
2. Gascoigne Wood, North Yorkshire | YAC | I&L | SL
3. Junction 15, Northamptonshire | MID | I&L | SL

Operational review
continued

I&L INVESTMENT PORTFOLIO ('IP')

The Investment Portfolio has undergone a significant level of activity this year, particularly in making progress towards becoming 100% Grade A. This sat at 76% Grade A by value at year-end (2024: 63%, 2020: 20%). A significant level of lettings, direct development and disposals have contributed.

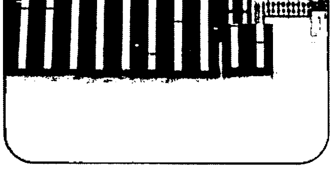
The ambition to grow the portfolio to £0.9bn by the end of 2029 is being delivered through our direct development programme where we plan to retain sites that we develop in the medium term, alongside selective acquisitions and disposals. The portfolio generates recurring rental income, with the potential for capital value growth via active asset management delivered in the year. As a result, the return on capital deployed from the IP was 8.7% for the year (2024: 12.1%, incorporating an income return of 5.6% and capital value growth of 3.1%.

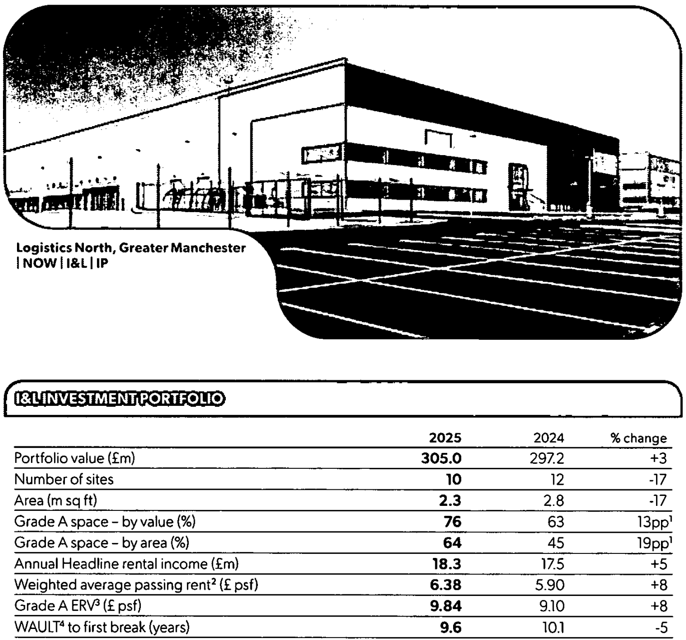
At 31 December 2025, the I&L IP was valued at £305.0m, up 3% on the 2024 year-end (2024: £297.2m), reflecting the completion of the Technicut unit at the AMP (South Yorkshire) and Droitwich (Worcestershire) developments and subsequent transfers to the Investment Portfolio, as well as valuation gains reflecting asset management and profit on sales. After a number of disposals in the year, the portfolio comprised 10 sites covering 2.3m sq ft. Headline rental income stood at £18.3m (2024: £17.5m) and annual passing rental income was £14.7m (2024: £15.8m) due to new leases with rent-free periods. The net initial yield stood at 4.6% (2024: 4.8%) and a reversionary yield of 6.2% (2024: 6.5%) demonstrating reversionary potential.

Asset management

During the year, 1.4m sq ft of total lease activity was completed (2024: 146,000 sq ft), including 379,000 sq ft of new leases (2024: 146,000 sq ft) at a headline rent of £3.7m. The largest contributors were two new leases at Droitwich (Worcestershire) to Uniserve for 169,000 sq ft and at AMP (South Yorkshire) to Technicut for 80,000 sq ft. Like-for-like headline rental growth for lettings on existing space, renewals and reviews were completed 10.4% ahead of previous annualised headline rents. Significant letting activity alongside disposals made in the year resulted in EPRA vacancy reducing to 1.0% (2024: 5.6%).

Bardon Hill, Leicestershire | MID | I&L | IP





Logistics North, Greater Manchester | NOW | I&L | IP

I&L INVESTMENT PORTFOLIO

	2025	2024	% change
Portfolio value (£m)	**305.0**	297.2	+3
Number of sites	**10**	12	-17
Area (m sq ft)	**2.3**	2.8	-17
Grade A space – by value (%)	**76**	63	13pp[1]
Grade A space – by area (%)	**64**	45	19pp[1]
Annual Headline rental income (£m)	**18.3**	17.5	+5
Weighted average passing rent[2] (£ psf)	**6.38**	5.90	+8
Grade A ERV[3] (£ psf)	**9.84**	9.10	+8
WAULT[4] to first break (years)	**9.6**	10.1	-5
WAULT[4] to expiry (years)	**11.2**	11.4	-1
EPRA vacancy[5] (%)	**1.0**	5.6	-4.6pp[1]
Net initial yield (%)	**4.6**	4.8	-0.3pp[1]
Reversionary yield (%)	**6.2**	6.5	-0.3pp[1]

1. Percentage points.
2. Calculated on occupied space.
3. Estimated rental values.
4. Weighted average unexpired lease term.
5. European Public Real Estate Association vacancy.

Operational review

continued

Image: Rothwell, West Midlands | YAC | I&L | SL

KEY I&L DEVELOPMENT SITES

Site	Site type/ Ownership[1]	Sold or developed (sq ft)	Consented/ planned (sq ft)	Estimated GDV remaining to develop (£)	Stage	Forecast site completion
● 1 Advanced Manufacturing Park (AMP) (Rotherham)	MD/FH	1.9m	0.2m/0.0m	£30m - £40m	Direct development or plot sale	2027
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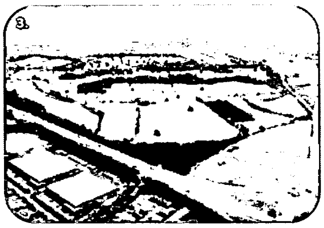
3. 

1. Cinderhill, Derbyshire | YAC | I&L | SL
2. Gascoigne Wood, North Yorkshire | YAC | I&L | SL
3. Junction 15, Northamptonshire | MID | I&L | SL

Operational review
continued

I&L INVESTMENT PORTFOLIO ('IP')

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The ambition to grow the portfolio to £0.9bn by the end of 2029 is being delivered through our direct development programme where we plan to retain sites that we develop in the medium term, alongside selective acquisitions and disposals. The portfolio generates recurring rental income, with the potential for capital value growth via active asset management delivered in the year. As a result, the return on capital deployed from the IP was 8.7% for the year (2024: 12.1%, incorporating an income return of 5.6% and capital value growth of 3.1%.

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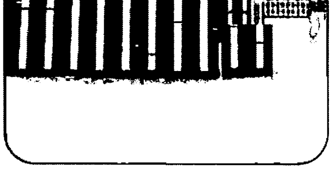
Logistics North, Greater Manchester | NOW | I&L | IP

Bardon Hill, Leicestershire | MID | I&L | IP



I&L INVESTMENT PORTFOLIO

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1. Percentage points.
2. Calculated on occupied space.
3. Estimated rental values.
4. Weighted average unexpired lease term.
5. European Public Real Estate Association vacancy.

Operational review
continued

Disposals
As part of our strategy to transition the core Investment Portfolio to 100% Grade A, we will continue to selectively dispose of secondary assets where the viability to transform or upgrade is limited, and older Grade A assets where we have delivered our asset management plans. During the period, we sold five core Investment Portfolio assets for £47.7m, at headline pricing ahead of book values. We sold four secondary assets, including 761,000 sq ft of income producing industrial assets and six acres of open storage at Saturn Business Park, Knowsley (Merseyside). In addition, we sold the McLaren unit at AMP, a Grade A unit we built in 2018. The sale was part of our completing our asset management plans and diversifying our exposure at the AMP (South Yorkshire) as the Technicut unit (80,000 sq ft) was transferred in during the period.

I&L INVESTMENT PORTFOLIO DISPOSALS

Site	Location	Region	Ownership	Area (sq ft)
A19 Business Park	North Yorkshire	YAC	FH	61,000
Brierley Hill	West Midlands	MID	FH	373,000
Sherburn in Elmet	West Yorkshire	YAC	FH	252,000
Knowsley[1]	Merseyside	NOW	FH	6 acres
AMP – McLaren unit	South Yorkshire	YAC	FH	75,000

1. Saturn Business Park, Knowsley sold six acres of open storage. Continue to hold remaining 29 acres and income producing industrial unit.

I&L INVESTMENT PORTFOLIO SITES

Site	Location	Region	Ownership	Area (sq ft)
O 1 Adv. Manufacturing Park	South Yorkshire	YAC	FH	368,000
O 2 Bardon Hill	Leicestershire	MID	FH	339,000
O 3 Catalyst	South Yorkshire	YAC	FH	285,000
O 4 Bradford	West Yorkshire	YAC	FH	252,000
O 5 Knowsley	Merseyside	NOW	FH	422,000
O 6 Logistics North	Greater Manchester	NOW	FH	104,000
O 7 Multiply Logistics North	Greater Manchester	NOW	20% JV	87,000
O 8 Gateway 36	South Yorkshire	YAC	FH	110,000
O 9 Droitwich	Worcestershire	MID	FH	169,000
O 10 Glossop	Derbyshire	NOW	FH	166,000
10 sites				**2,302,000**

RESIDENTIAL PORTFOLIO
At 31 December 2025, the Residential pipeline totalled 29,386 plots (2024: 31,264 plots) including 3,065 consented plots (2024: 4,568 plots). The Residential pipeline & planning progress table below shows the stage our pipeline had reached in comparison to year-end 2024. The pipeline that is either consented or in the planning system sits at 45%, consistent with last year-end. The pipeline was 37% owned freehold, with the remaining 63% controlled through JV arrangements 14%, options 10% or PPAs 39% (2024: 41% freehold), continuing our strategy of increasingly favouring more capital light ownership structures to facilitate growth and maximise returns.

Planning

RESIDENTIAL PIPELINE & PLANNING PROGRESS[1]

(m sq ft)	2025	2024
Pre-planning	**16,116**	17,035
Draft allocations	**84**	2,275
Allocations	**1,036**	5,250
Awaiting determination	**9,085**	2,136
Consented	**3,065**	4,568
Total pipeline	**29,386**	31,264
Consented or in the planning system[2]	**45%**	46%

1. Harworth's share.
2. In the planning system includes draft allocations, allocations and awaiting determination.

Operational review
continued

At 31 December 2025, 9,085 plots across 10 sites were awaiting determination in the planning system, a significant increase over the previous year (2,136 plots over five sites). The increase reflects planning applications submitted in 2025 across seven sites below:

2025 RESIDENTIAL PLANNING SUBMISSIONS

	Plots	Ownership[1]
1. Coalville (Leicestershire) MID | R | MD	290	FH
2. Cefn Park (Clwyd) NOW | R | PPA	900	PPA
3. Diseworth West (East Midlands) MID | R | SL | FH	744	FH
Diseworth West (East Midlands) MID | R | SL | PPA	1,531	PPA
4. Crewe West (Cheshire) NOW | R| SL | O	660	O
5. Rufford (Nottinghamshire) YAC | R | FH	400	FH
6. Crimea Farm (Nottinghamshire) YAC | R | PPA	165	PPA
7. Grimsby West (Lincolnshire) YAC | JV | SL	508	JV
Grimsby West (Lincolnshire) YAC | JV | SL/O	2,170	JV/O
Total	**7,368**	

1. Ownership includes FH: Freehold, PPA: Planning Promotion Agreement, JV: Joint-venture and O: Option.

KEY RESIDENTIAL DEVELOPMENT SITES

Site	Site type/ Ownership[1]	Sold (plots)	Consented/ planned (plots)	Stage	Forecast site completion
● 1 Waverley (Rotherham)	MD/FH	2,727	244/-	Mixed tenure delivery or plot sale	2025
● 2 Staveley (Chesterfield)	SL/FH	-	-/950	Masterplanning	2032
● 3 Rossington (Doncaster)	MD/FH	927	273/206	Mixed tenure delivery or plot sale	2027
● 4 Stewartby (Bedford)	MD/FH	-	1,000/-	Planning approval	2029
● 5 Ironbridge (Telford)	MD/FH	312	688/350	Mixed tenure delivery or plot sale	2030
● 6 Coalville (Leicester)	MD/FH	1,738	278/290	Mixed tenure delivery or plot sale	2027
● 7 Diseworth (East Midlands)	SL/FH & PPA	-	-/2,275	Masterplanning	2035
● 8 Cinderhill (Derby)	SL/FH & PPA	-	150/1,200	Planning approval	2039
● 9 Grimsby West (Grimsby)	SL/JV	-	-/3,044	Acquisitions and land assembly	2044

1. Ownership includes FH: Freehold, PPA: Planning Promotion Agreement, JV: Joint-venture and O: Option. Site type includes SL: Strategic Land and MD: Major Developments.

Residential plot sales in-line with four-year average
We operate a diversified serviced land sales model including freehold serviced land, mixed-tenure products such as social housing, build-to-rent and senior living. These sales can be freehold as well as through PPAs, which generate fees.

Off the back of record sales volumes in 2024, we completed 1,837 Residential plot sales in 2025, comprising 725 plots through PPAs generating fee revenue of £3.1m, and 1,112 freehold plot sales at headline sales totalling £52.0m. At year-end, a further 746 Residential plots had conditionally exchanged, of which 155 have since completed, demonstrating that despite market headwinds, our de-risked residential serviced land product continues to progress, generating important cash flows for the business.

NATURAL RESOURCES PORTFOLIO
At 31 December 2025, the Natural Resources portfolio had a value of £19.9m (2024: £21.5m) and headline rental income of £1.8m (2024: £2.1m). The portfolio comprises sites used for a wide range of energy production, including wind and solar energy, battery storage, and reforestation schemes, delivered as part of our Energy & Natural Capital strategy. The aim is to leverage our land and property to grow this portfolio, alongside strategic partners where appropriate, through developing renewable energy generation solutions and other sustainability initiatives such as battery storage, solar, EV charging, multi-fuel hubs and reforestation/rewilding. The strategy has a wider focus on embedding these energy concepts and future-proofing principles across all Harworth sites to maximise energy availability and resilience, create economic value, and help fulfil the Group's NZC ambitions.

As part of our strategy to deliver our serviced land product as a responsible developer, alongside addressing developers' challenge to meet Biodiversity Net Gain legislation, we have taken a sector leadership position, launching and managing our first registered Biodiversity Gain Habitat Bank at our residential site at Killamarsh in Derbyshire. On this site, as part of the sale of a parcel of serviced land to a housebuilder, we were able to sell BNG units on the wider land at the same time. We retain some BNG units on this site and see the potential to drive growth in future years as this market continues to develop, issuing biodiversity units to meet our own obligations and allocating any surplus units to our other projects alongside selling units to other developers. During 2025 we established Harworth's second Habitat Bank, a regional first. Located on the former spoil tips of the historic Allerton Bywater Colliery, this 112-acre site has been secured through a Section 106 agreement with Leeds City Council - the first of its kind within this local authority area.

Advanced Manufacturing Park, South Yorkshire

Our business model in action

Acquired | Planning approval | Direct developments for sale

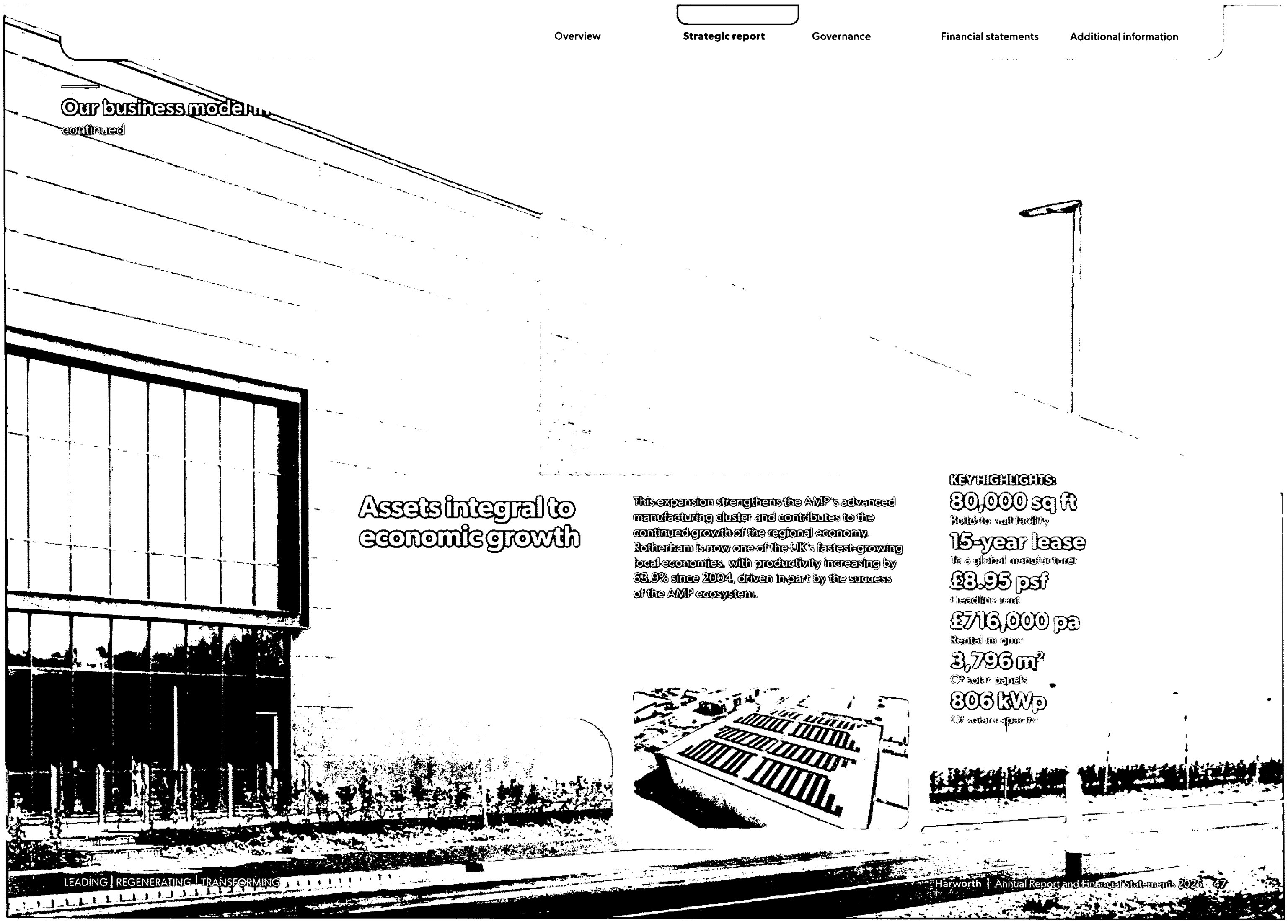
Attracting high-value occupiers and supporting local economic growth
A long-established Sheffield-based manufacturer, Technicut has grown from modest beginnings into a global leader in the design and manufacture of solid rotary cutting tools for the aerospace industry. As a founder member and long-standing partner to the Advanced Manufacturing Research Centre ('AMRC'), Technicut represents exactly the type of high-value occupier the Advanced Manufacturing Park ('AMP') was created to attract and support.

To enable the next phase of its growth, Technicut selected Harworth as its preferred development partner to deliver a purpose-built headquarters facility. In June 2025, the Company entered into a long-term lease on a new 80,000 sq ft Grade A industrial and logistics building at the AMP.

The new facility provides the operational capacity required for Technicut to significantly scale its business, increasing employment from approximately 150 to 250 people over the next two to three years.

By enabling Technicut's continued expansion, Harworth has strengthened its investment portfolio, supported high-value job creation, and reinforced the AMP's global reputation as a centre for advanced manufacturing excellence.

Image: Technicut unit at AMP, South Yorkshire | YAC | I&L | IP



Our business mode

continued

Assets integral to economic growth

This expansion strengthens the AMP's advanced manufacturing cluster and contributes to the continued growth of the regional economy. Rotherham is now one of the UK's fastest-growing local economies, with productivity increasing by 63.9% since 2004, driven in part by the success of the AMP ecosystem.

KEY HIGHLIGHTS:

80,000 sq ft
Build-to-suit facility

15-year lease
To a global manufacturer

£8.95 psf
Headline rent

£716,000 pa
Rental income

3,796 m^2
Of solar panels

806 kWp
Of solar capacity

Financial review

Prudent capital allocation that supports long-term growth

Our financial results reflect the investment made this year in our I&L land and property.

KITTY PATMORE
CHIEF FINANCIAL OFFICER

OVERVIEW

Total Accounting Return and Balance sheet
Our primary metric, Total Accounting Return, was 1.7% for 2025, representing a decrease from 9.1% in 2024. This reflected strong performance across Industrial & Logistics Strategic Land and Major Developments as well as our Investment Portfolio, driving value gains of £71.3m, materially offset by value losses of £26.8m across residential major development reflecting the impact of residential market weakness and cost pressures within some of our residential major developments.

The strong I&L performance reflected the impact of management actions progressing sites through the planning system and investing in infrastructure as well as completing and letting of direct development. The Group gained full control of the Gateway 45 site adjacent to our existing Skelton Grange site, acquiring the remaining ownership of the Aire Valley Land joint venture for £20.0m leading to its de-recognition as a joint venture and full incorporation into the Group balance sheet during the year. Cadence in moving through Residential Major Development sites was maintained despite challenges resulting from the timing of the UK budget and market conditions: however, the impact of lower pricing and cost pressures negatively impacted valuations with sales achieving less than prior book values. Residential sales continue to provide an important source of capital which is redeployed in line with our strategy to increase the weighting of our portfolio to 85% I&L by 2029. Combined with asset management initiatives across our Investment Portfolio, this performance resulted in EPRA NDV per share increasing by 0.9% to 224.4p (2024: 222.3p). Excluding the impact of EPRA adjustments which uplift Development Property values to fair value, the statutory net asset value of the Group grew by 1.1% to £699.0m (31 December 2024: £691.7m).

Jones Lang LaSalle, Savills and BNP Paribas, our independent valuers, completed a full valuation of our portfolio as at 31 December 2025, resulting in revaluation gains of £53.6m (2024: gains of £86.0m), including the movement in the market value of development properties. These external independent valuations have regard to conditions in the Residential and I&L markets as well as the positive impact of management actions at our sites. Outside the valuation movements, losses on sales were £9.0m (2024: profit of £11.2m). These losses included the allocation of increased site-wide infrastructure costs to sales completed in prior periods on a small number of mature residential sites. Overall, this led to net value gains of £44.5m (2024: £97.2m gains).

Financial review
continued

Income Statement
Sales of serviced land and property, in addition to income from rent, royalties, development and other fees, resulted in Group revenue of £129.8m (2024: £181.6m).

Revenue from the sale of Residential serviced land was £58.7m (2024: £92.2m) reflecting continued demand for the Group's de-risked land products but within a weaker residential market. Development revenues of £42.0m (2024: £18.7m) were driven by higher activity delivering our Affordable Housing residential product, reflecting our continued focus on accelerating through our sites, as well as development on behalf of Microsoft at Skelton Grange. In addition, residential Planning Promotion Agreement ('PPA') revenue contributed £4.7m (2024: £0.6m) reflecting fees from sales under PPAs.

Revenue from Income Generation increased to £25.0m (2024: £21.5m) as a result of higher rental income within the Investment Portfolio from the completion and letting of direct development, full year revenue from the Catalyst portfolio acquired during 2024, and asset management activity: like-for-like annualised headline rental income grew by 10.4% (2024: 4.9%). The Natural Resources portfolio included revenue from the sale of BNG units totalling £1.3m (2024: £nil).

Total property sales, an APM which incorporate proceeds from the sales of investment properties, assets held for sale ('AHFS'), and overages, amounted to £115.0m (2024: £215.8m) with the drop primarily reflecting the sales at Skelton (£47.9m) and Ansty (£53.5m) during 2024. These large sales can take several years to put together with Ansty completing ahead of the original budgeted timeframe of 2025.

The Investment Portfolio value increased to £305.0m at the end of 2025 (2024: £297.2m) reflecting the completion and letting of direct development at Droitwich and at the Advanced Manufacturing Park, Rotherham, as well as the impact of revaluation gains driven by new lettings, asset management and market rental growth, offset by the £47.7m disposals described above. The Group is targeting an Investment Portfolio of approximately £0.9bn by the end of 2029 through a combination of retained developments and selective acquisitions, with the additional target of this portfolio becoming 100% Grade A by the end of 2027.

The fair value of investment properties increased by £47.2m (2024: £60.8m increase), which resulted in an operating profit of £21.6m (2024: £74.6m) and profit after tax of £9.5m (2024: £57.2m).

Capital allocation and Financing
We have a model that is predominantly self-funded with sales of serviced land and property in each year providing the funding for our on-balance sheet spend in for the following year, alongside which we put into place partnerships and third-party funding structures. The cash proceeds from sales completed in 2024 were reinvested this year into site delivery across I&L through enabling and infrastructure works and completing direct development, as well as acquiring the remaining 50% interest in our Aire Valley Land joint venture. Over 2025, we generated proceeds through sales of serviced residential land and secondary I&L Investment Portfolio properties, improving the quality of the portfolio and recycling capital for investment into higher returning parts of the portfolio.

As a result of our spend alongside lower net sales proceeds, net debt increased to £145.9m (31 December 2024: £46.7m) resulting in a Net LTV at 31 December 2025 of 15.6% (31 December 2024: 5.4%). While we have deployed more leverage than in previous years, this is well within our self-imposed maximum target of 20% at the end of the year and at 31 December 2025, the Group had available liquidity of £127.1m (31 December 2024: £192.4m).

During the year, the Group entered into a new four-year £275m Revolving Credit Facility ('RCF') with NatWest, Santander and HSBC, replacing the previous RCF with an increased facility limit and improved terms including pricing. The new RCF was agreed with a £50m uncommitted accordion facility and Harworth has the option to extend the term to five years. Since year-end, we have put in place interest rate hedging on borrowings of £50m representing around a third of our year-end debt position and further hedging continues to remain under review. Alongside the new RCF, we continue to use infrastructure and direct development loans to fund activity on our sites. At the year-end the Group had an undrawn development loan provided by the North West Evergreen Fund, this will provide up to £26.2m in debt funding in support of development at our Wingates Major Development I&L site.

Presentation of financial information and alternative performance measures
As our property portfolio includes development properties and joint venture arrangements, Alternative Performance Measures ('APMs') can provide valuable insight into our business alongside statutory measures. In particular, revaluation gains on development properties are not recognised in the Consolidated Income Statement and the Balance Sheet. The APMs outlined below measure movements in development property revaluations, overages and joint ventures. We believe that these APMs assist in providing stakeholders with additional useful disclosure on the underlying trends, performance and position of the Group.

Our key APMs are:

- Total Accounting Return: a measure of the Group's return, calculated as the movement in EPRA NDV plus dividends per share paid in the year expressed as a percentage of opening EPRA NDV per share.
- Total Property Return: a measure of the ungeared return for the property portfolio calculated as the change in capital value, less any capex incurred, plus net income, expressed as a percentage of capital employed over the period concerned, calculated in line with the MSCI Property Index Methodology from 2025.
- EPRA NDV per share: EPRA NDV is an EPRA metric that represents a net asset valuation where development property is included at fair value rather than cost and deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability net of any resulting tax. EPRA NDV per share is EPRA NDV divided by the number of shares in issue at the end of the year (less shares held by the Employee Benefit Trust or Equiniti Share Plan Trustees Limited to satisfy Restricted Share Plan, Share Incentive Plan and Deferred Share Bonus awards).
- Value gains: the realised profits from the sale of properties and unrealised profits from property valuation movements including joint ventures, and the mark-to-market movement on development properties and overages.
- Net LTV: Group debt net of cash held expressed as a percentage of portfolio value.

A full description of all non-statutory measures is set out in the appendix to the financial statements and reconciliations between all statutory and non-statutory measures are provided in the same appendix. From December 2025, the Group is reporting an additional APM, Total Property Return, calculated in line with the MSCI Property Index Methodology. This provides increased information to shareholders on the Group's relative performance and supports the implementation of relative operational performance measures for the short-term and long-term incentive schemes under the Remuneration Policy. Our financial reporting is aligned to our business units of Capital Growth and Income Generation, with any items that are not directly allocated to specific business activities held centrally and presented separately.

Financial review
continued

INCOME STATEMENT

	2025				2024			
	Capital Growth £m	Income Generation £m	Central Overheads £m	Total £m	Capital Growth £m	Income Generation £m	Central Overheads £m	Total £m
Revenue	**104.8**	**25.0**	**-**	**129.8**	160.1	21.5	-	181.6
Cost of sales	**(111.8)**	**(5.4)**	**-**	**(117.2)**	(145.8)	(4.7)	-	(150.5)
Gross profit	**(7.0)**	**19.5**	**-**	**12.6**	14.2	16.8	-	31.1
Administrative expenses	**(6.8)**	**(2.1)**	**(27.4)**	**(36.3)**	(6.4)	(1.1)	(25.7)	(33.2)
Other gains/(losses)	**41.5**	**8.0**	**(3.9)**	**45.5**	59.7	18.4	-	78.1
Other operating expenses	**-**	**-**	**(0.1)**	**(0.1)**	-	-	(1.4)	(1.4)
Operating profit/(loss)	**27.7**	**25.4**	**(31.5)**	**21.6**	67.5	34.1	(27.1)	74.6
Share of profit/(loss) of JVs	**3.6**	**2.8**	**-**	**6.4**	(0.7)	2.2	-	1.5
Net interest income/(expense)	**4.4**	**0.2**	**(15.2)**	**(10.6)**	2.9	0.1	(9.7)	(6.7)
Profit/(loss) before tax	**35.7**	**28.3**	**(46.6)**	**17.4**	69.7	36.5	(36.8)	69.4
Tax charge	**-**	**-**	**(7.9)**	**(7.9)**	-	-	(12.1)	(12.1)
Profit/(loss) after tax	**33.9**	**28.3**	**(52.7)**	**9.5**	69.7	36.5	(48.9)	57.2

Note: There are minor differences on some totals due to roundings.

Revenue in the year was £129.8m (2024: £181.6m), of which Capital Growth contributed £104.8m (2024: £160.1m) and Income Generation £25.0m (2024: £21.5m).

Capital Growth revenue of £104.8m comprised revenue from the sale of development properties, development revenue, and fee income. The sale of development properties of £56.9m (2024: £140.3m) was lower in 2025 reflecting completion of the Plot 1 transaction at Skelton Grange in 2024. In 2025, the sale of development properties largely related to the sale of residential serviced land. Completed residential land sales were lower due to market conditions which impacted pricing achieved as well as including a higher proportion of PPA sales this year.

Development revenue of £42.0m (2024: £18.7m) substantially relates to the delivery of the Group's Affordable Housing residential product and development work on behalf of Microsoft at Skelton Grange. Capital Growth revenue also included fees from Planning Promotion Agreements of £4.7m (2024: £0.6m).

Revenue from Income Generation mainly comprised property rental and royalty income from the Investment Portfolio, Natural Resources and Agricultural Land. Revenue of £25.0m (2024: £21.5m) was £3.5m higher in 2025, due to a full year of revenue from the Catalyst portfolio acquired in Q4 2024, and the completion of an 80,000 sq ft pre-let development, at the AMP, alongside asset management initiatives. Like-for-like headline rent (excluding the impact of acquisitions, completed development and disposals) from the Investment Portfolio increased by 10.4% (2024: 4.9%) during the year, following letting of previously vacant assets, lease regears and rent reviews on existing assets. The total headline annualised rental income for the Investment Portfolio, including the impact of disposals, increased by 4.6%% to £18.3m in 2025 (2024: £17.5m). Revenue also included the sale of BNG credits of £1.3m (2024: £nil).

Cost of sales comprises the inventory cost of development property sales, site-wide infrastructure costs, costs incurred in undertaking development on behalf of others including affordable residential delivery and development work for Microsoft at Skelton Grange as well as the direct and recoverable service charge costs of the Income Generation business. Cost of sales decreased to £117.2m (2024: £150.5m), of which £65.0m (2024: £126.3m) related to the inventory cost of development property sales and impairments resulting from increased site-wide infrastructure costs on residential sites. The challenging residential market impacted pricing on sales of development property which, coupled with some limited site specific cost increases primarily in the first half of the year, resulted in an overall gross loss for the year within Capital Growth. In the year, there was an increase in the net realisable value provision on development properties of £4.9m (2024: £5.7m decrease) following the valuation process as at 31 December 2025.

Financial review
continued

NON-STATUTORY VALUE GAINS/(LOSSES)

	Category	2025 Profit/(loss) on sale	2025 Reval. gains/(losses)	2025 Total	2024 Profit/(loss) on sale	2024 Reval. gains/(losses)	2024 Total	31 Dec 25 Total valuation	31 Dec 24 Total valuation
Capital Growth									
Residential Major Developments	Development	**(10.1)**	**(18.6)**	**(28.7)**	(2.9)	20.3	17.4	**192.3**	223.8
Industrial & Logistics Major Developments	Mixed	**(0.3)**	**36.4**	**36.0**	0.7	5.8	6.5	**198.2**	138.1
Residential Strategic Land	Investment	**(0.1)**	**2.0**	**1.9**	–	8.6	8.6	**61.5**	61.0
Industrial & Logistics Strategic Land	Investment	**(0.4)**	**29.0**	**28.5**	12.6	31.4	44.0	**149.3**	109.7
Income Generation									
Investment Portfolio	Investment	**1.0**	**8.2**	**9.1**	0.8	19.6	20.4	**305.0**	297.2
Natural Resources	Investment	**1.0**	**0.2**	**1.1**	–	0.5	0.5	**19.9**	21.5
Agricultural Land & other	Investment	**–**	**(3.5)**	**(3.5)**	(0.1)	(0.3)	(0.4)	**11.0**	7.5
Total		**(9.0)**	**53.6**	**44.5**	11.2	86.0	97.2	**937.2**	858.8

Notes: There are some minor differences on some totals due to roundings. Profit/(loss) on sale is stated net of the impact of transaction fees incurred.

Administrative expenses increased in the year by £3.1m to £36.3m (2024: £5.8m increase). This was due to higher salary expenses, reflecting increased employee numbers and inflationary increases, alongside increased technology spend as part of our digital transformation programme (£1.8m vs £0.5m in 2024), offset by lower legal and professional costs. Central administrative expenses include the cost of central teams that support the operational business. Administrative expenses are a focus for 2026 as we seek to ensure they are proportionate to value creation and appropriate for the business model.

Other gains comprised a £47.1m net increase (2024: £60.4m net increase) in the fair value of investment properties and assets held for sale ('AHFS') combined with the profit on sale of investment properties, AHFS and overages of £2.3m (2024: £17.7m profit).

Joint venture profits of £6.4m (2024: £1.5m profits) included valuation gains at the Aire Valley Land Joint Venture prior to de-recognition as part of the acquisition of the remaining interest during the year, as well as at Multiply Logistics North. Value gains/(losses) on a non-statutory basis are outlined in the table to the right.

Non-statutory value gains/(losses)
Value gains/(losses) are made up of profit on sale, revaluation gains/(losses) on investment properties (including joint ventures), and revaluation gains/(losses) on development properties, AHFS and overages. A full description of, and reconciliation between, statutory and non-statutory value gains can be found in Note 2 and the appendix to the consolidated financial statements.

Total Property Sales in 2025 were £115.0m generating a loss on sale of £9.0m (2024: £11.2m profit). The loss was concentrated in Residential Major Developments where the market was impacted by the late UK budget and lack of buyer stimulus. As a result, headline sales pricing was marginally below book value before transaction costs and when discounting of deferred consideration to present value, and retentions not recognised on completion were taken into account, this generated a loss on sale of around 8%. The £9.0m loss on sale incurred included £8.3m increases in estimated costs for the completion of site-wide works at a small number of mature residential sites, impacting the proportional share of site-wide costs allocated to prior period sales at the point of sale completion. The loss on sale was partially offset by profit on completion of retention works £4.1m (2024: £2.2m) relating to prior period sales.

Revaluation gains were £53.6m (2024: £86.0m) and are outlined in the table above.

Financial review
continued

REVALUATION GAINS

	2025 £m	2024 £m
Increase in fair value of investment properties	**47.2**	60.8
Decrease in value of assets held for sale and owner occupied property	**(4.0)**	(0.4)
Movement in net realisable value provision on development properties	**(5.8)**	1.3
Contribution to statutory operating profit	**37.5**	61.7
Share of profit of joint ventures	**6.4**	1.5
Unrealised gains on development properties and overages	**9.7**	22.7
Total non-statutory revaluation gains	**53.6**	86.0

Notes: There are some minor differences on some totals due to roundings.

The principal revaluation gains and losses across the divisions reflected the following:

- **Industrial & Logistics:**
  - Valuation gains totalling £65.3m across Major Developments and Strategic Land driven by planning progress, continued progression on developments, completion of direct development, occupier and investor demand and improvement in market rents.
  - Revaluation gains on the Investment Portfolio from letting progress and improvement in market rents.
  - While investment yields remained stable during the year, the industrial & logistics market continued to benefit from rental growth supporting our I&L Major Development sites, Strategic Land sites and the Investment Portfolio, alongside the impact of management actions.
- **Residential:**
  - The widely reported challenges in the residential market impacted both the pricing achieved on sales in year as well as the outcome of the year-end valuations, which coupled with cost pressures, led to total valuation losses of £16.6m across Major Developments and Strategic Land.
  - Despite the challenging environment, including the impact of market delays driven by the timing of the UK budget, sales were completed achieving headline pricing marginally below book values with recognised losses on sales including the further impact of transaction costs, discounting of deferred consideration to present value, and retentions not recognised on completion. These sales supported cash flow within 2025 with deferred consideration, alongside exchanged sales, providing greater certainty over 2026 cash flows.
  - Cost increases experienced on Residential major development sites, particularly during the first half of the year in relation to limited site specific costs, included increases across infrastructure works and professional fees as well as increases in the expected costs of meeting CIL and s106 planning obligations.
  - Government policy remains focused on significantly increasing the level of housing delivery but limited focus on the demand side coupled with wider economic uncertainty has impacted overall pricing.
  - Savills reported pressures in the residential development land market, noting that greenfield values fell by an average of -1.4% in 2025, with the most significant softening occurring towards the end of the year, as values fell by -1.2% in Q4.
- **Natural Resources:** valuations remained stable during the year, with profit on sale generated through sale of legacy assets with limited future asset management potential.
- **Agricultural Land and Other:** experienced a small valuation loss in relation to owner occupied property during the year. During the year the Group invested in the construction of a new head office building at our flagship Advanced Manufacturing Park ('AMP') in Waverley, completing work early in 2026. Alongside creating a fit for purpose sustainable workspace, this enables the future development or sale of our previous head office site and provides an anchor to open up the development of Highfield as one of the final phases of the Waverley site.

The net realisable value provision on development properties as at 31 December 2025 was £13.4m (31 December 2024: £8.5m). This provision is held to reduce the value of nine (31 December 2024: seven) development properties from their deemed cost (the fair value at which they were transferred from an investment to a development categorisation) to their net realisable value at 31 December 2025. The transfer from investment to development property takes place once planning is secured and development with a view to sale has commenced.

Cash and sales
Total property sales, encompassing proceeds from the sale of investment property, AHFS, overages and PPAs as well as revenue from the sale of development property totalled £115.0m (2024: £215.8m).

Cash proceeds from sales in the year were £124.2m (2024: £172.3m) as shown in the table below:

Residential headline sales values reduced to £52.0m (2024: £104.1m) resulting in lower levels of deferred consideration. Where deferred payment terms are agreed to, security is maintained to mitigate credit risk.

Financial review
continued

CASH AND SALES

	2025 £m	2024 £m
Residential land sales	**58.7**	97.2
Industrial & Logistics land sales	**1.9**	101.0
Sales of Investment Portfolio properties	**47.7**	13.3
Natural resources asset sales	**5.7**	-
Overages & PPAs	**1.0**	4.3
Total property sales	**115.0**	215.8

	2025 £m	2024 £m
Total property sales	**115.0**	215.8
Less deferred consideration on sales in the year	**(32.4)**	(57.8)
Add receipt of deferred consideration from sales in prior years	**41.6**	14.3
Total cash proceeds	**124.2**	172.3

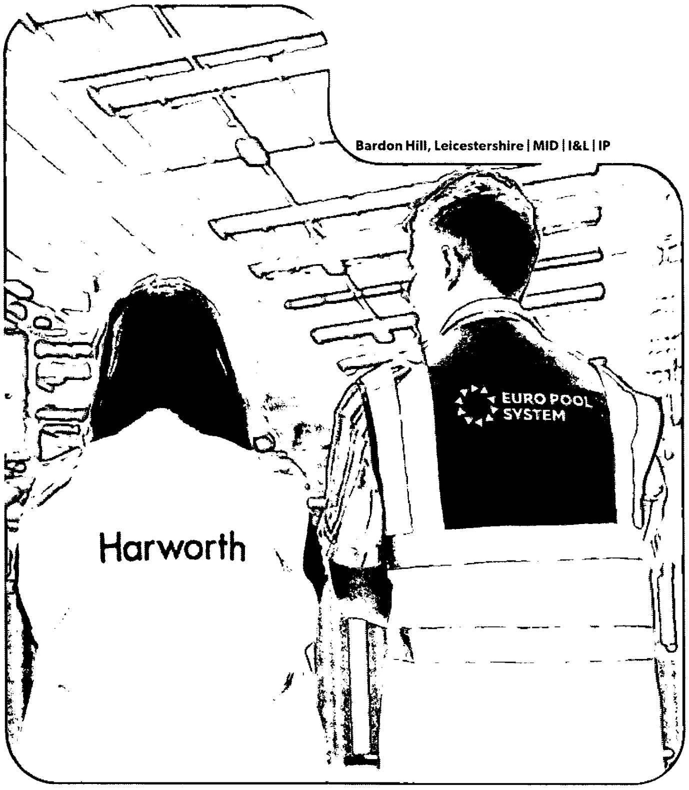
Tax
The income statement charge for taxation for the year was £7.9m (2024: £12.2m charge), which comprised a current tax credit of £1.4m (2024: £6.0m charge) and a deferred tax charge of £9.3m (2024: £6.1m charge).

The current tax is results from profits from the sale of development properties, investment property, AHFS, profit on the rental of investment property, royalties and other fees after taking into account overheads and interest costs. The deferred tax balance is calculated based on the rate expected to apply on the date the liability is crystallised.

At 31 December 2025, the Group had deferred tax liabilities of £55.2m (31 December 2024: £37.4m) and deferred tax assets of £10.2m (31 December 2024: £1.5m). The net deferred tax liability was £45.0m (31 December 2024: £35.9m).

Basic earnings per share and dividends
Basic earnings per share for the year decreased to 2.9p (2024: 17.7p) reflecting lower increases in valuation of investment properties in 2025, net losses from sales in the year and higher interest costs partly offset by higher rental income.

In addition to the interim dividend of 0.538p, the Board has declared a final dividend of 1.237p (2024: 1.125p) per share, bringing the total dividend for the year to 1.775p (2024: 1.614p) per share. The recommended 2025 final dividend and 2025 total dividend represent a 10% increase in line with our dividend policy for the year to 1.775p (2024: 1.614p) per share.



Bardon Hill, Leicestershire | MID | I&L | IP

Financial review
continued

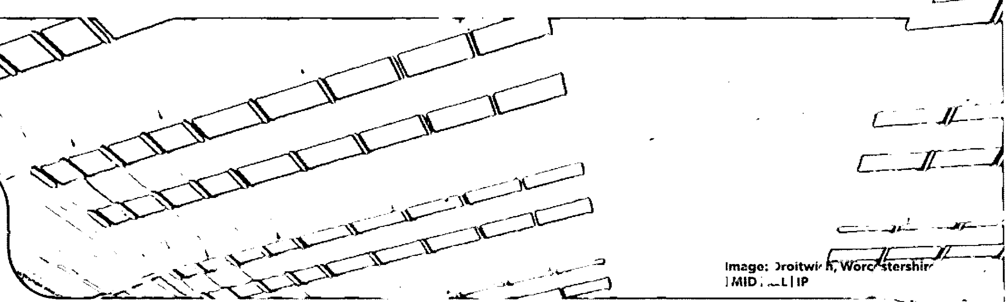
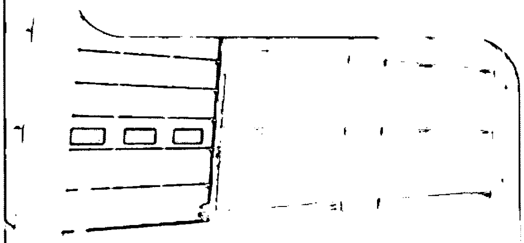


Image: Droitwich, Worcestershire | MID | I&L | IP

PROPERTY CATEGORISATION

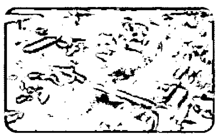
Until sites have received planning permission and a specific future use has been established, the land is held for an undetermined future use and is classified as investment property. Once planning permission has been obtained and active development with a view to sale has commenced, the land and associated properties are reclassified as development properties. Where land is being developed to hold our Investment Portfolio it remains classified as investment property.

The table on the right sets out the top 10 sites by value, which represent 54% of the total portfolio, split according to their categorisation, including currently consented Residential plots and commercial space.



TOP 10 SITES BY VALUE

Site	Region	Use	Site type	BS category	Progress to date
Ironbridge (Telford)	MID	R	MD	Dev. prop	1,000 Residential units consented, land sold representing 312 units, further enabling works underway. Continue to progress master planning for the scheme in collaboration with the Local Authority.
		R	SL	Inv. prop	
Advanced Manufacturing Park ('AMP') (Rotherham)	YAC	I&L	MD	Inv. prop	2.1m sq ft of Industrial & Logistics space consented, 1.9m sq ft built or sold. 0.4m sq ft of Grade A held in Investment Portfolio.
		I&L	IP	Inv. prop	
Wingates (Bolton)	NOW	I&L	MD	Inv. prop	Up to 1m sq ft of Industrial and Logistics space consented with buildings up to 0.3m sq ft achievable in Phase 1. Enabling and site infrastructure works ongoing with completion due Q4 2026. Work to submit a planning application for a further 1.9m sq ft is ongoing.
		R/I&L	SL	Inv. prop	
Bardon Hill (Leicester)	MID	I&L	IP	Inv. prop	0.3m sq ft of fully-let Grade A held in Investment Portfolio.
Catalyst (Rotherham)	YAC	I&L	IP	Inv. prop	0.3m sq ft fully-let.
Skelton Grange (Leeds)	YAC	I&L	MD	Dev. prop	0.3m sq ft of I&L space remaining on the retained land. Enabling works are ongoing to programme.
		I&L	SL	Inv. prop	
Chatterley Valley (Stoke)	NOW	I&L	MD	Dev. prop	1.17m sq ft of Industrial and Logistics space consented with single buildings of up to 0.5m sq ft achievable. Enabling and infrastructure site works are substantially complete.
		I&L	MD	Inv. prop	
Gascoigne Wood (North Yorkshire)	YAC	I&L	IP	Inv. prop	1.5m sq ft of Industrial & Logistics space consented, Infrastructure works have commenced.
Wyke Lane (Bradford)	YAC	I&L	IP	Inv. prop	0.3m sq ft fully-let.
Logistics North (Bolton)	NOW	I&L	IP	Inv. prop	104k sq ft owned freehold retained in Investment Portfolio. 87k sq ft controlled through joint venture retained in Investment Portfolio.
		I&L	IP	JV	

1. 

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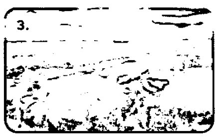
3. 

4. 

1. Ironbridge, Shropshire | MID | R | MD
2. Catalyst, South Yorkshire | YAC | I&L | IP
3. Gascoigne Wood, North Yorkshire | YAC | I&L | SL
4. Logistics North, Greater Manchester | NOW | I&L | IP

Financial review
continued

As at 31 December 2025, the balance sheet value of our development properties was £195.2m (31 December 2024: £190.9m) and their independent valuation was £227.5m, reflecting a £32.3m cumulative uplift in value since they were classified as development properties. In order to highlight the market value of development properties, and overages, and to be consistent with how we state our investment properties, we use EPRA NDV, which includes the market value of development properties and overages less notional deferred tax, as our primary net assets metric.

Net asset value
EPRA NDV at 31 December 2025 was £727.3m (31 December 2024: £719.5m), which includes the mark-to-market adjustment on the value of the development properties and overages. The total Portfolio Value as at 31 December 2025 was £937.2m, an increase of £78.4m from 31 December 2024 (£858.8m).

The Group's share of gains from joint ventures of £6.4m (2024: £1.5m), primarily reflects the revaluation gains on The Aire Valley Land LLP joint venture in the period prior to the acquisition described below, and the performance of Multiply Logistics North LLP during 2025.

A total of £20.0m, before costs and stamp duty, was paid in March 2025 to acquire the remaining 50% of the Aire Valley Land LLP joint venture. As a result of the acquisition, the carrying amount of the investment totalling £16.1m was derecognised from the Investments in Joint Venture on the balance sheet and is now shown as a 100% wholly owned Subsidiary. Excluding the gain on the revaluation of The Aire Valley Land LLP joint venture and its derecognition, there was a £2.8m increase in the like-for-like value of joint ventures during 2025.

Trade and other receivables include deferred consideration on sales. At 31 December 2025, deferred consideration of £60.4m was outstanding (31 December 2024: £72.9m), of which 92% is due within one year, the current level being the result of the lower level of residential land sales completed during 2025: where deferred payment terms are agreed, the Group maintains security in order to mitigate credit risk.

Financing strategy
Harworth's financing strategy remains to be prudently geared. The Income Generation portfolio provides a recurring income source to service debt facilities and this is supplemented by proceeds from sales.

As part of its strategic plan, the Group maintains a self-imposed target LTV of below 20% at year ends, with a maximum of 25% in-year, reflecting the cyclical nature of the Group's cash flows. As a principle, the Group seeks to maintain its cash flows in balance by funding the majority of infrastructure expenditure through disposal proceeds, while allowing for growth in the portfolio.

Debt facilities
A £240m RCF (the Original RCF) had been in place since 2022 with NatWest, Santander and HSBC and was due to expire in 2027. During November 2025 the Group entered into a new £275m Revolving Credit Facility ('New RCF') with NatWest, Santander and HSBC, replacing the Original RCF. The New RCF is for an initial four year term, which may be extended to five years at Harworth's request and includes an uncommitted accordion option which if exercised would take the RCF to £325m. The new RCF provides significant liquidity and flexibility to enable the Group to pursue its strategic objectives. The interest rate on the RCF is based on an LTV ratchet mechanism with a margin payable above SONIA in the range of 1.95% to 2.25%.

NET ASSET VALUE

	31 Dec 2025 £m	31 Dec 2024 £m
Properties[1]	**899.4**	821.6
Cash	**27.1**	117.4
Trade and other receivables	**12.7**	98.2
Other assets	**103.0**	15.3
Total assets	**1,042.2**	1,052.5
Gross borrowings	**(173.0)**	(164.1)
Deferred tax liability	**(44.9)**	(35.9)
Other liabilities	**(125.3)**	(160.9)
Statutory net assets	**699.0**	691.7
Mark-to-market value adjustment on development properties and overages less notional deferred tax	**28.3**	27.8
EPRA NDV	**727.3**	719.5
Number of shares in issue less Employee Benefit Trust & Equiniti Share Plan Trustees Limited-held shares	**324,141,060**	323,640,852
EPRA NDV per share	**224.4p**	222.3p

1. Properties include investment properties, development properties, AHFS, occupied properties and investment in joint ventures.

DEBT FACILITIES

	2025 £m	2024 £m
Opening net debt as at 1 January	**(46.7)**	(36.4)
Cash inflow/(outflow) from operations	**(30.5)**	42.6
Property expenditure and acquisitions	**(82.5)**	(116.5)
Disposal of investment property, AHFS and overages	**53.6**	80.0
Net investments in joint ventures	**(1.3)**	(1.3)
Interest and loan arrangement fees	**(14.2)**	(7.7)
Dividends paid	**(5.3)**	(4.9)
Tax paid	**(9.7)**	(0.5)
Fixed assets expenditure	**(10.5)**	-
Other cash and non-cash movements	**1.2**	(2.0)
Closing net debt as at 31 December	**145.9**	(46.7)

Financial review
continued

As part of its funding structure, the Group also uses infrastructure financing provided by public bodies and site-specific direct development loans to promote the development of major sites and bring forward the development of I&L units.

The Group had net debt of £145.9m at 31 December 2025 (31 December 2024: £46.7m). The increase in net debt during the year reflects the significant investment in, and operational progress on, sites alongside the acquisition of the remaining interest in Aire Valley Land LLP, partly offset by proceeds from sales. The movements in net debt during the year are shown on page 55.

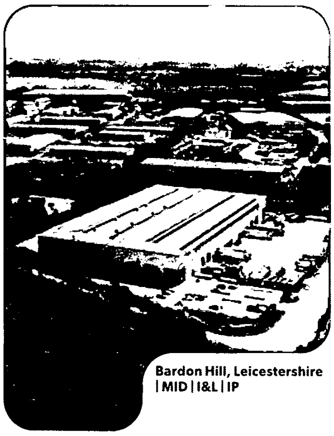
The Group's strategy to manage its exposure to interest rate risk is to hedge the lower of around half its average debt during the year or its net debt balance at year end. As at 31 December 2025, none of the Group's drawn debt was subject to interest rate hedging; following the year-end, we put £50m of hedging in place through an interest rate cap to mitigate the risk of interest rates increasing above 4.5%. We shall continue to monitor projected drawn debt, and hedging requirements following the refinancing of the Group's RCF in 2025.

As at 31 December 2025, the Group's net LTV was 15.6% (31 December 2024: 5.4%) within our self-imposed target to be below 20% at year-end. If gearing is assessed against the value of the income generation portfolio (the Investment Portfolio and Natural Resources portfolio) only, this equates to a net loan to income generation portfolio value of 48.5% (31 December 2024: 15.7%). Under the RCF, the Group could withstand a material fall in portfolio value, property sales or rental income before reaching covenant levels.

At 31 December 2025, Group liquidity of £127.1m (31 December 2024: £192.4m) included undrawn capacity under the RCF of £100m (31 December 2024: £75.0m) in addition to the year-end cash balance of £27.1m (31 December 2024: £117.4m). Going forwards the RCF, alongside selected use of development and infrastructure loans where appropriate, will continue to provide the Group with sufficient liquidity to execute our growth strategy.

K Patmore

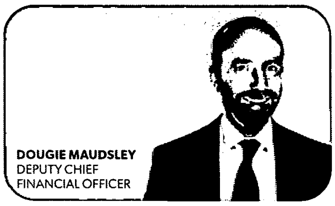
KITTY PATMORE
CHIEF FINANCIAL OFFICER
16 MARCH 2026



Bardon Hill, Leicestershire | MID | I&L | IP

Thoresby Vale, Nottinghamshire | YAC | R | MD

Delivering our Digital Transformation Programme


DOUGIE MAUDSLEY
DEPUTY CHIEF FINANCIAL OFFICER

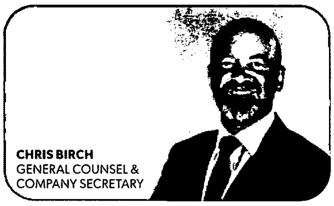
We continue to make significant progress creating a digital platform to support AI adoption and future growth.

DOUGIE MAUDSLEY
DEPUTY CHIEF FINANCIAL OFFICER

Leveraging technology and data to support sustainable, long-term value creation
Launched in 2024, Harworth's Digital Transformation Programme ('DTP') seeks to support the Group's strategic objectives and growth by establishing the core architecture to modernise processes, streamline operations, and improve the quality, consistency, and accessibility of the Group's data.

Key achievements in 2025 include advancing the One Harworth Portal, a unified interface that supports decision-making by enabling colleagues to surface data through intuitive Business Intelligence tools, as well as delivering efficiency gains by rationalising previously fragmented systems through the integration and automation of data pipelines.

Looking ahead, a key priority is to design an end-to-end development management capability. Collectively, these initiatives will continue to enable detailed oversight of the Group's development pipeline, enhance portfolio insight, strengthen cross-functional alignment, and support Harworth's ambition to scale efficiently while delivering long-term value to stakeholders.


CHRIS BIRCH
GENERAL COUNSEL & COMPANY SECRETARY

Cyber risk remains a critical focus and our work this year strengthens our digital resilience capability.

CHRIS BIRCH
GENERAL COUNSEL & COMPANY SECRETARY

Strengthening our digital resilience
A key work stream within Harworth's DTP has been to significantly strengthen our digital resilience capability.

This year, we have strengthened our governance and technical security controls, including enhanced threat detection and vulnerability management, alongside robust backup programmes.

The Group's incident management framework has been refreshed and further tested alongside the appointment of a new digital forensics and incident response partner. We have significantly enhanced our management of supply chain digital risks through greater due diligence during onboarding and the tailored application of technical and organisational controls informed by supplier risk profiles.

As cyber risks continue to evolve, digital resilience remains essential to the Group, and our focus for the coming year is on security culture, with a roll-out of targeted competency-based awareness activities to support colleagues in recognising and responding to threats.


Junction 15, Northamptonshire | MID | I&L | SL


Wingates, Greater Manchester | NOW | I&L | MD

Effectively managing our risk

Effective risk management is a key focus for the Board and directly informs our strategy. It helps us create and deliver value for our shareholders and positive outcomes for our wider cohort of stakeholders.

In this section, we explain how the Board has been assured of, and is satisfied with, the effectiveness of Harworth's risk management and internal control system. We present our approach to risk and set out the Board's analysis of the Group's Principal Risks and uncertainties, in the context of our strategy.

Risk Landscape
Harworth operates within a diverse and evolving risk landscape shaped by its activities in strategic land promotion, land regeneration, industrial & logistics and residential development, and asset management. The business is exposed to property market cyclicality, where changes in demand, pricing, yields, or investor sentiment can influence both development returns and asset valuations. Large-scale regeneration projects inherently carry planning, environmental, and regulatory risks, with shifting government policy, planning delays, and increasing compliance requirements affecting project viability and delivery timelines. Construction supply chain related risks, including cost inflation, labour and material availability, and contractor performance, remain a key consideration across the development pipeline. For the Investment Portfolio, risks relate to tenant covenant strength, void levels, lease expiries, and dynamics in the industrial and logistics sectors. Macroeconomic factors such as interest rates, inflation, and access to finance influence strategic decision-making and can affect both occupier and investor markets. In addition, environmental and climate-related risks, including resilience of sites, biodiversity requirements, and evolving sustainability standards, continue to grow in prominence and shape the Group's long-term planning and asset management activities.

The year-end results are being published against a backdrop of acute global volatility stemming from conflict in the Middle East. At the time of publication there is a high degree of uncertainty as to the duration and outcome of the conflict which means that it is particularly challenging to forecast the extent to which there will be an enduring impact on the risk profile of the business. This has been taken into account during our analysis of risks and reflected in the narrative below which signposts that Construction Supply Chain, Capital and Real Estate Markets risks, currently rated Medium, may trend upwards towards High.

Our risk management framework
In 2025, the Enterprise Risk Management function undertook a comprehensive review and enhancement of our risk management framework to ensure readiness for Provision 29 of the UK Corporate Governance Code. This work has strengthened the scalability of our processes, enabling them to grow and mature in line with the business.

Our framework is designed to operate on a top-down and bottom-up basis, operating across principal, functional, and operational risks. This integrated approach ensures that risk management is proactive, supports better decision-making, and enables the organisation to take opportunities while safeguarding the achievement of strategic objectives.

Fraud risks are recorded, monitored, and managed within the relevant risk registers. This includes both the risk of fraud being perpetrated against the Company and the risk of fraud being carried out on behalf of the Company. These risks are captured to ensure compliance with the Economic Crime and Corporate Transparency Act ('ECCTA') and its Failure to Prevent Fraud provisions, which came into force in September 2025. The enhanced framework is comprehensive, consistent, transparent, and agile, providing the Board, through the work of the Audit Committee, with clear assurance over the effectiveness of our risk management and internal control systems.

Our risk priorities for 2026
- **Strengthening internal controls** - ensuring compliance with Provision 29 of the UK Corporate Governance Code.
- **Streamlining risk reporting** - embedding risk reporting into operational dashboards for real-time visibility, enabling faster, better informed decision-making.
- **Digital transformation** - leveraging digital tools to enhance efficiency, effectiveness and visibility of risks and controls.
- **Emerging risks** - enhancing monitoring and risk indicators for emerging risks to respond to emerging threats, particularly economic and market volatility, supply chain disruption and planning risks.

Our risk appetite
The Board retains ultimate responsibility for risk management and internal control systems. Risk appetite is determined through regular Board strategy sessions, taking into account Harworth's strategic objectives, Principal risks, and external factors such as economic and political developments. The Board's approach is robust and prudent, ensuring that material risks are managed within acceptable parameters. At the same time, the Board recognises the entrepreneurial nature of Harworth and maintains a balanced appetite for risk that enables the business to seize opportunities and deliver sustainable, long-term value for shareholders.

Our risk appetite is organised into four categories:

- **Averse:** We avoid risk and uncertainty.
- **Cautious:** We prefer options which carry low risk.
- **Balanced:** We are willing to consider a range of options and tolerate a degree of risk.
- **Open:** We are focused on maximising opportunities and returns.

Our risk culture
We are committed to fostering a proactive and transparent risk culture in which appraisal of risk is embedded across all aspects of our business. As part of our ongoing maturity journey, we are implementing a consistent methodology and approach to risk management, supported by appropriate tools and active knowledge sharing.

During the year, we enhanced our risk management policies and procedures, delivered risk workshops and knowledge sharing sessions across all levels of the business. These initiatives have strengthened risk identification and analysis, while reinforcing accountability and openness in how risks are managed.

The Board continues to promote an open and accountable risk culture, ensuring that risk awareness and ownership are integral to decision-making and aligned with the Group's strategic objectives.

Responding to Provision 29 - Transforming our risk management framework
In preparation for the updated Provision 29 requirements, the Board has undertaken a comprehensive review, supported by the Head of Audit & Assurance, to identify the organisation's material controls. This work was guided by a detailed internal methodology informed by FRC guidance and insights from wider industry experts.

An assurance map of the material controls was then developed and used to inform our Material Controls Assurance Programme included within our 2026 Internal Audit Plan and which will remain a recurring component of future plans. These controls sit within our broader Risk and Internal Control framework and have therefore always been considered for Audit Plan inclusion. We will report on the effectiveness of these controls in our 2026 Annual Report in accordance with the updated Provision 29 of the Corporate Governance Code.

Effectively managing our risk
continued

RISK GOVERNANCE

Our risk management framework combines a strategic top-down perspective with operational insights from the bottom-up, ensuring that effective risk management is embedded throughout the organisation.

TOP-DOWN
Define risk appetite, identify, assess and mitigate risk at corporate level

THE BOARD
The Board is ultimately accountable and responsible for shaping risk culture, determining the Group's risk appetite, monitoring its risk profile, identifying emerging risks, and ensuring that measures and controls are in place to identify and manage risk effectively, all set in the context of, and supporting delivery of, the strategy.

AUDIT COMMITTEE (BOARD SUB-COMMITTEE)
The Audit Committee supports the Board in managing risk and is responsible for reviewing the appropriateness and effectiveness of risk management activities and internal control processes.

INTERNAL AUDIT
The Internal Audit function provides independent and objective assurance by assessing how effectively our risk management and internal control frameworks operate in practice. Its mandate is risk-focused: audit activities are prioritised based on the significance of risks to the business, ensuring that areas fundamental to operations receive appropriate scrutiny. Internal Audit reports directly to the Audit Committee and maintains regular dialogue with the Audit Committee Chair, reinforcing its independence and alignment with the overall risk governance structure. Further details are available in the Audit Committee Report on pages 110 to 114.

GOVERNANCE, RISK & COMPLIANCE COMMITTEE (MANAGEMENT COMMITTEE)
This Governance, Risk & Compliance Committee is an operational management committee responsible for implementing and overseeing the organisation's governance, risk and compliance management framework, ensuring that risks are identified, assessed, and mitigated across all operational areas. The committee monitors key risk metrics, promotes a risk-aware culture, translates board policies and risk appetites into actionable strategies, and ensures collaboration across functions.

DEVELOPMENT BOARD (MANAGEMENT COMMITTEE)
The Development Board is responsible for overseeing the effectiveness of the Scheme risk management processes. This includes reviewing Scheme risk registers to ensure that key risks are identified, assessed, and managed proactively, in alignment with risk appetite and strategic objectives.

THE ENTERPRISE RISK MANAGEMENT FUNCTION
The Enterprise Risk Management ('ERM') function is responsible for designing, maintaining and continuously improving the risk management framework and supporting the business in identifying, assessing, managing, and reporting risks that could impact its objectives. However, it does not own individual risks, controls, or mitigation actions, which remain the responsibility of the respective risk owners. The function is overseen by the Governance, Risk and Compliance Committee, at an operational level, and by the Audit Committee and Board, who ensure the effectiveness of the ERM framework.

RISK OWNERS
Risk owners are accountable for identifying, assessing, and managing risks within their Scheme or function (as appropriate). This includes the implementation of controls and mitigation plans, reporting of risk incidents, and monitoring of changes in risk profile. Responsibility for this can and often is delegated to other stakeholders within the business.

ALL EMPLOYEES
All employees are responsible for actively supporting risk management by identifying, reporting, and managing risks within their areas of work. They are expected to comply with established controls, support improvements to the control framework, participate in risk-related training, and contribute to a culture of transparency, accountability, and continuous improvement.

BOTTOM-UP
Identify, monitor, report and mitigate risk at operational level

Principal Risks and uncertainties

The Board is responsible for identifying and evaluating the Group's principal and emerging risks that could potentially impact the execution of our strategy, business model, future performance, solvency, liquidity or reputation. The Board conducts a comprehensive review of the Principal Risks twice annually, and additionally whenever there is a material change in strategy or a significant event that alters the organisation's risk profile. Any adjustments to the Principal Risks are approved to ensure they remain consistently aligned with the strategy and with internal and external factors.

During H1 2025, the Board undertook a comprehensive review and refresh of the Principal Risks to ensure they remain aligned with our strategic objectives and are reflective of the evolving external landscape. This review adopted a 'first-principles' approach, focusing on strategic objectives and the risks to achieving them, rather than building on existing Principal Risks, and was informed by consideration of:

- The 'pivot' in our strategy, announced at the 2024 half year, towards 85% I&L through vertical development delivery and growth in the Investment Portfolio.
- Early outputs from the enhancement and standardisation of our 'bottom-up' operational risk management framework.
- The current macroeconomic and geopolitical environment.

During H2 2025, further in-depth Principal Risk workshops were conducted with business risk champions, in alignment with our 'top-down/ bottom-up' review process.

The extensive review process for the Principal Risks over 2025 did not result in a fundamental revision of the risk profile of the Group. Instead, notwithstanding the 'first-principles' approach, it led to a refinement of the existing set of Principal Risks.

To the right are the material changes made to our Principal Risks. For a detailed explanation of each Principal Risk, see pages 62 to 70.

CHANGES MADE TO OUR PRINCIPAL RISKS SINCE THE 2024 ANNUAL REPORT

Changes from prior year	Risk	Commentary
NEW Principal risk	Risk 4 – Physical Climate Events	Extreme weather events and long-term climate shifts (e.g. storms, floods, wildfires, temperature extremes) disrupt construction supply chains, impact development operations, increase costs and damage assets.
NEW Principal risk	Risk 11 – Digital Transformation Project ('DTP')	Failure to implement a scalable and integrated digital architecture that enables operational efficiency, business growth, continuous innovation and effective AI adoption.
NEW Principal risk	Risk 13 – Government Policy Implementation	Challenges in slow and/or inconsistent implementation of government policy across our regions alongside devolution and local government reform changing the landscape in which we (investors and businesses) operate.
NEW Principal risks	Risk 6 – Capital Risk 9 – Liquidity	Until recently, these risks were consolidated in a single Capital & Liquidity risk. We have now separated them to distinguish clearly between: Capital risk, being an inability to source adequate capital to meet our strategic growth aspirations; and a new separate Liquidity risk, being an inability to maintain optimal levels of working capital to meet business as usual obligations.
REVISED Principal risk	Risk 10 – Climate Transition and Reporting risk	Title revised from 'Net Zero Carbon Pathway' – This risk focuses on failure to successfully transition to NZC, leading to non-compliance with regulatory and reporting requirements, inability to meet the NZC targets we set ourselves, and associated reputational damage.
REMOVED Principal risk	Availability of and competition for strategic sites	Harworth's extensive land bank, development pipeline and investment strategy mean this is not considered a Principal Risk to achievement of Harworth's strategic objectives at this stage.
REMOVED Principal risk	Counterparties: Investment partners and service providers	This risk was consolidated into other principal and emerging risks.
REMOVED Principal risk	Statutory costs of development	This risk was consolidated into other Principal Risks.

Principal Risks and uncertainties
continued

The Group Principal Risk Register
The register incorporates the Principal Risks the Board has identified, including any emerging risks that could potentially become a Principal Risk to the Group strategy. Each risk is subject to a consistent risk assessment methodology, the outputs of which are reflected in a Principal Risk dashboard which details:

- The scope of, and commentary on, the status of each risk;
- Inherent risk, residual risk, and risk appetite scores to evaluate the changing status of each risk and monitor the alignment (or misalignment) of risk appetite and risk profile;
- Mitigation measures that have either been implemented, are in progress, or are planned. These include 'material controls' whose effectiveness will be reported on in our 2026 Annual Report as per the updated Corporate Governance Code Provision 29 requirements;
- Key Risk Indicators ('KRIs') used to measure the profile of each risk: while this aspect remains under development, Harworth's ERM function aims to improve the quantity and quality of KRIs, and to develop a KRI dashboard for continuous real time monitoring of KRIs where possible.

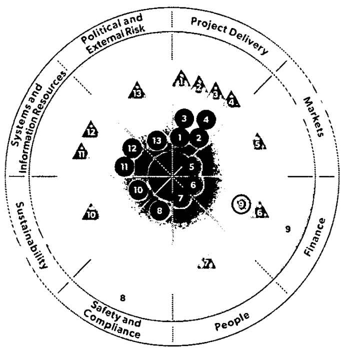
Assurance over the key controls in place to mitigate Principal Risks to an acceptable level is obtained via various sources covering all three lines of defence. The Head of Audit and Assurance manages an assurance map which identifies what assurance is obtained over the effectiveness of material controls. These controls are in place to mitigate to an acceptable level not only Principal Risks but also other key financial, operational, compliance, and reporting risks. Any gaps in assurance identified are used to inform the 36-month rolling internal audit programme. The internal audit programme will also incorporate selective testing of controls which, while not meeting the threshold for classification as a 'material control', are nonetheless important mitigants of Principal Risks.

Emerging Risks
As the business landscape evolves, emerging risks, such as geopolitical instability, climate-related disruptions, technological advancements, and regulatory changes pose significant challenges to long-term resilience. Effective management of these risks requires proactive identification, continuous monitoring, and agile response strategies. We are embedding horizon-scanning techniques and scenario analysis into our risk framework to anticipate potential threats and opportunities via regular risk workshops undertaken with the Board. This approach ensures that emerging risks are escalated promptly, enabling informed decision-making and safeguarding stakeholder value. Collaboration across functions and leveraging data-driven insights remain central to strengthening our preparedness for an increasingly complex risk environment.

One new emerging risk was identified in 2025: Investment Partner Selection and Management: Flaws in governance and management of stakeholder relationships impacting operations, availability of capital and costs.

RISK HEAT MAP – RISK STATUS AS AT 16 MARCH 2026

The risk heat map below illustrates the status of our principal risks at the date of this report, both before and after mitigating actions.



KEY

- ● **Very High**
- ● **High**
- ○ **Medium**
- **Low**

- ○ **Inherent risk** Before mitigation
- ▲ **Residual risk** After mitigation

Principal risks:

Project Delivery
1. Power Infrastructure Capacity
2. Planning System
3. Construction Supply Chain
4. Physical Climate Events

Markets
5. Real Estate End Markets

Finance
6. Capital
9. Liquidity

People
7. People

Safety and Compliance
8. Health and safety

Sustainability
10. Climate Transition and Reporting

Systems and Information Resources
11. Digital Transformation Project ('DTP')
12. Digital Resilience

Political and External Risk
13. Government Policy Implementation

See our Principal Risks tables on pages 62 to 70

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 1: Power Infrastructure Capacity	Challenges in securing power infrastructure for Schemes at a viable cost and timescale.	Securing power for development sites in the UK has become increasingly challenging, leading to uncertainties, potential cost increases and project delays. The rising demand for renewable energy has strained grid infrastructure, resulting in longer connection timelines. In response, National Energy System Operator ('NESO') is undertaking the Great Grid Upgrade comprising 17 major infrastructure projects to upgrade existing networks. NESO's reforms to the grid connection application process are underway. While these changes aim to streamline connections, they also introduce new challenges. The 'first ready, first connected' approach to transmission and generation applications is now in place. The next phase of reform is a pause in connection applications, which began in January 2025 to allow NESO to implement the new application process.	– **Comprehensive due diligence** performed at the acquisition stage. – **Comprehensive power strategy approved by Board** as part of the underwrite proposal for each scheme. – **Stakeholder Engagement** with NESO, Distribution Network Operators ('DNOs'), and Independent Distribution Network Operators ('IDNOs') is maintained through ongoing discussions and reviews of infrastructure forecasts. Insights gained are used to inform development strategy. – Via **Scheme Gateway Reviews** each scheme's power strategy is subject to ongoing monitoring and, where appropriate, adaptation.	**Current residual risk status** Medium – **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 2 3 4 £

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 2: Planning System	Challenges in obtaining planning permission for schemes impacting financial returns.	The UK planning challenges include delays from an inefficient system, resource constraints within local authority planning departments, and frequent changes to government policy. Proposed reforms are, on the whole, but not exclusively, positive for Harworth: they aim to streamline processes, bolster local authority resources, restore housing targets, and boost sustainable development, with goals including the delivery of 1.5m new homes over the current parliament and critical infrastructure projects. However, significant positive impacts are unlikely until later in the parliamentary term. Industry engagement and stability are essential for progress. Added complexities come in the form of land value capture, NZC policies such as in Greater Manchester, greenbelt and BNG policies, with uncertainties around how these will be implemented in practice.	– **Comprehensive planning strategy approved by the Board** as part of the underwrite proposal. This ensures that there is a clearly defined strategy for the site promotion through to securing a planning permission. Ongoing monitoring and (where appropriate) evolution of the strategy is undertaken via Scheme Gateway Reviews and monthly Development Board meetings. – **Ongoing Stakeholder Engagement** allows for the strategy to be informed by evidence including a local authority's housing and employment land supply, status of current plan, stakeholder mapping and existing strengths and weaknesses in relationships with key stakeholders in that area. Along with ongoing stakeholder engagement to ensure confidence in our commitment to comply with all sustainability obligations including BNG legislation and regional NZC policy requirements. – **A pre-application process** is undertaken for high-risk schemes to allow for areas which need further investigation/analysis to be flagged ahead of submitting the formal application to ensure a smooth, efficient process and a reduction in the risk of delays. – **Planning Performance Agreements** are entered into with certain local planning authorities (where appropriate) which set an agreed framework for engagement during the planning process to secure a timely determination of the application.	**Current residual risk status** Medium **Risk appetite** Open **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 2 4 £
Risk 3: Construction Supply Chain	Exposure to construction supply chain may lead to increased pricing pressures, labour constraints, and risk of disputes, default and/or insolvency of supply chain partners.	Following a sustained period of materials cost inflation and constrained capacity across the construction sector, the cost of materials had stabilised, with pricing further benefiting from increased competition between contractors. However, conflict in the Middle East has caused a marked increase in oil and gas prices, and constrained shipping in that region, at least in the short-term, which will likely manifest in higher fuel prices and could cause wider supply chain disruption both in terms of pricing and availability. That being so, there is a reasonable prospect that the profile of this Principal Risk will trend higher over coming months, and we continue to monitor the risk closely.	– **Policy and Governance** - A new **Supply Chain Management and Procurement Policy** has recently been launched which will improve the rigour and consistency of supplier onboarding, relationship management and project procurement. For example, the Policy: • prescribes that **onboarding of new construction contractors and consultants** must be approved by Senior Management. • imposes **processes and controls for the procurement of construction projects**. Procurement of all construction-related contracts and appointments must be approved by Senior Management. • mandates that all construction contractors and consultants must undergo a detailed annual performance and relationship review. • increases the regularity with which financial due diligence is undertaken on construction contractors. – **Contract Management -** contract precedents are prescribed for construction contracts and consultancy appointments.	**Current residual risk status** Medium **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 1 2 £

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 1: Power Infrastructure Capacity	Challenges in securing power infrastructure for Schemes at a viable cost and timescale.	Securing power for development sites in the UK has become increasingly challenging, leading to uncertainties, potential cost increases and project delays. The rising demand for renewable energy has strained grid infrastructure, resulting in longer connection timelines. In response, National Energy System Operator ('NESO') is undertaking the Great Grid Upgrade comprising 17 major infrastructure projects to upgrade existing networks. NESO's reforms to the grid connection application process are underway. While these changes aim to streamline connections, they also introduce new challenges. The 'first ready, first connected' approach to transmission and generation applications is now in place. The next phase of reform is a pause in connection applications, which began in January 2025 to allow NESO to implement the new application process.	– **Comprehensive due diligence** performed at the acquisition stage. – **Comprehensive power strategy approved by Board** as part of the underwrite proposal for each scheme. – **Stakeholder Engagement** with NESO, Distribution Network Operators ('DNOs'), and Independent Distribution Network Operators ('IDNOs') is maintained through ongoing discussions and reviews of infrastructure forecasts. Insights gained are used to inform development strategy. – Via **Scheme Gateway Reviews** each scheme's power strategy is subject to ongoing monitoring and, where appropriate, adaptation.	**Current residual risk status** Medium — **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 2 3 4 £

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 2: Planning System	Challenges in obtaining planning permission for schemes impacting financial returns.	The UK planning challenges include delays from an inefficient system, resource constraints within local authority planning departments, and frequent changes to government policy. Proposed reforms are, on the whole, but not exclusively, positive for Harworth: they aim to streamline processes, bolster local authority resources, restore housing targets, and boost sustainable development, with goals including the delivery of 1.5m new homes over the current parliament and critical infrastructure projects. However, significant positive impacts are unlikely until later in the parliamentary term. Industry engagement and stability are essential for progress. Added complexities come in the form of land value capture, NZC policies such as in Greater Manchester, greenbelt and BNG policies, with uncertainties around how these will be implemented in practice.	– **Comprehensive planning strategy approved by the Board** as part of the underwrite proposal. This ensures that there is a clearly defined strategy for the site promotion through to securing a planning permission. Ongoing monitoring and (where appropriate) evolution of the strategy is undertaken via Scheme Gateway Reviews and monthly Development Board meetings. – **Ongoing Stakeholder Engagement** allows for the strategy to be informed by evidence including a local authority's housing and employment land supply, status of current plan, stakeholder mapping and existing strengths and weaknesses in relationships with key stakeholders in that area. Along with ongoing stakeholder engagement to ensure confidence in our commitment to comply with all sustainability obligations including BNG legislation and regional NZC policy requirements. – **A pre-application process** is undertaken for high-risk schemes to allow for areas which need further investigation/analysis to be flagged ahead of submitting the formal application to ensure a smooth, efficient process and a reduction in the risk of delays. – **Planning Performance Agreements** are entered into with certain local planning authorities (where appropriate) which set an agreed framework for engagement during the planning process to secure a timely determination of the application.	**Current residual risk status** Medium **Risk appetite** Open **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 2 4 £
Risk 3: Construction Supply Chain	Exposure to construction supply chain may lead to increased pricing pressures, labour constraints, and risk of disputes, default and/or insolvency of supply chain partners.	Following a sustained period of materials cost inflation and constrained capacity across the construction sector, the cost of materials had stabilised, with pricing further benefiting from increased competition between contractors. However, conflict in the Middle East has caused a marked increase in oil and gas prices, and constrained shipping in that region, at least in the short-term, which will likely manifest in higher fuel prices and could cause wider supply chain disruption both in terms of pricing and availability. That being so, there is a reasonable prospect that the profile of this Principal Risk will trend higher over coming months, and we continue to monitor the risk closely.	– **Policy and Governance** – A new **Supply Chain Management and Procurement Policy** has recently been launched which will improve the rigour and consistency of supplier onboarding, relationship management and project procurement. For example, the Policy: • prescribes that **onboarding of new construction contractors and consultants** must be approved by Senior Management. • imposes **processes and controls for the procurement of construction projects**. Procurement of all construction-related contracts and appointments must be approved by Senior Management. • mandates that all construction contractors and consultants must undergo a detailed annual performance and relationship review. • increases the regularity with which financial due diligence is undertaken on construction contractors. – **Contract Management** – contract precedents are prescribed for construction contracts and consultancy appointments.	**Current residual risk status** Medium **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 1 2 £

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 4: **Physical Climate Events**	Extreme weather events and long-term climate shifts (e.g. storms, floods, wildfires, temperature extremes) disrupt construction supply chains, impact development operations, increase costs and damage assets.	UK weather patterns are increasingly volatile. Real estate development and investment are vulnerable to extreme weather events, particularly rainfall, whether short term or prolonged. The former typically gives rise to a risk of flood damage to property and/or buildings. The latter can hinder and/or delay land remediation and infrastructure development works, resulting in higher costs or deferred returns.	– As part of the **planning application process** for all new developments a comprehensive suite of environmental assessments is undertaken to identify and mitigate site-specific risks. These include a formal Environmental Impact Assessment ('EIA') and flood mapping analysis. – **Detailed plans** are maintained for all existing development and investment assets within our portfolio, capturing key environmental and infrastructure data including flood risk exposure. These plans are reviewed annually and updated following material events or changes in site conditions. – **Comprehensive construction scheduling** as part of the procurement and project planning process, development schedules are collaboratively developed with the Principal Contractor to incorporate seasonal and weather-related considerations. This ensures that construction activities are timed to minimise disruption from adverse weather conditions. Scheduling updated as needed in response to forecasted climate events.	**Current residual risk status** Medium (NEW Principal Risk) **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 2 £ H
Risk 5: **Real Estate End Markets**	Deterioration of end markets, driven by macroeconomic factors and investor sentiment, impacting valuations, financial returns and recycling of capital.	The residential land market remains subdued by both sell-side and demand-side headwinds, which continue to offset positive momentum in the I&L sector, resulting in lower overall returns at a portfolio level. The lack of demand-side stimulus for residential markets suggests that recovery is likely to be muted and/or slow, as sell-side reforms take time to materialise, economic growth stagnates and interest rates remain higher for longer. Our decision to pivot towards the I&L sector over the medium term helps to mitigate the impact of these prevailing residential market conditions. The acute volatility of the current global backdrop, emanating from the Middle East conflict, carries the potential to place downward pressure on markets in a wide ranging manner: energy price shocks and supply chain turbulence could adversely affect commercial occupier markets and lead to tenant financial distress; persistent inflation could result in rising (or at least static) interest rates and increasing borrowing costs for businesses and homeowners of housing, and rising gilt rates, which result in a softening of real estate yields. In light of this it is possible that the profile of this Principal Risk will trend higher over coming months, and we continue to monitor the risk very closely.	– **Portfolio Strategy** which is re-assessed when required by the Executive and reviewed bi-annually by the Board. – **Investment Portfolio Strategy** in place, which is re-assessed when required by the CIO and reviewed annually by the Board. – **Quarterly meetings** to cover national and regional market intelligence, which informs investment, divestment, and development strategies. Reviews and approvals of the vertical development pipeline bi-annually. – **Continuous monitoring of sales performance** against forecast via Management Information reporting to the Development Board, Executive and Board. – **Group portfolio strategy work** helps manage portfolio risk to ensure Harworth is not over exposed to a particular area of the markets/and or development lifecycle.	**Current residual risk status** Medium — **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 1 2 3 £

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 6: Capital	Inability to source adequate capital to meet our strategic growth aspirations.	The increase in pace and scale of development activity across more sites under our strategy inevitably requires more capital. This will come from a surplus of internally generated capital, supplemented by our RCF and project specific debt, as well as new third-party equity and entry into 'off balance sheet' partnerships which share the requirement for capital deployment. Competitively priced capital remains available in the form of development debt and partnership capital, albeit the cost of capital is at risk of rising if the Middle East conflict persists, causing higher inflation and interest rates. The prospect of raising balance-sheet equity remains somewhat challenging unless the Company's share price discount to NDV narrows, which could be compounded if global volatility hastens 'risk-off' sentiment amongst investors. If the Middle East conflict persists, therefore, the profile of this risk will trend higher.	– **Group funding strategy**, which identifies, at a high level, the planned sources and composition of funding for the business, most recently reviewed and approved by the Board in Q1 2026. – Forecast capital requirement is calculated for each Scheme and a **Scheme funding strategy** is developed which identifies the planned sources for that capital, drawing on the Group funding strategy. – Capital requirements and funding are monitored via monthly Development Board meetings and by the Executive via bi-annual **Scheme Gateway Reviews.** Identifying capital requirements for each Scheme to inform formulation of the Group's annual Budget and Strategic Plan.	**Current residual risk status** Medium — **Risk appetite** Cautious **Target residual risk** Low (below current risk rating) **Additional measures planned for 2026 to reduce risk in line with target:** We have identified the Schemes for which partnership funding is our preferred source of capital and are initiating engagement with prospective funding partners. **Link to Growth Drivers & Group Targets** 1 2 3 4 £
Risk 7: People	Inadequate employee value proposition impacting the ability to attract, retain, and develop quality talent, while also impacting succession planning efforts.	As the size and shape of the workforce continues to adapt to the evolution of our strategy, the Board recognises the importance of, and continues to monitor closely, talent management, succession planning and, where appropriate, structured organisational change management. This approach encompasses culture and values, organisational design, recognition and reward, talent development and succession planning.	– **Comprehensive Pay and Benefits Package** which is regularly benchmarked. – **Career Development Opportunities** including training programmes and support for CPD/further education: our investment per capita to date has been above sector norm. – We promote a **healthy work-life balance** by offering flexible working hours, hybrid work options, and support for employee wellbeing and mental health. – **Measurement and Benchmarking** – we have developed a series of metrics to benchmark ourselves externally including The Employee Net Promoter Score (+49) and Investors in People (Gold). The introduction of a new HRIS will also enable more focused tracking of employee trends and patterns including performance against Objectives & Key Results ('OKRs') and wellbeing. – **Employee Engagement** – Employee Forum takes place once a quarter which is an opportunity for representative employees from each area of the business to feedback/discuss concerns.	**Current residual risk status** Medium — **Risk appetite** Cautious **Target residual risk** Low (below current risk rating) **Additional measures planned for 2026 to reduce risk in line with target:** In 2026, we intend to refine our Talent Management and Succession Planning approach. **Link to Growth Drivers & Group Targets** 1 2 3 4 £ H

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 8: Health and Safety	Serious injury/death to employees, subcontractors, visitors, and/or occupiers resulting in operational impacts, liabilities, penalties and/or reputational damage.	We prioritise the health, safety and wellbeing of everyone involved in or impacted by our activities, including site visitors and workers. Above all else, we want everyone undertaking activity on our sites to be safe. This commitment extends across all our sites and operations, from horizontal and vertical development projects to our Investment Portfolio and our office environments. The risks which we proactively manage can be organised into three types: those which arise by virtue of our land and property ownership; those which arise as a result of our development activity, albeit typically via third-party contractors and consultants; and those which arise in our office environments.	- **Health and Safety Management System** approved by Board and designed in line with recognised standards HSG65, ISO45001 and ISO14001 to ensure the effectiveness of risk management. Supported by a cloud-based digital incident reporting/investigation software. - **Assurance & Performance Monitoring** which provides assurance that the EHS management system is operating effectively. This comprises: • site-based inspection regime ('first line'). • quarterly site-based and desktop compliance audits ('second line'). • performance monitoring through key channels such as the EHS Committee (management committee). - **Mandatory EHS training** provided to the business. Attendance at these is linked through to bonus gateways to ensure participation.	**Current residual risk status** Low — **Risk appetite** Cautious **Target residual risk** Low (aligned to current risk rating) **Link to Growth Drivers & Group Targets** £ H
Risk 9: Liquidity	Inability to maintain optimum levels of working capital to meet business as usual obligations.	Our investment in our land and development is funded from internal generation of capital from sales alongside our debt funding facilities, such as the RCF. We retain a high degree of control on spend, with budgets for the following year shaped by cash generation in the preceding year. Internal generation of capital from land and Investment Portfolio sales was a more challenging exercise in the second half of 2025, principally due to prevailing residential land market conditions which resulted in longer deferred payment profiles on sales to house builders and a prolonged period leading up to the UK Budget which deferred investment decisions by counterparties. That said, we successfully completed another high volume of land and asset sales towards the end of 2025, increased the RCF to £275m and secured an infrastructure loan for enabling works to open up our Wingates Scheme. This means that we retain headroom in working capital for business as usual obligations and we continue to regard this risk as low.	- **Treasury policy** is approved by Board and reviewed annually in line with overall business needs, operational activities and maintenance of debt facilities. - **Group funding strategy**, which identifies, at a high level, the planned sources and composition of funding for the business, was most recently reviewed and approved by the Board in Q1 2026. - **Sales are tracked** and cash flow forecasts are refreshed on a weekly basis and monitored closely by the CFO and wider Executive team. - **Covenants in the RCF** and other borrowing facilities are monitored monthly based on forecast cash flows.	**Current residual risk status** Low (NEW Principal Risk) **Risk appetite** Cautious **Target residual risk** Low (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 1 2 3 4 £

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 10: Climate Transition and Reporting	Failure to successfully transition to NZC, leading to non-compliance with regulatory and reporting requirements, inability to meet the NZC targets we set ourselves, and associated reputational damage.	Transitioning to NZC poses a significant challenge to the business, driven by the complexity of decarbonising large, long-term brownfield regeneration projects and the significant embodied carbon associated with remediation, construction and infrastructure delivery. The business is highly dependent on suppliers, contractors and future occupiers adopting low-carbon approaches, creating alignment and timing risks across the value chain. Increased regulatory expectations and evolving corporate reporting standards have potential to add compliance and cost pressures, in particular for our 2040 NZC Commitment and the associated 2030 NZC Commitment 3, specifically for commercial developments. Our NZC Pathway is an approach to mitigating these risks, it sets out our corporate and development-based approach to NZC. It has a wide-ranging impact on the Group, from our investment case to shareholders through to operational activity, including the need to embed NZC principles into all projects while remaining profitable. Our approach to development continues to evolve to reflect external factors including industry and stakeholder metrics, as well as the varied/emerging approaches taken by Local and Combined Authorities to NZC, emissions targets and restrictions through the planning process. The commitments within the NZC Pathway, combined with the ongoing evolution of standards/regulation at a national, regional, local and industry level, mean this risk remains an important area for the business to understand and manage.	- **The Harworth Way** is the Group's formal framework for embedding sustainability and social value principles into all aspects of the business and its developments. This control ensures that our NZC targets are integrated into corporate culture, strategic planning, and the full development lifecycle, from concept design through to completion. The framework is reviewed annually by the Board to align with evolving regulatory requirements and stakeholder expectations. - **Governance Structure:** The Group maintains a formal governance structure comprising the Board (oversight of sustainability risks, opportunities, targets and performance) and Audit Committee (oversight of regulatory and reporting requirements). - **ESG Reporting Assurance:** year-on-year enhancements to reporting assurance, which readies us for implementation of the new ISSB reporting regime.	**Current residual risk status** Medium **Risk appetite** Cautious **Target residual risk** Low (below current risk rating) **Additional measures planned for 2026 to reduce risk in line with target:** - We plan to establish a structured **compliance management framework** to identify, assess, manage, and report on compliance obligations across all business functions. - **Increased data capability** via the Group's Digital Transformation Project to help identify, assess, manage, and report on compliance obligations across all business functions. - Introduce a **strategy for integration** to business process as part of our approach to align with the new ISSB reporting standards. - Introduction of a **Sustainability Committee** (management committee) as part of our formal governance structure, giving operational oversight of ESG initiatives which implement The Harworth Way and contribute to meeting our NZC targets and support reporting. - **Comprehensive review** of the five NZC Commitments as part of the evolution of our NZC Pathway. - **Increased levels of third-party assurance** to support compliance with regulatory and reporting requirements. **Link to Growth Drivers & Group Targets** 1 £ H

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 11: Digital Transformation Project	Failure to implement a scalable and integrated digital architecture that enables operational efficiency, business growth, continuous innovation and effective AI adoption.	Like all organisations, Harworth operates in an environment defined by rapid technological change, including the emergence and mounting prominence of Artificial Intelligence. While evolution of the technologies we use is and will remain progressive, we recognise the need for a step-change in our digital maturity and are addressing this via our Digital Transformation Project. This carries a host of opportunities to drive operational efficiencies and enhance decision-making.	– We have selected a **strategic delivery partner** which has extensive expertise in digital transformation, project/system delivery and software development. – **KPIs** have been defined and are tracked/monitored on a monthly basis. – **Project and Programme Governance** is in place for the project which includes regular meetings of Senior Management to ensure risks are effectively managed and the project is on track to meet its objectives within budget and timeframe. – **Business Engagement** – regular communication to the Business; with training taking place at key points throughout the DTP lifecycle as well as involvement of key user groups to ensure successful adoption of new systems.	**Current residual risk status** Medium (NEW Principal Risk) **Risk appetite** Cautious **Target residual risk** Low (below current risk rating) **Additional measures planned for 2026 to reduce risk in line with target:** – **DTP initiatives** will continue to progress and mature in 2026, delivering on key milestones within the roadmap. – **Technology Target Operating Model** is being developed to ensure new technology systems, services and process can be maintained and benefits sustained once the Digital Transformation Project has been delivered. **Link to Growth Drivers & Group Targets** £ H

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 12: Digital Resilience	Failure to maintain digital resilience, resulting in compromised business continuity, loss of intellectual property or data, ineffective cyber incident response, and failure to support strategic enablement.	Cyber threats pose an ever-evolving risk to all businesses. Those operating in the real estate sector, which are often engaged in high-value transactions and project-based activities and rely on valuable information relating to land, property and projects, are particularly vulnerable to ransomware attacks, intellectual property theft, business email compromise and invoice fraud. The materialisation of any one of these threats, or self-harm via careless handling of commercially sensitive information, could prejudice business continuity and/or give rise to significant financial losses and/or serious reputational harm. As Harworth's portfolio, activities and profile grow, so will its vulnerability to cyber threats. It is also important that digital resilience security keeps pace with the changes we are implementing as part of our digital transformation project.	- We have an **Information Security Management System** ('ISMS') that is aligned with ISO 27001 and industry best practice. - **Revised data backup strategy** implemented a ransomware resilient backup plan to safeguard critical business data. - We are utilising **network monitoring and defence systems** to detect and prevent security threats. - Systems deploying **malware defence mechanisms** to protect against malicious software. - **Cyber risk insurance** maintained to mitigate the financial impact of potential security breaches. - We conduct annual **penetration testing**, regular **phishing simulations**, and continuous IT **system vulnerability scanning** to identify and address weaknesses proactively. - We have a robust (and recently updated) **Cyber Incident Recovery Plan** to ensure operational resilience during a cyber-attack or system failure.	**Current residual risk status** Medium — **Risk appetite** Cautious **Target residual risk** Low (below current risk rating) **Additional measures planned for 2026 to reduce risk in line with target:** - Publish **revised policies** to business, making clear to employees standards and processes expected. - Update and roll out **new training** platform to Harworth on cyber security risks. - Transition to a new **Document Management Access and Storage system** which will support improved information classification and access controls. - Deliver **Cyber Simulation & Operational Exercise testing** of Cyber Incident Response Plan. **Link to Growth Drivers & Group Targets** £ H

Principal Risks and uncertainties
continued

PRINCIPAL RISKS

Risk	Description	Commentary	Mitigation	Risk profile
Risk 13: Government Policy Implementation	Challenges in slow and/or inconsistent implementation of government policy across our regions alongside devolution and local government reform changing the landscape that we (investors and businesses) are operating in.	Harworth, like its peers in the real estate sector, operates within a regulatory and economic framework that is heavily influenced by government policy. Political changes, whether through central government or local authority elections, leadership transitions, or shifts in political priorities often carry uncertainty and/or delay, and some adversely impact our strategy and/or business model and, therefore, the returns we can make for shareholders and/or the positive outcome we can deliver for wider stakeholders.	– Continuous **horizon scanning** is undertaken to identify and assess emerging policy risks and opportunities. – **Modelling** - Where a policy is deemed to potentially have an impact on Harworth (positive or negative) the Business will engage with relevant stakeholders to undertake an impact assessment (supported by financial modelling where it is reasonable to do so), scenario planning and development of mitigation plans. – A **stakeholder engagement programme** is in place that outlines communication and engagement strategies for key stakeholders including local and central government, community groups, trade bodies and investors. – **Site-specific engagement:** where individual schemes are negatively impacted by implementation of government policy (inconsistent or otherwise), we develop comprehensive stakeholder plans and leverage key relationships to unblock challenges and minimise the impact.	**Current residual risk status** Medium (NEW Principal Risk) **Risk appetite** Balanced **Target residual risk** Medium (aligned to current risk rating) **Link to Growth Drivers & Group Targets** 1 2 3 4 £

LINK TO STRATEGY

1 Repositioning our core Investment Portfolio to modern Grade A

2 Increasing direct development of Industrial & Logistics space

3 Accelerating sales and broadening the range of our Residential products

4 Scaling up through land acquisitions and promotion activities

CHANGE IN RESIDUAL RISK IN THE YEAR

£ Group targets

H Sustainability - The Harworth Way

— No change

∧ Increase

∨ Decrease

RISK APPETITE

AVERSE
We avoid risk and uncertainty.
Avoidance of risk and uncertainty is the overriding objective, and activities should only be undertaken when they carry no or very low inherent risk.

CAUTIOUS
We prefer options which carry low risk.
Preference for activities and delivery options which carry a low degree of inherent risk or are deemed to carry a low degree of residual risk after mitigation.

BALANCED
We are willing to consider a range of options and tolerate a degree of risk.
Willing to undertake activities and consider delivery options which carry a medium degree of residual risk. This may mean that activities carry a high degree of inherent risk but are deemed to carry medium residual risk after mitigation.

OPEN
We are focused on maximising opportunities and returns.
Prepared to undertake activities and consider delivery options which carry (or may carry) a medium to high residual risk, with the objective of maximising opportunities and returns. Typically, such activities will be core to Harworth's business model and corresponding risk/reward profile.

Non-financial and sustainability information statement

This table signposts non-financial and sustainability information in this report and further reading on our website.

PRINCIPAL RISKS

Reporting requirement	Our policies and standards	Website (www.harworthgroup.com)	Reference in the 2025 Annual Report	Page
Environmental matters and climate-related financial disclosure requirements	- NZC Pathway and subsequent progress reports - We utilise internal carbon assessment briefs for I&L buildings and infrastructure and remediation projects, requiring whole life carbon assessments at design stage, monitoring and reporting of construction emissions, and as-built emissions reporting at completion	Sustainability, Energy & Natural Capital – The Harworth Way	- The Harworth Way, Planet - TCFD Statement - SECR reporting	32 to 33 74 to 82 72 to 73
Employees	- Employee Code of Conduct Policy - Our Purpose, Culture, Values and Behaviours - Equity, Diversity & Inclusion Policy - Speak Up Policy	About us – Our people, culture & values Responsible Business – Speak Up	- The Harworth Way, People - Culture and workforce engagement - Nomination Committee Report, diversity and inclusion - Audit Committee Report, whistleblowing/speak up	32 and 35 96 104 114
Human rights	- Anti-Slavery and Human Trafficking Policy - Modern Slavery Statement	Responsible Business – Policies Responsible Business – Modern Slavery	- Audit Committee Report, compliance	114
Social	- Communities Framework - Supplier Code of Conduct - Safety, Health and Environmental Management System Policy - Charitable Giving Policy	Sustainability, Energy & Natural Capital – The Harworth Way Responsible Business – Policies	- The Harworth Way, Communities	32 and 34
Anti-bribery and corruption	- Policy for the prevention of fraud, bribery, corruption and facilitation of tax evasion	Responsible Business – Policies	- Audit Committee Report, compliance	114
Business model		About us – How we create value	- Our business model	29 to 30
Principal risks and uncertainties		Investors – Managing risk	- Effectively managing our risk	58 to 59
Non-financial key performance indicators			- Key Performance Indicators	7 to 8

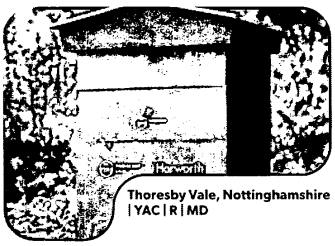
Streamlined Energy and Carbon Reporting ('SECR') Disclosure

Streamlined Energy and Carbon Reporting

We report here our greenhouse gas emissions ('GHG') and energy consumption in compliance with the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Aligned with our financial reporting, the GHG emissions data below relates to our financial year ended 31 December 2025. Restated emissions data from the financial years ended 31 December 2024 and 31 December 2023 have been provided for comparison.

Unless otherwise stated, our emissions data is calculated using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emissions factors from the UK Government's GHG Conversion Factors for Company Reporting 2023, 2024 & 2025. We follow the Environmental Reporting Guidelines: including SECR guidance March 2019 in all instances.



Thoresby Vale, Nottinghamshire | YAC | R | MD

Harworth uses the operational control boundary method to calculate GHG emissions, whereby we report on sources of environmental impact for areas over which we have control.

Occupiers' and contractors' individual energy usage and emissions are not included in our Scope 1 and Scope 2 reporting boundary as they are not deemed to be within our operational control, but we disclose these in the Net Zero Carbon Pathway Progress Report 2025, where we have also published an extensive methodology which outlines our approach to carbon reporting. As Harworth's operations are wholly based in the UK, 100% of our reported energy consumption and emissions relate to the UK.

We continue to improve our data collection processes, enabling us to capture a more accurate and complete data set for the prior years (2023 and 2024) as well as the current year. As a result, we have restated prior year's figures to allow a year-on-year comparison.

Improvements in 2025 include the use of half hourly data, sourced directly from energy supplier portals, to report electricity consumption, thus increasing both accuracy and granularity. We have also commenced with the rollout of submetering to increase accuracy and access to data in relation to utilities. We will see the benefit of this from 2026 onwards.

We first included the reporting of public transport paid via company credit cards in October 2024, therefore in 2025 we can report these emissions against a full calendar year for the first time.

PROGRESS IN 2025

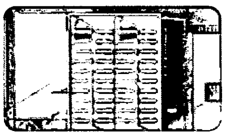
Total
- Overall reduction in Scope 1, 2 & 3 Total location-based emissions of -11% and market-based emissions of -14% in 2025.
- Overall decrease in Total Scope 1 & 2 energy use in kWh of -7% YoY.

SCOPE 1
- Significant reduction in site fuel emissions driven by the ceasing of diesel fuel pump usage at our Prince of Wales site.

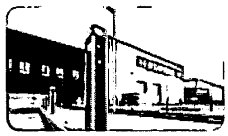
SCOPE 2
- Overall reduction in Scope 2 location-based emissions of -25% resulting from the ongoing business strategy of transitioning to a Grade A portfolio and grid decarbonisation.
- We have continued to transition our electricity procurement to REGO backed green electricity, thus reducing our Scope 2 market-based emissions by -65% and will continue this approach in 2026.

SCOPE 3
- Despite an increase in staff numbers we have seen a modest decrease of -2% in our Business Travel emissions. This is driven by a continued shift to greener travel choices. EV usage as a % of all distanced travelled increased from 13% to 16% and train usage increased from 26% to 31%. Both diesel and petrol car share of travel decreased.
- Water-related emissions decreased resulting from the ongoing business strategy of transitioning to a Grade A portfolio and a reduction in water consumption at one of our development sites.

Prince of Wales, West Yorkshire | YAC | R | MD



Gateway 36, South Yorkshire | YAC | I&L | MD



Daniell unit at AMP, South Yorkshire | YAC | I&L | IP

Streamlined Energy and Carbon Reporting ('SECR') Disclosure
continued

GREENHOUSE GAS EMISSIONS (TCO_2E)

			Unit	2025	2024	2023
Greenhouse Gas Emissions						
Scope 1	Site Fuel[1]		tCO_2e	4	20	70
	Natural Gas[2]			191	155	126
	Leased Vehicles[3]			5	6	12
	Total			**200**	**181**	**208**
Scope 2	Location-based	Leased Vehicles[3]		3	3	1
		Assets[4]		281	375	448
		Total		**284**	**378**	**449**
	Market-based	Leased Vehicles[3]		6	7	2
		Assets[4]		35	108	667
		Total		**41**	**115**	**669**
Total Scopes 1 & 2	Location-based			**484**	**559**	**656**
	Market-based			**241**	**296**	**877**
Selected Scope 3	Business Travel[5]			90	92	120
	Homeworking[6]			31	29	27
	Waste Disposal[7]			0.1	0.1	2
	Water Supply[8]			3	5	13
	Water Treatment[8]			3	6	15
	Total			**127**	**131**	**176**
Total Emissions	Location-based*			**612**	**690**	**832**
	Market-based**			**369**	**426**	**1053**
Energy Consumption						
Scope 1			kWh	2,130,673	2,179,919	1,427,488
Scope 2				1,603,477	1,827,677	2,166,884
Total Scopes 1 & 2				**3,734,150**	**4,007,596**	**3,594,372**
Renewable Energy Exported to the National Grid[9]				6,742.0	9,790.0	14,677.0
Revenue Intensity Ratio						
Total Scopes 1 & 2: tCO_2e / £m Rev				**3.7*** **	**3.1**	**9.1**

Note: Totals may not sum due to rounding as under ying calculations use more precise data and rounding is applied.
* the 2024 figures have been restated from 694tCO_2e to 690tCO_2e following the receipt of more accurate data during 2025.
** the 2024 figures have been restated from 436tCO_2e to 426tCO_2e following the receipt of more accurate data during 2025.
***in 2025 the business revenue is lower than 2024, leading to an increase in emissions intensity despite the overall reduction in emissions year-on-year.

1. Fuel used for leased plant on Harworth sites where Harworth directly controls the operation.
2. Includes consumption at Company-owned offices, leased offices, landlord controlled areas of leased assets, vacant units, and other Harworth assets.
3. Fuel and electricity used in vehicles leased by Harworth.
4. Includes consumption at Company-owned offices, leased offices, landlord controlled areas of leased assets, vacant units, infrastructure, other Harworth assets and electricity used to charge EV's on our sites.
5. Includes business travel in all employee-owned vehicles and public transport. Where possible we have used vehicle specific CO_2e emission factors to increase accuracy of reporting. Business Travel does not include employee commuting.
6. Working hours from home for all employees.
7. Includes waste from landlord controlled areas of leased assets and head office. Calculated emissions are based on waste weight, type, and disposal method.
8. Includes consumption at Company-owned offices, leased offices, landlord controlled areas of leased assets, vacant units, and other Harworth assets
9. Energy produced and exported to the national grid by the solar PV panels at Harworth's head office, Advantage House.

Task Force on Climate-related Financial Disclosures

Harworth has historically committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). We recognise that, with the disbanding of the TCFD in 2023, and the transition to reporting based upon the International Sustainability Standards Board ('ISSB') Reporting Standards, our reporting will need to evolve to meet the proposed implementation timescales, enabling alignment to ISSB and the proposed implementation of the UK Sustainability Reporting Standards (UK SRS).

Our 2025 reporting continues to follow the TCFD recommendations. The TCFD recommendations aim to provide investors and other stakeholders with useful information on climate-related risks and opportunities that are relevant to our business. Below we have provided more detail on how we align with these recommendations.

Financial Conduct Authority's Listing Rules
In this context, we have considered our 'comply or explain' obligation under the Financial Conduct Authority's UK Listing Rule 6.6.6R (8), and confirm that we have made disclosures consistent with the TCFD Recommendations and Recommended Disclosures in this Annual Report, save for certain items, which are summarised below:

- **Strategy: Recommended Disclosure b) in relation to financial planning** – We continue to work towards a quantitative assessment of the impact on our financial planning and performance of the short-, medium- and long-term risks and opportunities identified in our 2°C and 4°C scenarios. We expect to continue to address data limitations, as Harworth invests in systems and resourcing to capture more data to align with the ISSB reporting standards, in preparation for meeting the requirements of the UK SRS.
- **Metrics & Targets: Recommended Disclosure b) in relation to Scope 3 GHG emissions** – We have continued to make progress consolidating the range of measurement and wider understanding of our Scope 3 GHG emissions. We have completed an initial assessment to identify significant emissions sources across our value chain and to understand their potential financial impacts. Construction emissions and tenant energy use have been identified as material sources. The measurement of Scope 3 emissions is reliant on the disclosure of data to us by suppliers and customers. We are currently working with suppliers, customers and other stakeholders to gather the required data, and expect to be in a position to disclose this information in the next reporting cycle. Scope 3 emissions reporting for 2025, as published in our NZC Pathway Progress Report 2025, now covers a significant proportion of our overall Scope 3 emissions. We will continue to further widen our emissions data sets, as outlined in our NZC Pathway Progress Report 2025, with a view to align with the ISSB reporting standards, in preparation for meeting the requirements of the UK SRS when they are fully introduced.

The following sections provide detail for the core elements of Governance, Strategy, Risk Management and Metrics/Targets.

GOVERNANCE

Board oversight of climate-related risks and opportunities
In April 2025, we completed the planned transition of sustainability oversight from a separate ESG Committee to the main Board, with responsibility for ESG reporting now sitting with the Audit Committee. This change promotes the embedding of sustainability considerations in all strategic decisions. Further detail on the rationale for these changes, together with the ESG Committee's activities during the first quarter of 2025, is set out in the ESG Committee Report within the 2024 Annual Report and Accounts page 141. The Audit Committee monitors effectiveness of systems for risk management and internal control and now has oversight of ESG reporting and associated reporting processes. See pages 110 to 114 of the Audit Committee Report. The Audit Committee also oversees the quality and completeness of ESG reporting within the 2025 Annual Report, ensuring integration with financial and strategic disclosures.

Management oversight of climate-related risks and opportunities
The Chief Executive has overall responsibility for ensuring the Group's strategy incorporates ESG principles and objectives. The Chief Financial Officer is responsible for our NZC strategy, ESG reporting and overseeing climate-related risks and opportunities.

Board and Management's role in assessing and managing climate-related risks and opportunities
The Board and Audit Committee are supported by Harworth's sustainability team, which was established in 2022 following the appointment of a Director of Sustainability, who reports directly to the Chief Financial Officer. The sustainability team works with members of the Senior Executive, the Development Board and representatives from teams across the business, including the delivery teams, finance, the people team, asset management, legal and enterprise risk management, to share knowledge, develop policies and guidance, and consider how best to address climate-related risks and opportunities in our operations. The sustainability team then reports progress and proposed policies and actions to the main Board and Audit Committee.

Climate-related risks including resilience of sites, biodiversity enhancement/protection, and evolving sustainability standards, continue to shape the Group's long-term planning and asset management activities.

Climate-related risks are now considered under two of the business' Principal Risks; Risk 4 – Physical Climate Events and Risk 10 – Climate Transition and Reporting. Details of the Principal Risk process are provided on pages 64 and 67.

Task Force on Climate-related Financial Disclosures
continued

We consider stakeholder impact in our project appraisals, and all business cases must factor in the environmental and societal impact of each project in line with The Harworth Way, our sustainability framework. As part of this process during 2024 and 2025 we undertook a wide range of analysis in relation to understanding carbon pricing mechanisms that could assist our risk management and decision-making during our development projects. We intend to utilise this work in our transition to align with ISSB reporting standards.

The management team engages with several external bodies, including the UN Global Compact, UK Green Building Council, the British Property Federation, The Future Homes Hub and the Construction Industry Research and Information Association, as well as local authorities, to enhance its understanding and management of climate change risk and opportunities. The team monitors external climate-related issues and emerging policy and best practice, including a horizon scanning regime led by our legal team, with support from our legal panel firms.

In addition, the management team works closely with suppliers including consultants, contractors and manufacturers in relation to climate-related issues, emerging policy and best practice affecting development projects, while liaising with tenants on energy use and energy monitoring.

STRATEGY

Harworth integrates its approach to climate change and transition through its Sustainability Framework, The Harworth Way, which is our framework for integrating sustainability and social value into both our business and the developments we create. It is critical to our ability to make a lasting impact on the environment and our communities.

Further information on The Harworth Way can be found on page 32 of this Annual Report and in Harworth's standalone 2025 NZC Pathway Progress Report, which is available on our website. GHG emissions data can be found in our SECR disclosure on pages 72 to 73.

Overview of climate-related risks and opportunities

We continue to consider our relevant time horizons to be short-term (three years), medium-term (three years to 15 years); and long-term (beyond 2040). Our short-term time horizon is aligned to our growth strategy, to reach £1bn NDV estimated to be between 2028 and 2029. Our medium-term time horizon corresponds to approximate development timelines for the majority of our current major development and strategic land sites.

Our assessment of climate risks and opportunities in the short-, medium- and long-term assumes a scenario in which global temperature rise is limited to 2°C by 2100 (aligned to Representative Concentration Pathway ('RCP') 2.6 as outlined by the Intergovernmental Panel on Climate Change ('IPCC')), but we have also considered the impact of a 4°C (RCP 8.5) scenario on the risks and opportunities outlined in this report. The table below shows our main assumptions relating to the UK under each scenario, using forecasts from the Climate Change Committee.

In identifying the risks and opportunities outlined in this section and their impact on our financial planning and performance, we have considered the likelihood of the risk based on current and forecast market data and trends, and the potential impact based on the type and condition of our portfolio assets and their location. The assessment of climate risk informs our updated Principal Risks: Risk 4 – Physical Climate Events and Risk 10 – Climate Transition and Reporting. Details of the Principal Risk process are provided on pages 64 and 67.

We have also considered the mitigation measures that we currently and could potentially implement, which have informed our climate risk assessment. Given the complex nature of our sites, a qualitative review is undertaken that considers the type and condition of our portfolio assets and their location considering the potential impacts, financial, strategic, operational and reputational on the Group. In addition, through the planning and delivery phases, all our developments follow the regulatory and legislative requirements for assessing and implementing measures to mitigate climate change. Together, these factors determine the prioritisation of individual risks and opportunities in our asset and Group-level financial planning.

Task Force on Climate-related Financial Disclosures
continued

HARWORTH'S ASSUMPTIONS FOR UK

	2°C scenario	4°C scenario
Transition approach	The UK and other nations largely meet their currently pledged decarbonisation commitments, and Harworth follows its NZC Pathway.	The UK and other nations take only very limited steps to meet their currently pledged decarbonisation commitments, but Harworth still follows its NZC Pathway.
Physical impacts by c.2050	– Annual average temperatures: +0.6°C from present – Mean sea level rise: +16cm to +33cm from present – Heavy rainfall: +10% increase from present – UK heatwaves 'like 2018 summer (the joint hottest on record)': 50% chance each year	
Physical impacts by c.2100	– Annual average temperatures: +1.3°C from present – Mean sea level rise: +29cm to +70cm from present – Heavy rainfall: +20% increase from present – UK heatwaves 'like summer 2018': 50% chance each year	– Annual average temperatures: +3.0°C from present – Mean sea level rise: +53cm to +114cm from present – Heavy rainfall: +50% to +70% increase from present – UK heatwaves 'like summer 2018': 90% chance each year

SHORT-TERM RISKS (3 YEARS)

Risk category	Risk title	Link to Growth Drivers & Group Targets	Description, impact on business, strategy and financial planning	Assessment and mitigation
Transition				
Policy & Legal	Minimum Energy Efficiency Standards (MEES)	1, 2	The introduction of 'energy in-use' performance ratings could result in increased costs, a loss of rental income and a decline in valuations if our Investment Portfolio assets do not meet minimum standards. Proposed MEES legislation is expected to require all commercial property to be a minimum EPC B by 2030.	We plan to transition our Investment Portfolio to Grade A and to increase its value to £0.9bn as part of the wider business strategy. At the end of 2025 76% of our Investment Portfolio was Grade A by value, an increase from 63% in 2024. Our 2023 Carbon Risk Real Estate Monitor assessments ('CRREM') cover the majority of our Investment Portfolio and feed into our Asset Management plans. A continuous workstream reviewing Energy Performance Certificates ('EPCs') and potential impact of MEES is also ongoing. The outcomes of these reviews will feed into our approach to quantitative assessment of climate risk on an asset-by-asset basis.

Task Force on Climate-related Financial Disclosures
continued

MATERIAL SHORT-TERM RISKS (3 YEARS) CONTINUED

Risk category	Risk title	Link to Growth Drivers & Group Targets	Description, impact on business, strategy and financial planning	Assessment and mitigation
Policy & Legal continued	Changes to regulation and policy	2, 3, 4	Increased one-off and operating costs across our major development sites arising from regulation and changes to policy in areas such as green energy procurement, EV charging point installation, emissions tax and BNG.	At present there are a range of emerging updates to both regulation and policy that could affect the operation of the business, examples at a corporate level include the implementation of the UK SRS, at a development level the proposed updates to Building Regulations and at a local level the disparate approach of individual planning authorities. At a corporate level we will review our NZC Pathway in 2026 and at a development level we incorporate reviews of emerging regulation and policy and the implications on our development proposals. Our developments already often exceed minimum building regulations and emphasise high-quality placemaking. We believe this approach improves the sustainability of our assets, and this is reflected in their valuation and rental profile. We have also reviewed our energy tariffs and transferred a significant proportion to REGO backed tariffs, which should provide an opportunity to lower our Scope 2 emissions on a Market basis. We do, however recognise that the key focus should be on location-based emissions. In 2025 we created our first BNG Habitat Banks. The outcomes of this process will feed into our approach to quantitative assessment of nature-based risk into our development processes.
	Transition to NZC	1, 2, 3, 4, £	Transitioning to NZC poses a significant long-term challenge to the business, driven by the complexity of decarbonising large, long-term brownfield regeneration projects and the significant embodied carbon associated with remediation, construction and infrastructure delivery. The business is highly dependent on suppliers, contractors and future occupiers adopting low-carbon approaches, creating alignment and timing risks across the value chain. Increased regulatory expectations and evolving reporting standards add further compliance and cost pressures, while the capital investment required to meet 2040 NZC commitments could be substantial. Our NZC Pathway is an approach to mitigating these risks, it sets out our corporate and development-based approach to NZC.	**The Harworth Way** is the Group's formal framework for embedding sustainability and social value principles into all aspects of the business and its developments. This control ensures that our NZC targets are integrated into corporate culture, strategic planning, and the full development lifecycle, from concept design through to completion. The framework is reviewed annually by the Board to align with evolving regulatory requirements and stakeholder expectations. **Governance Structure:** the Group maintains a formal governance structure comprising the Board (oversight of sustainability risks, opportunities, targets and performance) and Audit Committee (oversight of regulatory and reporting requirements). **ESG Reporting Assurance:** year-on-year enhancements to reporting assurance, which readies us for implementation of the new ISSB reporting regime. We have continued to make progress consolidating the range of measurement and wider understanding of our Scope 3 greenhouse gas emissions related to our 2040 Commitment. The measurement of the Scope 3 emissions is reliant on the disclosure of data to us by suppliers and customers. Scope 3 emissions reporting for 2025, as published in our NZC Pathway Progress Report 2025, now covers a significant proportion of our overall Scope 3 emissions. We will continue to further widen our emissions data sets, as outlined in our NZC Pathway Progress Report 2025, with a view to align with the ISSB reporting standards, in preparation for meeting the requirements of the UK SRS when they are fully introduced.

Task Force on Climate-related Financial Disclosures
continued

MATERIAL SHORT-TERM RISKS (3 YEARS) CONTINUED

Risk category	Risk title	Link to Growth Drivers & Group Targets	Description, impact on business, strategy and financial planning	Assessment and mitigation
Market	Availability of materials and equipment	2, 3	There could be challenges in acquiring the materials and equipment needed to manage our transition in a timely and cost-effective way, due to significant demand across the market and constrained supply chains.	We monitor the market, while undertaking rigorous tender processes and utilise market intelligence regarding supplies of such materials or equipment. By taking action ahead of regulatory deadlines, we will potentially avoid procurement during peak times of demand and constrained supply.
	Increased energy efficiency standards for new buildings	1, 2	An increase in energy efficiency specifications both through regulation and increased expectations of occupiers and home buyers would require additional expenditure on development and fit-out, which could depress land values.	We work with our suppliers and housebuilder partners to deliver high-quality products, which already exceed market expectations, and have developed a commercial building specification to improve environmental performance. We are also reviewing the impacts of updates to BREEAM standards and wider emerging industry guidance on NZC for buildings. In 2025 we worked closely with our house builder partners in relation to carbon emissions from to the construction process in delivering energy-efficient homes. The outcomes of this work should be reflected in the valuation, pricing and rental profile of our land and assets.
	Carbon pricing	1, 2, 3, 4, £	The introduction of carbon pricing on high emission materials and activities or through wider regulation, and premiums for and/or availability of lower-carbon alternatives could impact the costs of procuring raw materials for our supply chain and in remediating and preparing land across our sites.	Our procurement approach and the costs associated with remediation and preparation are considered early in project planning, and we undertake rigorous tender processes. We conduct ongoing monitoring of material costs and use technical resource to mitigate any impact of rising prices. We continue to monitor and react to changes in planning policy, such as those introduced in Greater Manchester, which include specific NZC requirements and also consider wider possible regulatory/legislative updates, such as the Carbon Border Adjustment Mechanism ('CBAM'). We consider the impacts of these requirements on our development appraisals and valuations alongside increasing levels of industry guidance.
Reputation	Investor & Stakeholder requirements	£	Investor and other stakeholder requirements in respect of sustainability performance increase, creating a risk of reputational damage where expectations are not met, and impacting our ability to raise capital or create new partnerships.	Harworth continues to enhance its environmental reporting, our NZC Pathway provides a framework for measuring progress against our objectives. We continue to engage closely with investors, other stakeholders and industry bodies to ensure our environmental reporting continues to evolve and meet expectations.
	Public perception	1, 2, 3, 4	Communities that are impacted by climate-related events such as flooding on or close to our developments may perceive the Group to be contributing to this or not doing enough to mitigate any impacts.	We will continue to monitor the potential impact of climate-related events at our sites and the surrounding area and engage with local authorities and community groups to ensure they understand Harworth's role and responsibilities. As part of our master developer process, we seek to mitigate climate-related risks through each stage of project delivery including flood risk assessments.
Physical				
	Acute Physical Risks	1, 2, £	Some increases in the incidence of acute physical risks, such as heatwaves, storms, and flooding, could result in increased costs to create, repair, replace and future-proof infrastructure across our major development sites and buildings in our Investment Portfolio.	Resilience is already factored into our development design, for example through developing sustainable urban drainage systems ('SUDS') and sustainable cooling and heating systems for industrial units. We maintain a flood risk register for all sites and undertake a flood risk assessment as part of the planning and design process.

Impact of a 4°C scenario: Short-term transition and physical risks would be largely unchanged from the 2°C scenario.

Task Force on Climate-related Financial Disclosures
continued

SHORT-TERM OPPORTUNITIES (3 YEARS)

Opportunity category	Opportunity title	Link to Principal Risk	Likelihood of opportunity or risk	Impact on business, strategy and financial planning	Assessment and mitigation
Transition					
Products & Services	Transition to Grade A	– Physical Climate Events – Climate Transition and Reporting – Capital	Low	Through increasing direct development and transitioning our Investment Portfolio to Grade A, we can provide market-leading industrial & logistics space with a high environmental specification.	Grade A assets would be expected to be in higher demand from occupiers and therefore, generate higher rental income and valuations. Harworth has committed that all its new commercial developments will be NZC in construction and operation by 2030 and to transition our Investment Portfolio to Grade A.
Resilience	Development Design	– Planning System – Physical Climate Events – Climate Transition and Reporting – Government Policy Implementation	Medium	Our commercial building specification for new direct development will deliver future-proofed assets that require less maintenance and reduced transition costs in the future. Across our sites we promote public transport use, create cycle paths and walkways, undertake biodiversity improvements and use SUDS to mitigate flood risk.	Our commercial build specification includes minimum standards in relation to EPC, BREEAM and carbon emissions. An environmental appraisal is integrated into all site decision-making, and we engage with stakeholders to ensure best practice and to identify new opportunities. This improves the desirability of our sites, driving land values higher.
	Low-Carbon Design	– Power Infrastructure Capacity – Physical Climate Events – Climate Transition and Reporting	Low	By accelerating the transition to low-carbon energy generation and storage across our developments, we can improve our energy security and mitigate the impact of energy price rises and volatility.	Our Energy & Natural Capital ('ENC') team aims to leverage energy generation and storage opportunities across our portfolio. We continue to review the portfolio to identify these opportunities.
Energy Efficiency	Reducing Energy Consumption	– Physical Climate Events – Climate Transition and Reporting – Power Infrastructure Capacity	Low	Reducing energy consumption through low-carbon transport, encouraging flexible working and energy-saving measures such as timed and LED lighting.	As part of our NZC Pathway, we are introducing several measures to improve energy efficiency, which will reduce costs and improve productivity.
Energy Source	Increasing Renewable Energy	– Power Infrastructure Capacity – Planning System – Physical Climate Events – Climate Transition and Reporting	Low	Our portfolio is well-placed to meet increased demand for land for renewable energy schemes and offsetting, particularly on parts of our sites where other types of development would not be viable. The scale of our sites means it is often easier and more cost effective to implement on-site renewable energy generation.	The ENC team supports all areas of the business in identifying opportunities to introduce energy generation and storage into our schemes, providing additional revenue streams and an opportunity to mitigate emissions from within our portfolio.

Impact of a 4°C scenario: Short-term opportunities would be largely unchanged from the 2°C scenario.

Task Force on Climate-related Financial Disclosures
continued

MEDIUM-TERM RISKS (2028–2040)

2°C scenario

Transition risks will continue and intensify, with stricter regulation on energy efficiency and planning, potentially with a greater focus on the retrofitting and future-proofing of older assets, which may increase the costs of direct development and those borne by our housebuilder customers. Occupier expectations of sustainability and energy efficiency will also continue to increase, particularly amongst small and medium-sized businesses, which may not have previously had the resources, financial capacity, or regulatory requirement to focus on this issue. Infrastructure obsolescence due to changes in demand for climate-resilient technologies could result in shorter asset lifecycles and impose additional costs on the business. Harworth will mitigate the impact of some of these changes through the transition of our Investment Portfolio to modern Grade A.

The development of carbon taxes may increase the costs of remediating and preparing strategic land sites, as well as the costs of delivering buildings, due to the amount of energy required. This could impact the viability or profitability of progressing some sites through the planning system, and, therefore, the valuation of our land bank.

Investors will become less tolerant of environmental underperformance as they face pressure to decarbonise their own portfolios to achieve NZC goals. Harworth's response to this risk is to ensure our environmental performance improves through our decarbonisation strategy, and that our disclosures evolve in line with best practice.

Additional physical risks may emerge, with slight rises in river peak flows and associated flood losses. Summers will become warmer with an increased risk of heat stress, leading to minor increases in the cost of cooling buildings and adaptation measures at our sites to protect those most vulnerable.

Impact of a 4°C scenario

Under this scenario, the physical risks outlined in the 2°C scenario may intensify further and become more frequent, increasing the speed of infrastructure obsolescence and the cost of adaptation measures.

MEDIUM-TERM OPPORTUNITIES (2028-2040)

2°C scenario

Opportunities may arise from cheaper and more effective technologies to achieve energy efficiency, allowing Harworth to generate more of its operating energy from on-site renewables. There is also likely to be a greater promotion of public transport, for example bringing old railway lines back into use with new low-carbon and automated transport technologies. Harworth's status as a master developer will allow us to include these features in our sites and mitigate challenges from the outset. This will benefit the connectivity and land value of our sites, many of which have former railway sidings and lie adjacent to major road networks. There may also be greater demand for land used for offsetting, as buyers approach their own NZC deadlines and implement BNG requirements, which would provide additional opportunities for our significant land bank and portfolio.

Impact of a 4°C scenario

Under this scenario, demand for adaptation measures, low-carbon transport and land for offsetting are all likely to decrease, owing to less focus on climate transition risks. This lower demand would be reflected in the valuation of Harworth sites. There may be less opportunities to achieve energy efficiencies and cost savings through new technologies than under a 2°C scenario as it is assumed there would be less investment and incentives to encourage the development of these technologies.

LONG-TERM RISKS (2040–2060)

2°C scenario

The prevalence of physical risks is likely to be higher. These could include material increases in the frequency of acute risks such as flooding, particularly in low-lying areas of Yorkshire & the Humber, such as Doncaster. This could lead to significant decreases in land values and increased costs of repairs, mitigation measures and insurance premiums at our sites in these areas. Chronic risks such as hotter summers will also mean increased energy consumption in our buildings and maintenance costs, due to increased demand from occupiers for air cooling technologies, and adaptation measures to ensure adequate rainwater collection and storage at our sites. There is also the potential for fundamental changes in construction methods and materials, that could increase building costs and thereby depress land values.

Transition risks will also intensify, with even higher environmental specifications for industrial & logistics assets and housing. The expectations of investors and other stakeholders with regards to environmental performance will increase further, particularly as 2050 decarbonisation targets expire.

Impact of a 4°C scenario

Physical risks could be significantly higher. The Met Office's UK Climate Projections 2018 predict that UK sea levels could rise by over a metre by 2100 in this scenario, which could significantly increase flooding risk in low-lying parts of Yorkshire & the Humber, such as Doncaster. Average summer temperatures for the Yorkshire & Humber, North West and East Midlands regions are likely to rise on average by over 3°C by 2100 under this scenario, which could lead to increased costs in cooling and repairing buildings, and those costs arising sooner than under a 2°C scenario. These increased physical risks could have significant impacts on the economy in general, leading to lower levels of economic output and higher unemployment, impacting demand for our sites and our ability to raise finance.

LONG-TERM OPPORTUNITIES (2040–2060)

2°C scenario

Access to secure and sustainable sources of energy and water, and reliable transport and communications infrastructure will become critical for ensuring the resilience of residential and industrial & logistics developments. Harworth's expertise in future-proofing and resilience in the design of its developments will allow us to be at the forefront of these needs, making our sites more attractive. There is also the potential for technological advances to make future-proofing of buildings more cost effective, thereby reducing the costs of adaption.

Task Force on Climate-related Financial Disclosures
continued

Impact of a 4°C scenario
As physical risks could be significantly higher, the demand for future-proofing and resilience in the design of developments is likely to be greater, meaning we could realise land value increases sooner than in a 2°C scenario.

CONCLUSIONS OF RISKS AND OPPORTUNITIES ANALYSIS

Our assessment of climate risks and opportunities in the short, medium and long-term, using different global temperature rise scenarios, has concluded that, based on information currently available, the Group's strategy is set up well to manage risks, mitigate impacts on the business, strategy and financial planning, and enhance the business as opportunities arise. Although the impact could be high under certain scenarios, our approach to masterplanning our sites and development will allow us to reflect changing environmental conditions and underpins the resilience of the business model to climate-related risks.

RISK MANAGEMENT

Identifying and assessing portfolio-level risk
The Board is responsible for identifying and evaluating the Group's principal and emerging risks that could potentially impact the execution of our strategy, business model, future performance, solvency, liquidity or reputation. Our corporate approach to Risk Management is outlined on pages 58 to 70.

For our two climate-related Principal Risks we consider inherent risk (before factoring in the mitigation measures in place), to be medium.

Identifying and assessing asset-level climate-related risk
All business cases and project appraisals must factor in the environmental risks inherent in each project. Currently, these are largely qualitative assessments, but we intend to begin quantified measurement of their impact for acquisitions and direct development to align with the ISSB reporting standards, in preparation for meeting the requirements of the UK SRS.

Managing risks
Principal Risks are monitored through the Group Principal Risk Register. The Company engages closely with industry bodies such as the UK Green Building Council and receives periodic updates on sector activity from its suppliers. At an asset-level, risk management is undertaken through project appraisals and site reports.

Steps taken to manage and mitigate our Climate transition risks:

- One of our key strategic objectives is to transition our Investment Portfolio to modern Grade A.
- Our commercial building specification requires that new buildings will meet BREEAM Very Good, target BREEAM Excellent and EPC rating A while meeting emissions and energy targets.
- We will continue to develop disclosure of climate-related metrics to demonstrate progress and address stakeholder expectations.
- We will continue to maximise opportunities for on-site renewable energy generation.
- We will continue to implement energy efficiency measures through our built developments.

We will utilise our land portfolio to maximise opportunities in relation to carbon sequestration and biodiversity enhancement through the work of our Energy and Natural Capital Team.

Steps taken to manage and mitigate our climate physical risk include:

- More efficient infrastructure delivery methods and adaptation measures such as SUDS installed across sites.
- Regular flood risk assessments and proactive responses to any issues arising.

An outline of our processes for mitigating, transferring, accepting, or controlling risks can be found on pages 58 to 70.

Task Force on Climate-related Financial Disclosures
continued

METRICS & TARGETS

METRICS USED TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES

	Current metrics used	2025	2024	2023	Target
Transition risks	GHG emissions data: Scope 1, Scope 2[1] and selected Scope 3 emissions associated with our business operations.	GHG emissions data can be found in our Streamlined Energy and Carbon Reporting disclosure on pages 72 to 73.			
	% Investment Portfolio that is EPC Grade C or above.	79%	82%	75%	100%
	Proportion of commercial building space developed in year incorporating renewable energy provision.	100%	100%	100%	100% from 2023
	Proportion of electricity consumed by Harworth operations that is generated from renewable sources.	95%	86%	70%	100%
Physical risks	Proportion of development taking place on land designated by the Environment Agency as flood zone 1 (low probability) or flood zone 2 (medium probability) following any mitigation measures.	100%	100%	100%	Maintain at 100%
Opportunities	% Investment Portfolio that is Grade A[2] at year-end.	76%[2]	63%	51%	100%
	Acreage of Harworth-owned land used for sequestration or offsetting and BNG.	646 acres	160 acres	120 acres	390 acres by 2025

1. Scope 2 emissions, including consumption at company offices, landlord controlled areas of leased assets, vacant units, infrastructure, other Harworth assets and electricity used to charge EVs.
2. Grade A is a widely-used industry term that is understood to mean 'best-in-class' space which is new or relatively new, high-specification and in a desirable location, allowing unit to attract a rent that is above the market average.

Further details on the methodologies used to calculate NZC targets are set out in our NZC Pathway Progress Report 2025 and methodology statement.

Group targets and scores are set out in the Directors' Remuneration Report.

ADDITIONAL METRICS CURRENTLY BEING EXPLORED FROM 2025

Transition risks:
- Data on remaining categories of Scope 3 emissions
- % of sites with EV charging capabilities
- Cost of offsetting and kg CO_2 offset per annum

Physical risks:
- Spending on infrastructure projects that will reduce risks of physical climate impacts at sites

Opportunities:
- Cost savings from improved energy efficiency and sourcing
- % of company shares held by ESG-focused funds

Targets to measure climate-related risks and opportunities
Harworth's NZC Pathway is our commitment to reaching NZC by 2030 for Scope 1, Scope 2, and selected Scope 3 emissions in line with our SECR reporting, and to reaching NZC by 2040 for all emissions. More information can be found in our NZC Pathway Progress Report 2025, which has been published alongside our Annual Report.

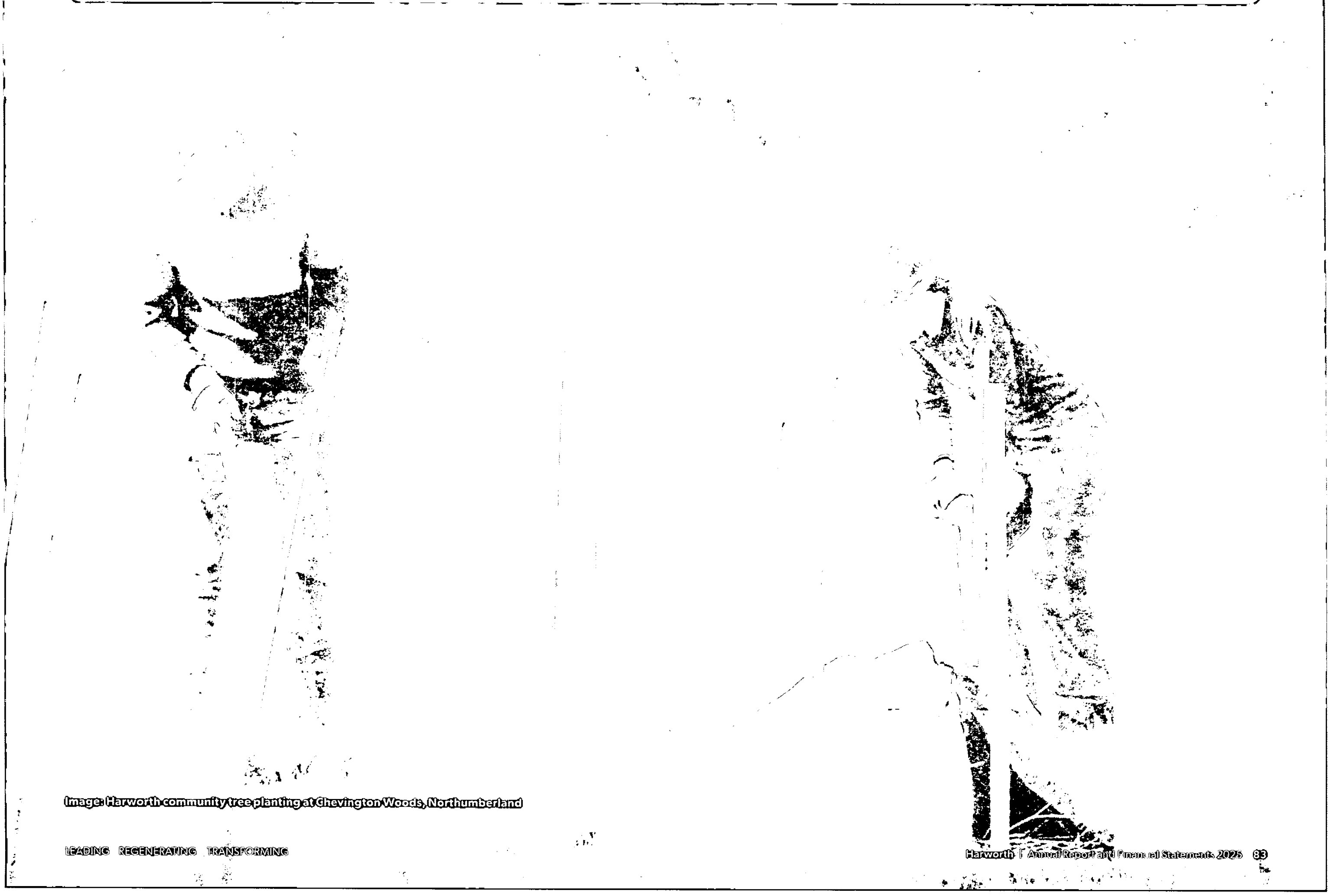


Image: Harworth community tree planting at Chevington Woods, Northumberland

Long-term viability statement

VIABILITY PERIOD AND RATIONALE

The Directors have assessed the prospects of the Group and its Principal Risks over a longer period than the period required by the Going Concern Statement (see the Statement of Directors' Responsibilities at pages 137 to 138).

The Board conducted a review for a period of four years ending 31 December 2029. This period was selected for the following reasons:

- the Group's strategic plan covers a four-year period;
- for a major scheme four to five years is a reasonable approximation of the time taken from obtaining planning permission and remediating the site to letting property on and/or developing material parts of the site; and
- most leases contain a five-year rent review pattern and therefore four years allows for forecasts to include the majority of reversion arising from such reviews.

The final two years of the period are by their nature less certain and are less detailed in their projections.

Resilience of business model

The Group's strategy continues to be focused on continued growth through increasing direct development of Industrial & Logistics buildings, accelerating land and property sales, broadening the range of Residential products, growing our Strategic Land portfolio, and repositioning our core Investment Portfolio to modern Grade A. The repositioned Investment Portfolio continues to provide a diversified portfolio of income-producing assets for the Group to support coverage of operating and financing costs. This enables the Group to create value in modern Industrial & Logistics buildings while supporting the transition to NZC.

Our I&L land pipeline now comprises our largest ever volume of development-ready and, strategically positioned to meet the growing demand being generated from the industrial, advanced manufacturing, defence, energy, and data centre sectors.

Projections have been prepared in the context of the Group's Strategy and its principal income streams, which are:

- sales of Residential and commercial serviced land, for which there are plans reaching out to 2030;
- rental income from income-producing industrial properties which, at 31 December 2025, had a vacancy rate of 2% at year-end, a WAULT of 11.2 years and a rent collection of 99.0%; and
- development and investment management, planning promotion and investment fees.

Regular income from the income-producing portfolio with low vacancy rates helps to support cost coverage. The income-producing properties within the Industrial & Logistics and Natural Resources sectors have a diverse range of tenants. The land and property portfolio is spread across all stages of our business model which gives the opportunity, if required, to advance sites at an earlier stage (through master-planning and planning promotion). The well-reported challenges across the residential market persist, with a lack of demand side stimulus and ongoing cost and regulatory pressures. Despite this, we delivered sales volumes in-line with target levels, albeit transactions completed on terms reflecting these market headwinds. The Industrial & Logistics portfolio has seen robust performance, despite low economic growth. Having teams in Yorkshire, the Midlands and the North West balances the Group's exposure to any one region.

Adequacy of financial resources

Net debt at year-end of £145.9m represented a 15.6% net loan to portfolio value. The total Group RCF is £275.0m, provided by NatWest, Santander and HSBC and is aligned to the Group's strategy, providing significant liquidity and flexibility to enable us to pursue our strategic objectives. The interest rate on the RCF is based on an LTV ratchet mechanism with a margin payable above SONIA in the range of 1.95% to 2.25%.

The Group RCF matures in 2029, and the Group facilities were refinanced on improved terms compared with the previous facility in line with the requirements of the Group's strategy. The Group's lenders remain supportive, most recently approving the increase in the facility to £275.0m during Q4 2025 for a four-year period to November 2029.

Principal risks and uncertainties

Reporting on the Group's viability requires the Directors to consider those Principal Risks that could impair the solvency and liquidity of the Group. During H1 of 2025 the Board undertook a comprehensive review and refresh of the Principal Risks to ensure they remain aligned with our strategic objectives and are reflective of the evolving external landscape. This review adopted a 'first-principles' approach, focusing on strategic objectives and the risks to achieving them, rather than building on existing Principal Risks. The extensive review process for the Principal Risks over 2025 did not result in a fundamental revision of the risk profile of the Group, it led to a refinement of the existing set of Principal Risks. The principal risks and uncertainties that the Board considers could impair solvency and liquidity relate to adverse changes in: real estate end markets; capital and liquidity risk; and planning system risk, with consideration also given to impacts relating to the climate transition and reporting risk and wider business risks as identified in the Effectively managing our risk section of this Annual Report on pages 58 to 59.

Assessment of long-term prospects and sensitivities

The four-year strategic plan is focused on the expected growth of the business primarily in terms of EPRA NDV and Total Accounting Return including dividends. The strategic plan also incorporates the Group's projected valuations, recurring income, cash flows, covenant compliance, financing headroom and other key financial ratios over the period. These metrics are subject to sensitivity analysis which involves flexing the main assumptions underlying the forecasts both individually and in unison.

The key risks and the scenarios considered as part of the sensitivity analysis are set out below. Throughout the strategic plan period, the Group expects to continue to transform land and property into sustainable places where people want to live and work. While under the sensitivity analysis EPRA NDV growth plus dividend as well as the Group's headroom within its facilities could be impacted temporarily, the long-term business model is expected to remain resilient throughout the cycle, enabling Harworth to continue to deliver the Group's Purpose in a sustainable manner.

Long-term viability statement
continued

KEY RISKS AND SCENARIOS CONSIDERED

Risk: Markets
Real estate end markets

Scenario
- A deterioration of end markets, driven by macroeconomic factors and investor sentiment, could lead to a reduction in valuations, financial returns and the recycling of capital.
- Notwithstanding strong rent collection, a deterioration of end markets could impact on some tenants' ability to pay rent and lead to loss of rent or restructuring of rental payments.
- As a result, expenditure on new land and property acquisitions could be restricted.

Mitigation and further analysis
- The portfolio provides a spread of sites across the Group's three core regions and properties are diversified across the Residential and Industrial & Logistics sectors. The Residential sector remains subdued offset by resilient momentum in the Industrial and Logistics market. Our decision to pivot towards the Industrial & Logistics sector over the medium term helps to mitigate the impact of these prevailing residential market conditions.
- Pursuant to our strategy, we are working to mitigate any potential downturn by introducing new products at our Residential sites, repositioning our Investment portfolio to modern Grade A and aligning the speed of our direct development to market conditions, de-risking development through pre-let or forward funding agreements where appropriate.
- The Group works closely with tenants in its Investment Portfolio on payment terms that support both parties to continue to actively manage rent collection.
- If necessary, development expenditure can be reduced and rephased to match more closely market demand and conserve cash.

Risk: Finance
Capital and liquidity risk

Scenario
- A market downturn reducing sales volumes would lower income.
- Short-term downward valuation movement and lower income receipts could result in reduced headroom under the financial covenants in the RCF.
- Higher interest rates would reduce headroom within interest cover covenants.
- Inability to maintain optimum levels of liquidity to meet business obligations and growth aspirations, due to failure to meet targets for recycling capital.
- Inability to source adequate equity and/or debt capital at viable cost.

Mitigation and further analysis
- At year-end, the Group had a low Net LTV, good liquidity with debt headroom and cash resources providing sufficient financial flexibility to continue to operate across its sites. Adequate headroom on facility limits and financial covenants is projected throughout the four-year period.
- The Group RCF was refinanced during the year and provides a £275.0m facility which expires in 2029. The Group will enter discussions with lenders well in advance of the RCF expiry to ensure continuity in funding of the Group's activities.
- The RCF can be supplemented by project-specific funding where relevant. We continue to pursue and unlock grant funding and site- specific loans where appropriate.
- The Group continues to actively review the risk of interest rate increases and consider hedging requirements with respect to projected drawn debt balances. At 31 December 2025 the Group's only drawn debt was on the RCF facility which incurs interest at SONIA + a margin. No hedging was in place at 31 December 2025, with the Group's hedging strategy to hedge the lower of around half its average debt during the year or its net debt balance at year-end. Following the year-end an interest rate cap on £50m of borrowings was put in place, and further hedging remains under review.
- Reduced activity on sites as set out above would reduce development expenditure and conserve cash resources.
- The Group continues to review portfolio and project-specific financing options.

Risk: Sustainability
Climate transition and reporting risk

Scenario
- Failure to successfully transition to NZC, leading to non-compliance with regulatory and reporting requirements.
- Inability to meet the NZC targets we set ourselves and associated reputational damage.
- Potential impact of climate change on our sites, slowing development programmes and reducing sales.

Mitigation and further analysis
- **The Harworth Way** is the Group's formal framework for embedding sustainability and social value principles into all aspects of the business and its developments. This control ensures that our NZC targets are integrated into corporate culture, strategic planning, and the full development lifecycle, from concept design through to completion. The framework is reviewed annually by the Board to align with evolving regulatory requirements and stakeholder expectations.
- Risks associated with the regulatory and reporting requirements were overseen by the Audit Committee and risks associated with sustainability, opportunities, targets and performance were overseen by the Board. See further in the ESG Committee Report and Principal Risks and uncertainties section on pages 58 to 70.
- A Non-Executive Director with a strong background in sustainability was appointed to the Board in 2022.
- We have undertaken initial high-level scenario modelling covering NZC pathway and transition risks.
- Further development of an Energy and Natural Capital strategy, which includes opportunities for carbon sequestration, biodiversity net gain, carbon trading and use of renewable energy.
- All buildings delivered in 2025 met our NZC Pathway targets for embodied emissions and operational energy use in commercial buildings, allowing the Group to mitigate its Scope 3 emissions.

Long-term viability statement
continued

KEY RISKS AND SCENARIOS CONSIDERED

Risk:
Planning system

Scenario
- Challenges in obtaining planning permission for schemes with potential for adverse impact on EPRA NDV growth.

Mitigation and further analysis
- Ongoing stakeholder engagement with local planning authorities and key local stakeholders.
- The potential impact of planning reforms is modelled into project appraisals ahead of acquisition.

Risk: Other
Including project delivery, organisational development and design

Scenario
- Exposure to construction supply chain may lead to increased pricing pressures, labour constraints, and risk of disputes, default and/or insolvency of supply chain partners.
- Government policy and local government reform which could have the potential effect of slow and/or inconsistent implementation across our regions.
- Insufficient and/or inappropriate resources, resulting in increased staff costs or reduced productivity.

Mitigation and further analysis
- A new Supply Chain Management and Procurement Policy has recently been launched which will improve the rigour and consistency of supplier onboarding, relationship management and project procurement.
- Our central technical team monitors contractor 'concentration risk' and promotes consistencies and knowledge-sharing across our portfolio.
- We continually review changes in policy and local government reform alongside potential future changes, building the impacts into future site and strategic planning.
- Detailed forward planning and consideration of the appropriate organisational design mitigates the risk of misalignment between resources and targeted strategic outcomes.
- There are high levels of employee satisfaction within the business as reported on page 35.

Viability statement
Based on the results of this analysis and having considered the established controls and available mitigation actions for principal risks and uncertainties, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet their liabilities as they fall due over the period of their assessment.

Governance

IN THIS SECTION

Chair's introduction to Governance

ALASTAIR LYONS
CHAIR

Stewarding strategic delivery

Dear Shareholder,
On behalf of Harworth's Board, I am pleased to present the Governance Report for 2025.

The year in review
During 2025 the Board remained focused on delivering Harworth's established strategic objectives while adapting to reflect the significant amount of change and uncertainty in the macroeconomic environment. How to respond to subdued activity in our principal markets and how best to allocate our capital were key factors shaping Board discussions throughout the year and informing decisions that balanced near-term priorities with their long-term impact.

Harworth's values and governance framework are closely aligned and guide our approach. Robust governance processes underpin Board activities, ensuring we address risks, uncertainties and opportunities effectively. Led by a highly capable management team and supported by a strong governance structure, the Board is confident that Harworth is well-positioned to navigate challenges and unlock opportunities as we pursue our strategic objectives.

Board succession
We were pleased to welcome Phil Redding as an independent Non-Executive Director on 10 September 2025. With over 35 years of experience in UK and European commercial real estate, particularly in the high growth industrial and logistics sector, Phil brings expertise that will support our ambition to scale our Industrial & Logistics development and grow our portfolio. His contributions have already added significant value to Board discussions. Further details on the process to appoint Phil and his induction can be found in the Nomination Committee Report on page 106.

Ruth Cooke retired from the Board at the Company's AGM in May 2025 after six years of service. On behalf of the Board, I thank Ruth for her contribution.

External Board performance review
In line with the UK Corporate Governance Code 2024 ('Code'), the Board undertakes an external review every three years. I oversaw this year's external Board performance review, led by Lintstock, which concluded that the Board and its Committees continued to operate effectively. More on the process and findings can be found on page 103.

Sustainability
In April 2025, we completed the planned transition of sustainability oversight from a separate Environmental, Social and Governance ('ESG') Committee to the main Board, with responsibility for ESG reporting now sitting with the Audit Committee. This change promotes the embedding of sustainability considerations in all strategic decisions. Further detail on the rationale for these changes, together with the ESG Committee's activities during the first quarter of 2025, is set out in the ESG Committee Report within the 2024 Annual Report and Accounts (pages 140 and 141).

Chair's introduction to Governance
continued

During the year, the Board has overseen progress against our Net Zero Carbon ('NZC') Pathway and the continued integration of environmental and social priorities into the Group's operations, reinforcing our purpose of creating lasting positive impacts for the planet and the communities we serve. Our approach continues to be guided by The Harworth Way, detailed on pages 32 to 35. In addition, the NZC Pathway Progress Report for 2025 was published alongside this Annual Report and is available on our website.

Remuneration Policy
We are pleased that our new Directors' Remuneration Policy was approved at the 2025 AGM with a 75.67% majority, following extensive shareholder engagement. In accordance with the Code, the Remuneration Committee engaged further with shareholders following the AGM to confirm our intention to implement the proposed Policy, reiterating the rationale for the changes, and explaining how they align with Harworth's strategy. An update in response to the Directors' Remuneration Policy vote at the AGM is in the Directors' Remuneration Report on page 131.

Stakeholder engagement
The Board continues to be mindful of all stakeholders in its decision-making and recognises its wider societal responsibilities. Our Section 172(1) Statement is on pages 100 to 102.

People and culture
Harworth's culture underpins the delivery of our strategy, with the Board actively guiding and championing its development. Following the cultural review completed in 2024, the focus in 2025 was on embedding our refreshed values and behavioural competency framework. The Board received regular updates from the Chief Executive and a detailed update from the Director of Resources and Transformation covering people strategy, culture, talent and succession planning, diversity and inclusion activities and engagement survey results. Direct engagement with the wider workforce through site visits and informal lunch sessions provided valuable insight into how our culture is lived day-to-day.

Further details of the Board's oversight of culture are available on page 96.

Conclusion
Following a challenging year, I would like to extend my grateful thanks to all our people for the significant progress the business made as a result of their hard work and considerable efforts. I also thank my Board colleagues for their continued commitment and valuable contributions throughout the year. I look forward to welcoming shareholders to our AGM on 18 May 2026. Further details can be found on page 136 and the Notice of AGM is available on our website.

ALASTAIR LYONS
CHAIR
16 MARCH 2026

NZC Pathway Progress Report for 2025
Read more at www.harworthgroup.com/sustainability

APPLICATION OF THE 2024 CODE

The UK Corporate Governance Code 2024 ('the Code') is the key governance framework to which the Company was subject during the financial year ended 31 December 2025. It can be found in full on the Financial Reporting Council's ('FRC') website at www.frc.org.uk.

The Board considers that throughout the year it complied with the Principles and Provisions of the Code with the exception of Provision 29, which becomes effective for accounting periods beginning on or after 1 January 2026. Preparations are underway to ensure full implementation of this Provision in the next reporting cycle.

In line with the Code's enhanced focus on outcome-based reporting, this Annual Report sets out how our governance arrangements have operated in practice and the outcomes they have delivered. Details of how we have applied the Code and complied with it are outlined in the following sections.

REFERENCE	
Board leadership and Company purpose	
Board effectiveness	103
Purpose, strategy, values and culture	2, 96, 97
Governance framework	98
Section 172(1) Statement	100
Culture and workforce engagement	96
Division of responsibilities	
The role of the Chair	99
Directors' independence	90 to 92
Non-Executive Directors' external commitments and conflicts	90 to 92
Board and Committee effectiveness	106, 109
Composition, succession and evaluation	
Board composition	90 to 92
Succession planning	107
Board appointment process	106
External Board performance review	103
Audit, risk and internal control	
External auditor effectiveness, internal audit and integrity of accounts	113
Fair, balanced and understandable assessment	112
Internal financial controls and risk management	114
Remuneration	
Alignment of remuneration with purpose and strategy	124
Formal and transparent development of Remuneration Policy	131
Independent judgement and discretion	132

Board of Directors

ALASTAIR LYONS
CHAIR

Date of Appointment N R
07/03/2018

Skills and experience
Alastair brings extensive board leadership and governance experience across financial services, real estate, infrastructure and insurance. He has chaired major organisations including Admiral Group, Serco, Towergate Insurance and Welsh Water, and currently chairs Vitality UK. His executive background includes senior roles at Abbey National and NatWest, providing strong expertise in strategy, risk management and stakeholder engagement. Awarded a CBE for services to social security, Alastair also offers valuable public sector insight.

External appointments
Chair of Vitality UK.

LYNDA SHILLAW
CHIEF EXECUTIVE

Date of Appointment N D
01/11/2020

Skills and experience
Lynda brings deep expertise in property investment, development and strategic leadership. She has held senior roles across real estate and financial services, including Group Property Director at Town Centre Securities and Divisional CEO, Property at Manchester Airports Group, where she oversaw major investment portfolios and large-scale developments such as Airport City. Her earlier career includes managing real estate portfolios for BT and Co-operative Group and leading Lloyds Banking Group's global real estate lending division. Lynda also offers strong governance experience through former Non-Executive roles at The Crown Estate and Vivid Housing Association and currently chairs the BPF Regional Policy Committee.

External appointments
None

KATERINA (KITTY) PATMORE
CHIEF FINANCIAL OFFICER

Date of Appointment D
01/10/2019

Skills and experience
Kitty brings strong financial leadership and capital markets expertise to Harworth. She previously led finance and operations at Harwood Real Estate, and oversaw investor relations and capital markets including leading an LSE Main Market fundraising process. Her earlier career in banking included structured real estate finance at Barclays and mezzanine financing across the UK and Europe for DRC Capital. Kitty also contributes governance and audit expertise as a Non-Executive Director and Audit Committee Chair at LondonMetric Property plc.

External appointments
Non-Executive Director of LondonMetric Property plc.

ANGELA BROMFIELD SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment N R
01/04/2019

Skills and experience
Angela brings extensive board and governance experience, currently serving on the boards of Marshalls plc and C&C Group plc, where she chairs Remuneration Committees and contributes to ESG, Audit and Nomination oversight. She has a strong background in commercial strategy, marketing and communications, gained through senior roles at Morgan Sindall, Tarmac Group, Premier Farnell and ICI. Angela's experience spans manufacturing, distribution, construction and infrastructure, with a track record of driving transformation, customer focus and sustainable growth.

External appointment
Non-Executive Director of Marshalls plc and of C&C Group plc.

Board of Directors
continued

PATRICK O'DONNELL BOURKE
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment A
03/11/2020

Skills and experience
Patrick brings extensive financial and governance expertise from a career spanning infrastructure, utilities and investment. He is Chair of Pantheon Infrastructure plc and previously chaired its Audit & Risk Committee. His board experience includes Ecofin US Renewables Infrastructure Trust, Calisen and Affinity Water. Patrick's executive roles included Group Finance Director at John Laing Group and Viridian Group, where he later became Group Chief Executive. A qualified chartered accountant with a background in investment banking, Patrick offers deep knowledge of corporate finance, risk management and strategic oversight.

External appointments
Chair of Pantheon Infrastructure plc.

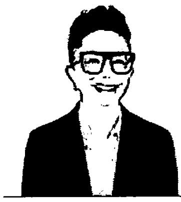
LISA SCENNA
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment A N
01/09/2020

Skills and experience
Lisa brings over 30 years of experience driving strategic and financial transformation across property, asset and funds management in both the UK and Australia and across listed and private entities. She has held senior leadership roles at Westfield, Stockland, Laing O'Rourke and Morgan Sindall. A qualified chartered accountant, Lisa combines deep strategic and financial insight with strong governance expertise, gained through multiple Non-Executive positions where she chairs and serves on Remuneration, Audit and Nomination Committees.

External appointments
Non-Executive Director of Genuit Group plc (listed in the UK) and Cromwell Property Group and Ingenia Communities Group (both listed in Australia). Non-Executive Director of Dexus Capital Funds Management Limited (based in Australia).

MARZIA ZAFAR
INDEPENDENT NON-EXECUTIVE DIRECTOR



Date of Appointment A
01/06/2022

Skills and experience
Marzia brings extensive expertise in sustainability and energy transition, developed over more than 20 years shaping policy and strategy for regulators, businesses and global organisations. She is Deputy Director for Strategy & Decarbonisation at Ofgem and previously held senior roles including Director of Sustainability & Policy at Kaluza Technologies and Director of Insights at the World Energy Council. Earlier in her career, Marzia spent 11 years with the California Public Utilities Commission, where she led policy and planning initiatives, including California's Energy Action Plan and smart meter deployment. Her experience in decarbonisation, regulatory frameworks and stakeholder engagement supports Harworth's commitment to sustainable growth.

External appointments
Deputy Director for Strategy & Decarbonisation at Ofgem.

PHIL REDDING
INDEPENDENT NON-EXECUTIVE DIRECTOR

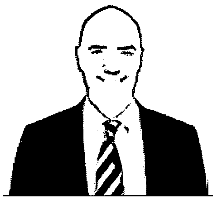
Date of Appointment R
10/09/2025

Skills and experience
Phil brings over 35 years of UK and European commercial real estate experience, with particular expertise in the high-growth industrial and logistics sector — a key strategic focus for Harworth. He has held senior leadership roles for more than a decade, most recently as Chief Executive Officer of Tritax Eurobox plc, where he oversaw its £557 million sale to Brookfield in 2024. Previously, Phil spent 25 years at SEGRO plc, including eight years as Chief Investment Officer, leading investment strategy and capital allocation across Europe.

External appointments
Chair of Schroder European Real Estate Investment Trust ('SEREIT') plc.

Board of Directors
continued

MARTYN BOWES
NON-EXECUTIVE DIRECTOR



Date of Appointment
24/03/2015[1]

Skills and experience
Martyn brings extensive financial and real estate expertise from a career spanning banking and property development. He was Managing Director of Real Estate Finance at Barclays Capital from 2001 to 2007, leading complex financing transactions across the sector. Since then, he has pursued a portfolio career, including co-leading the acquisition of Welbeck Land in 2012, where he now serves as Finance Director. Martyn also advises Manhattan Loft Corporation and maintains interests in real estate and healthcare, offering Harworth strong insight into capital structuring, investment strategy and development finance.

External appointments
Director of multiple private limited companies predominantly within the Welbeck Land Group.

1. Previously Non-Executive Director of Harworth Estates Property Group Limited ('HEPGL') from 19 March 2013.

CHRIS BIRCH GENERAL COUNSEL AND COMPANY SECRETARY

Date of Appointment D
06/06/2016

Skills and experience
Chris brings extensive legal and governance expertise to Harworth. A qualified solicitor since 2005, he trained with Eversheds and spent 12 years as a corporate restructuring lawyer, advising on complex transactions and risk management. Chris is a member of the Executive and leads on legal strategy, corporate governance, health & safety and audit & assurance.

External appointments
None

BOARD AND COMMITTEE MEETING ATTENDANCE[1]

Name	Board	Rem Co	Audit Co	Nom Co	ESG Co[7]
Alastair Lyons	8/8	3/3		2/2	2/2
Lynda Shillaw	8/8			2/2	2/2
Kitty Patmore[2]	5/8				0/2
Angela Bromfield	8/8	3/3		2/2	2/2
Ruth Cooke[3]	3/3		2/2	1/2	
Lisa Scenna[4]	8/8	2/2	5/5	1/2	
Patrick O'Donnell Bourke	8/8		5/5		
Marzia Zafar[5]	8/8		2/3		2/2
Martyn Bowes	7/8				2/2
Phil Redding[6]	2/2	1/1			

1. There were eight scheduled Board meetings, including the Strategy Day, during 2025. There were also Board calls to sign off the 2024 full-year results and 2025 interim results, and to approve certain transactions, which are not reflected in the table above.
2. Kitty Patmore commenced maternity leave in September 2024 and resumed attendance at Board meetings in June 2025. Dougie Maudsley was appointed as Interim Chief Financial Officer and attended all Board and Audit Committee meetings during this period; however, he did not assume a role as a statutory Director.
3. Ruth Cooke, who was a member of the Audit Committee and Nomination Committee, retired from the Board with effect from 19 May 2025.
4. Following the retirement of Ruth Cooke and appointment of Phil Redding, Lisa Scenna moved from the Remuneration Committee to the Nomination Committee.
5. Following the retirement of Ruth Cooke, Marzia Zafar was appointed to the Audit Committee.
6. Phil Redding joined the Board and was appointed to the Remuneration Committee with effect from 10 September 2025.
7. As set out in the ESG Committee Report within the 2024 Annual Report and Accounts (pages 140 and 141), the ESG Committee was dissolved in April 2025.

KEY
- A Audit Committee
- N Nomination Committee
- Committee Chair
- D Disclosure Committee
- R Remuneration Committee

Roles and responsibilities Read more on page 99

Image: Catalyst at AMP, South Yorkshire | I&L | IP

Board leadership and Company purpose

Harworth's purpose - 'to transform land and property into sustainable places where people want to live and work' - guides our strategy, business model and Board decision-making. The Board ensures this purpose is reflected in our values, which inform our culture, aligning the interests of shareholders, employees and wider stakeholders.

Our Board comprises individuals with diverse skills and experience drawn from property, infrastructure, investment, finance and governance, and from both private and public sectors. This breadth of perspective supports effective decision-making and constructive challenge. Independent Non-Executive Directors provide external insight and constructive challenge, holding the Executive to account for performance against agreed objectives, and ensuring decisions consider long-term stakeholder impact.

The Board's core responsibility is to promote Harworth's sustainable success, generating value for shareholders and contributing positively to society. It sets the Group's strategic objectives, ensures that the necessary financial, human and operational resources and plans are in place to achieve those objectives, and maintains oversight of performance against them. The Board determines the risk appetite of the business and ensures it operates within a framework of prudent and effective controls that enable risks to be assessed and managed accordingly. The Board also ensures effective engagement with shareholders and other key stakeholders, fulfilling its obligations under section 172 of the Companies Act 2006. It works to support the Executive in shaping the culture of the business and embedding Harworth's purpose and values in everything we do.

Across the year the Board assessed progress against the strategic plan and in-year budget, receiving regular operational and financial updates from the Executive. This oversight is designed to ensure the Company remains on track to deliver sustainable growth and value creation.

BOARD ACTIVITY IN 2025

STRATEGY

Activities

- Considered growth and evolution of the portfolio including opportunities to recycle capital back into acquisitions and the development pipeline.
- Reviewed 2025 progress against strategic targets for Residential and Industrial & Logistics portfolio development.
- Reviewed progress against sustainability targets and objectives.
- Assessed market and sector trends to inform strategic decisions.
- Assessed opportunities for potential alternative site uses to unlock additional value, maximise returns and broaden the Group's development mix.

Outcomes

- Approved the 2025 Budget and four-year Strategic Plan, reviewed in the context of prevailing macroeconomic conditions.
- Approved selective disposals, acquisitions and partnerships to optimise investor returns, including: the sale of the McLaren unit at the Advanced Manufacturing Park (South Yorkshire); the acquisition of our JV partner's 50% holding at Gateway 45 (West Yorkshire) and conditional exchange on a strategic partnership with the Church Commissioners for England.
- Approved publication of the NZC Pathway Progress Report for 2024, demonstrating progress against delivery of NZC targets for business operations (Scope 1, 2 and 3 under SECR Operational Boundary) by 2030, and for all activities by 2040.

FINANCIAL

Activities

- Assessed the Group's funding strategy, loan-to-value thresholds, and liquidity requirements.
- Reviewed market disclosure obligations and reporting timetable.
- Considered proposals for final and interim dividends, informed by dividend policy, financial performance and cash flow forecasts.
- Oversaw compliance with mandatory valuer rotation requirements.

Outcomes

- Approved entry into a new £275m revolving credit facility with £50m accordion, strengthening financial flexibility to invest in the development pipeline while maintaining target net loan-to-portfolio value thresholds.
- Approved publication of trading statements and authorised 2024 results announcements, 2024 Annual Report and 2025 Half-Year results announcements.
- Declared and paid 2024 final dividend and 2025 interim dividend.
- Approved the appointment of new valuers for particular portfolio segments.

OPERATIONAL

Activities

- Monitored delivery milestones of priority development projects and cost management.
- Reviewed portfolio optimisation opportunities and capital recycling initiatives.
- Reviewed land acquisition strategy and development pipeline.
- Received operational updates on ESG initiatives.
- Reviewed health and safety performance, including reporting of minor and serious incidents.

Outcomes

- Noted key project milestones, including: submission of the first-phase outline planning application for Northern Gateway (Greater Manchester); commencement of extensive enabling works at Wingates (Greater Manchester) to support Phase 1 development; completion of enabling works at Chatterley Valley (Staffordshire) positioning the site ready to deliver 1.2m of I&L space; and a letting of our redeveloped site at Droitwich 170 (Worcestershire) with UK logistics provider, Uniserve, securing £1.6m of annualised rent.
- Undertook site visits to flagship developments, including Olive Lane at Waverley and the primary school delivered at Thoresby, both important placemaking initiatives.
- Noted the launch of Harworth's first registered Biodiversity Gain Habitat Bank at Killamarsh (Sheffield).

Board leadership and Company purpose
continued

BOARD ACTIVITY IN 2025 CONTINUED

PEOPLE AND ORGANISATION

Activities
- Board input sought by Executive into their thinking on organisational design.
- Board and Committee succession planning.
- Reviewed Executive leadership structure and capacity.
- Monitored employee engagement and cultural indicators.
- Received updates on people and culture, including transformation projects such as the Digital Transformation Programme.

Outcomes
- Endorsed organisational design changes to transition Harworth from a regional to a national structure, aligning capacity and capability with strategic objectives.
- Approved appointment of Phil Redding as an independent Non-Executive Director and initiated recruitment for an additional Non-Executive Director to continue to strengthen the leadership pipeline.
- Expanded the CFO's remit to include Group portfolio strategy, strategic partnerships and sustainability, supported by the appointment of the Deputy CFO to the Executive, strengthening leadership capacity for strategic delivery.
- Oversaw embedding of new cultural values and behavioural competency framework; monitored performance management processes; and noted external recognition through Investors in People ('IIP') Gold accreditation.
- Engaged directly with employees through site visits, office meetings, lunches and dinners, reinforcing Board visibility and accessibility.
- Reviewed continued delivery of the Digital Transformation Programme to future-proof operations, improve access to portfolio-level data, and implement responsible governance for Artificial Intelligence ('AI') to support informed decision-making and enhance employee experience.

GOVERNANCE

Activities
- Reviewed the governance framework and committee responsibilities.
- Assessed ethical and compliance commitments.
- Evaluated Board and Committee effectiveness.
- Reviewed principal and emerging risks.
- Reviewed appointment of corporate brokers.

Outcomes
- Approved dissolution of the ESG Committee and the reallocation of responsibilities to the Board and Audit Committee; updated Committee Terms of Reference.
- Approved 2024 Modern Slavery Statement, reaffirming Harworth's zero-tolerance approach.
- Completed an external Board performance review led by Lintstock, and commenced implementation of agreed actions.
- Conducted a comprehensive review of principal risks to ensure alignment with strategic objectives, resulting in refinement and refresh of the principal risk register.
- Appointment of Barclays as a new corporate broker.

KEY AREAS OF BOARD FOCUS IN 2026
- **Strategic delivery:** Ongoing review of progress against strategic targets and NZC Pathway commitments.
- **Financial and operational performance:** Continued oversight of portfolio strategy and management, and key scheme delivery milestones and funding plans, ensuring strong and sustainable financial and operational outcomes.
- **Leadership and succession:** Completion of the recruitment process for a new independent Non-Executive Director and continued progress with leadership pipeline initiatives.
- **Risk management:** Periodic review of principal and emerging risks, together with associated mitigation strategies.
- **People and digital transformation:** Continued oversight of implementation of the people strategy, and the Digital Transformation Programme including the responsible adoption of AI tools across Harworth's operations.
- **Governance:** Delivery of the actions to implement recommendations from the 2025 external Board performance review.

Board leadership and Company purpose
continued

Culture and workforce engagement

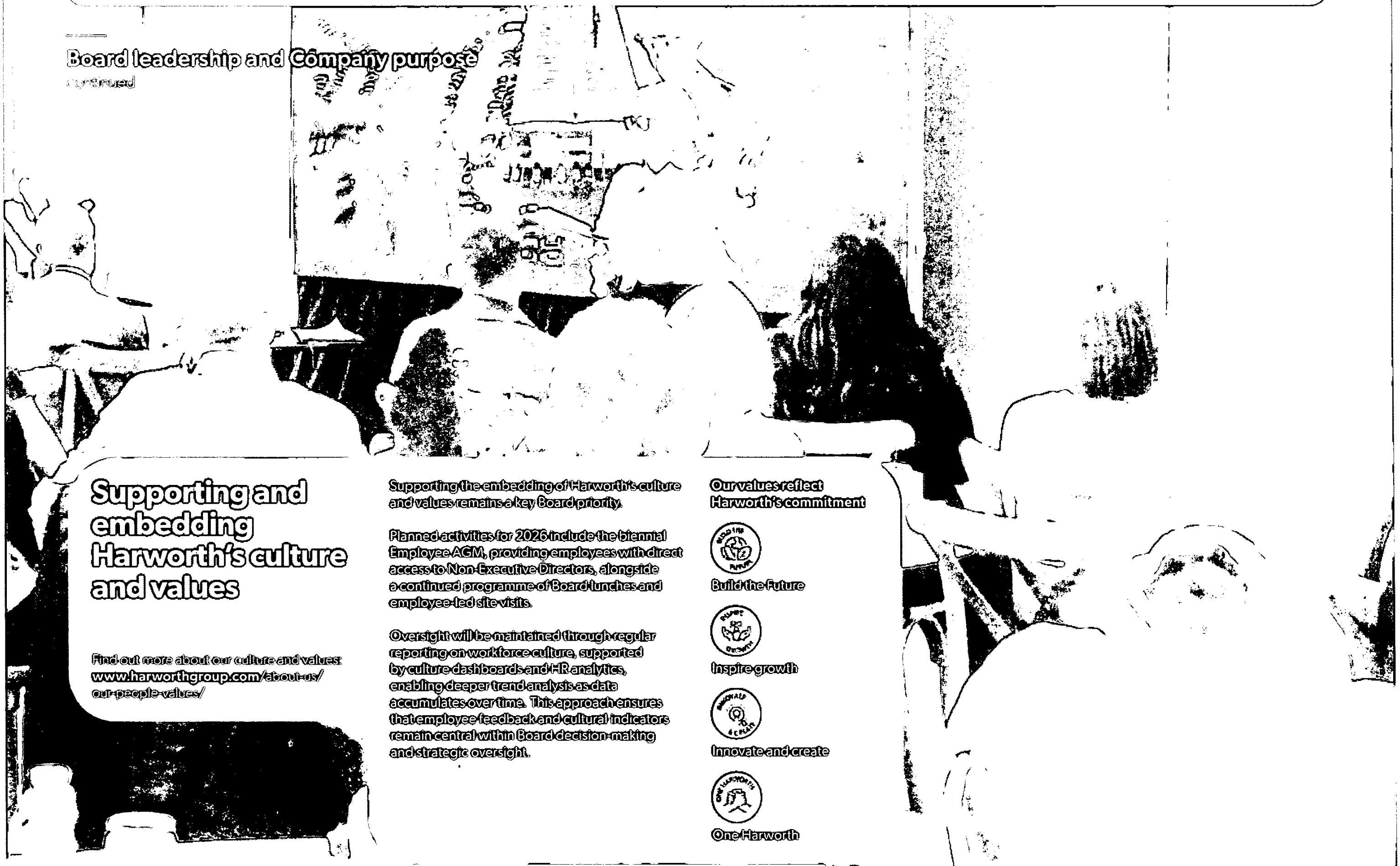
The Board recognises its responsibility to set 'the tone from the top' and lead by example in fostering a diverse, inclusive, ambitious, and high-performing culture. Harworth's core values — Build the Future, Inspire Growth, Innovate and Create, and One Harworth — underpin this culture and guide behaviours across both the Board and the wider business.

To ensure alignment between culture and strategy, the Board actively monitors cultural indicators through regular reporting (by the CEO and Group Resources and Transformation Director) and direct engagement with employees. It places significant importance on understanding workforce perspectives, recognising that these insights strengthen decision-making and support the Group's long-term success.

In early 2025, the Board was closely consulted by the Executive on organisational design changes aimed at aligning capabilities with Harworth's strategic objectives. Throughout the year, the Directors reviewed progress on the people strategy and received updates on workforce sentiment, the implementation of new performance management processes, and the rollout of the behavioural competency framework. These updates were supported by HR data and culture dashboards, providing meaningful insight as new ways of working continued to embed across the business.

Employee engagement remained a priority during this period. While Harworth does not adopt one of the three workforce engagement methods set out in Provision 5 of the Code, the Board considers that, given the size and structure of the business, a broader and more direct approach provides more meaningful insight. The Board believes it is more effective for all Non-Executive Directors to participate in discussions with colleagues across multiple levels, functions and locations, enabling a wider range of perspectives to be heard and strengthening the Board's understanding of workforce attitudes, views and the issues affecting them. During 2025, the Non-Executive members of the Board hosted four employee lunches attended by over 50 colleagues from across the organisation (representing approximately a third of the workforce), creating opportunities for open dialogue. In addition, following the organisational design changes, the Board met with eight senior managers for an informal dinner, enabling direct engagement with the leadership pipeline. Directors also engaged in several employee-led site visits.

Image: Harworth autumn conference led by Lynda Shillaw, Chief Executive



Supporting and embedding Harworth's culture and values

Find out more about our culture and values: **www.harworthgroup.com**/about-us/our-people-values/

Supporting the embedding of Harworth's culture and values remains a key Board priority.

Planned activities for 2026 include the biennial Employee AGM, providing employees with direct access to Non-Executive Directors, alongside a continued programme of Board lunches and employee-led site visits.

Oversight will be maintained through regular reporting on workforce culture, supported by culture dashboards and HR analytics, enabling deeper trend analysis as data accumulates over time. This approach ensures that employee feedback and cultural indicators remain central within Board decision-making and strategic oversight.

Our values reflect Harworth's commitment

Build the Future

Inspire growth

Innovate and create

One Harworth

Division of responsibilities

The Board maintains a clear separation between board and executive leadership, and comprises an appropriate mix of Executive and Non-Executive Directors to ensure a breadth of perspectives is available to Board decision-making. Our governance framework aims to support the Board in focusing on matters of strategy, while also ensuring appropriate Board oversight of those major operational projects that impact the long-term success of the business.

During the year, the Company Secretary led the Board's annual review of our delegated authorities framework to ensure that it keeps pace with Harworth's evolving business. The Delegated Authorities Policy reserves certain matters for the Board and ensures that operational decisions are made at the appropriate level in the business. The Company Secretary supports the Board to ensure policies, processes and information enable the Board to function effectively and efficiently.

The Board has delegated certain responsibilities to the Remuneration, Audit, Nomination, and Disclosure Committees. The terms of reference of those Committees are reviewed annually and appear on the website at www.harworthgroup.com/investors/governance.

Harworth's ESG Committee was established in 2021 to provide oversight and guidance on the Group's sustainability framework and to monitor the integrity of our ESG reporting. In line with the outputs from the Board's 2024 governance review and as detailed in the 2024 Annual Report and Accounts, the Board decided that, following establishment of Harworth's sustainability framework and the consistent progress of the business towards its identified targets, the oversight of sustainability related risks, opportunities, targets and performance should move to the Board, and that oversight of ESG reporting should move to the Audit Committee. These changes were implemented in April 2025 following the Board's approval of updated Reserved Matters for the Board and Terms of Reference for the Audit Committee.

OUR GOVERNANCE FRAMEWORK

THE BOARD

The Board is responsible for promoting the long-term success of the Group, ensuring that stakeholder interests are appropriately considered. It sets the Group's strategy and oversees its implementation, including approval of the annual budget and strategic plan. The Board monitors financial and operational performance and resilience, reviews progress against the sustainability framework, and provides oversight of the people strategy. It also determines the Group's risk appetite, monitors principal risks, and approves underwriting proposals for schemes of higher value and/or risk. In addition, the Board is responsible for appointing its members, both executive and non-executive, and for ensuring the establishment and maintenance of a robust corporate governance structure.

The Board of Directors delegates certain of its responsibilities to its sub-Committees. Chairs of each Committee provide regular updates on the activities of each Committee at Board meetings.

BOARD COMMITTEES

NOMINATION COMMITTEE
Ensures the Board and its Committees have the right balance of skills, experience, knowledge and diversity. Leads the process for Board appointments. Oversees succession planning for the Board and Executive, proposals for external Director appointments, and reviews workforce diversity.

AUDIT COMMITTEE
Reviews the integrity of the Group's Financial Statements and associated reporting processes, and reviews the independence and effectiveness of the external auditor and of the Internal Audit function. Monitors effectiveness of systems for risk management and internal control, and has oversight of ESG reporting and associated reporting processes.

REMUNERATION COMMITTEE
Determines and recommends to the Board the Remuneration Policy and reward for Executive Directors and the wider Executive, to align their interests with those of shareholders and employees. Monitors performance against bonus targets and long-term incentive underpins, and reviews workforce reward frameworks. Determines awards under share schemes.

MANAGEMENT COMMITTEES

THE EXECUTIVE
Supports the Chief Executive in developing and implementing the Group's strategy and managing day-to-day operations. Reviews portfolio and business performance against agreed financial and operational key performance and risk indicators. Approves underwriting proposals during pre-acquisition and prior to land remediation and infrastructure works, escalating approvals to Board in line with Board reserved matters.

ENVIRONMENT, HEALTH AND SAFETY ('EHS') COMMITTEE
Reviews EHS data and trends, significant incidents, internal initiatives, as well as monitoring external developments such as legislative changes and industry best practice. Monitors the Group's EHS risk profile.

DEVELOPMENT BOARD
Co-chaired by the Chief Operating Officer and Chief Investment Officer, the Development Board comprises heads of the acquisition, planning, development, project management and investment teams. It oversees scheme delivery, making operational decisions at key stages in the development lifecycle, ensuring appropriate resource allocation, effective risk management, consistent standards across all projects, and optimal financial returns across the portfolio.

EXECUTIVE SUB-COMMITTEES
In early 2026, the Executive established a number of sub-committees comprising members of the Executive and business directors. These sub-committees have reserved matters specific to their areas of responsibility, ensuring appropriate expertise and oversight. They include: People and Culture Committee; Sustainability Committee; Governance, Risk and Compliance Committee; External Communications Committee; Partnerships Committee; and Digital Resilience Committee.

Division of responsibilities
continued

ROLES AND RESPONSIBILITIES OF THE BOARD AND EXECUTIVE

CHAIR


ALASTAIR LYONS
Leads the Board and is responsible for its overall effectiveness, promoting a culture of openness and constructive debate, with Directors engaging as diverse individuals with the relevant skills and experience who align with the Company's culture and purpose. Ensures the Company has a clear purpose, strategy and values, appropriate leadership, and promotes effective engagement between the Board, shareholders and other stakeholders. Ensures that the Board receives regular reporting on Company performance, and that Directors receive accurate and timely information, with sufficient time in meetings for discussion and decision-making. Oversees the annual Board performance review.

SENIOR INDEPENDENT DIRECTOR ('SID')


ANGELA BROMFIELD
Acts as a sounding board for the Chair and intermediary for Directors and shareholders when needed. Leads the annual appraisal of the Chair, and Chairs the Nomination Committee for Chair succession.

CHIEF EXECUTIVE ('CEO')


LYNDA SHILLAW
Proposes strategy for Board approval and leads on its implementation and communication. Responsible for developing the plans required to deliver the agreed strategy and day-to-day management, establishing the Company's culture and values, designing the operational structure, and recruiting and retaining a skilled management team. Leads the development and delivery of the people strategy and internal communications, maintains effective stakeholder engagement, and ensures the Group's strategy incorporates ESG principles and objectives.

CHIEF FINANCIAL OFFICER ('CFO')


KATERINA (KITTY) PATMORE
Strategic business partner and sounding board for the Chief Executive, with responsibility for shaping, proposing to the Board, and delivering the Group's funding, portfolio and partnership strategies. Also responsible for the investor strategy, NZC strategy and for ESG reporting. Responsible for maintaining the Group's financial credibility in the eyes of key stakeholders, including shareholders, analysts, funders, partners and regulators.

DEPUTY CFO


DOUGIE MAUDSLEY
Leads on financial matters, including budgeting and forecasting, valuations, statutory financial reporting, tax and treasury. Oversees internal financial controls, systems and processes and ensures timely and accurate reporting of appropriate financial and non-financial KPIs to the Board.

CHIEF OPERATING OFFICER ('COO')


ANDREW BLACKSHAW
Responsible for operational scheme delivery leading the planning, development, horizontal and vertical delivery teams, and ensuring the appropriate resources to align with the achievement of strategic objectives in these areas. Contributes to valuation processes alongside the Deputy CFO and CIO.

CHIEF INVESTMENT OFFICER ('CIO')


JONATHAN HAIGH
Responsible for the investment function leading the acquisitions, masterplan optimisation, customer development and Investment Portfolio teams, and ensuring the appropriate resources to align with the achievement of strategic objectives in these areas. Contributes to valuation processes alongside the Deputy CFO and COO.

GENERAL COUNSEL & COMPANY SECRETARY


CHRIS BIRCH
Advises on governance, legal and regulatory compliance, and ensures the Group has appropriate legal capability and capacity to support the business. Ensures Board reserved matters are observed, manages Board and Committee agendas and papers, and supports Director induction and ongoing professional development. Oversees the Group's non-financial internal control framework and Enterprise Risk Management, including proposing the Group's risk appetite to the Board for consideration.

Section 172(1) Statement

The Board recognises its duties under Section 172(1) of the Companies Act 2006 and remains committed to acting in a way that promotes the long-term success of Harworth for the benefit of its shareholders, while considering the interests of our wider stakeholder groups. Throughout 2025, the Board actively assessed the long-term impact of its decisions on employees, communities, investors, customers, suppliers and the wider environment, ensuring that the Board's decisions drive sustainable business performance and long-term value creation.

Our approach to stakeholder engagement is embedded in Board decision-making and is reflected in Harworth's purpose. Key areas of focus during the year included workforce engagement, community regeneration, investor returns, and environmental commitments, alongside maintaining strong relationships with customers, suppliers and local and central government.

The following report details how the Board engaged with our stakeholders and how these engagements influenced the Board's decision-making.

OUR STAKEHOLDERS

	Board engagement in 2025	Impact/Outcome of engagement	Find out more
People	– Direct engagement with employees through site visits, office meetings, lunches and dinners, with regular informal buffet lunches attended by over 50 employees (c.33% of the workforce). – Reviewed analysis of annual staff survey results, monitored trends and identified opportunities to enhance employee experience. – Annual review of delivery against objectives of the people strategy, presented by the Group Resources and Transformation Director and Chief Executive, supplemented by regular operational updates from the CEO during the year. – Contribution to the Executive's reshaping of the Company's organisation design. – Review by the Remuneration Committee of the framework of employee reward and its consistency with Remuneration Policy. – Regular insight into workforce culture and Employee Forum outputs via the staff newsletter.	– Provided input on organisation design and capacity planning to support long-term objectives. – Reviewed the ongoing development and delivery of the people strategy to embed a high-performing, future-ready workforce supporting growth and strategic delivery. – Approved a higher inflationary pay increase for lower-paid employees, reflecting the Board's commitment to address cost-of-living pressures. – Approved changes to the structure of the Restricted Share Plan aimed at simplifying its operation and improving its effectiveness as a retention tool for participants, which continues to represent a large proportion (c.66%) of the workforce.	For more information on Harworth's people see page 35. For the Board's engagement with the workforce see page 96.
Communities	– Site visit and tour of the primary school delivered by Harworth at Thoresby Vale. – Site visit to Olive Lane, the new high street at Harworth's flagship Waverley site. – Monitored progress against the Communities Framework to maintain focus on improving spaces in Harworth's local communities. – Reviewed management reports on the establishment of resident committees and community engagement events at residential developments. – Considered placemaking proposals and assessed community impact as a core component of project appraisals, ensuring alignment with the Communities Framework Report.	– Site visits provided Directors with first-hand insight into how regeneration translates into community benefit, reinforcing the Board's focus on long-term placemaking, social infrastructure delivery and community integration within developments. – Oversaw Harworth's environmental stewardship in response to Biodiversity Net Gain ('BNG') legislation, including the launch and management of the Group's first registered Habitat Bank at Killamarsh (Sheffield), supporting compliance with BNG requirements while evolving the Group's serviced land offering.	For more information on Harworth's communities, see page 34. See also our Communities Framework Report on our website, www.harworthgroup.com/sustainability.

Section 172(1) Statement
continued

OUR STAKEHOLDERS CONTINUED

	Board engagement in 2025	Impact/Outcome of engagement
Investors	– Regular dialogue with major shareholders and institutional investors through scheduled meetings with the Chair and investor roadshows led by the Chief Executive and CFO. – Reviewed reports from management on its ongoing engagement with existing and prospective shareholders, brokers and analysts. – Supported management in curating materials for investor presentations and publications. – Considered shareholder perspectives in strategic decision-making, including capital allocation and funding plans. – Approved enhancements to reporting transparency to strengthen investor confidence and align with best practice. – The Remuneration Committee undertook extensive shareholder engagement ahead of the 2025 AGM, which tabled a new Remuneration Policy for approval.	– Approved full-year and interim dividends, each representing a 10% increase on the prior year, demonstrating the Board's commitment to delivering sustainable shareholder returns. – Reinforced confidence in Harworth's financial resilience and operational performance through regular updates and clear communication of progress against strategic objectives. – Engaged further with shareholders following the AGM in line with the Code after the Remuneration Policy was approved with a 75.67% majority, confirming the decision to proceed with the proposed Policy.
Customers	– Closely monitored UK government reforms and assessed the impact of macroeconomic conditions on key customer groups, including housebuilders, tenants and commercial developers. – Received regular updates from the COO and CIO on sales performance, housebuilder and occupier feedback and consideration of customer insights in decisions on product mix, placemaking features and service enhancements. – Monitored ESG-related commitments impacting customers, such as energy efficiency standards and sustainable design features.	– Introduced a new Principal Risk category ('government policy implementation'), ensuring proactive mitigation of policy-related uncertainties affecting customers and Harworth's operations. – Delivered competitive Grade A products aligned to evolving customer demand and market trends, appropriately scaled for local markets. – Reinforced Harworth's reputation for quality and reliability, supporting long-term customer loyalty and repeat business from housebuilders. – Advanced integration of ESG principles into product design, enabling the delivery of energy-efficient homes and sustainable commercial spaces.
Suppliers	– Received updates from the COO on supply chain performance, resilience and cost management. – The Audit Committee reviewed Harworth's new supply chain and procurement management framework, designed to strengthen relationships with key delivery partners and supporting the scale of construction activity needed for our development pipeline.	– Continued to recognise 'construction supply chain' as a Principal Risk and monitored mitigation strategies. – Supported the appointment of a Supply Chain Manager and adoption of a digital platform, strengthening resilience and cost efficiency while enhancing relationship management with strategic delivery partners to support timely project execution.

Section 172(1) Statement
continued

OUR STAKEHOLDERS CONTINUED

	Board engagement in 2025	Impact/Outcome of engagement
Central and local government	– Monitored UK government policy developments and local authority reforms impacting planning, housing delivery and infrastructure investment, and considered implications for Harworth's strategic land portfolio and development pipeline. – Oversight of Harworth's active participation in consultations, panels and industry forums to help shape conversations and share practical insights on the impact of government policy and regulatory frameworks. This included contribution to a UKREiiF panel with the South Yorkshire Mayoral Combined Authority and Rotherham Metropolitan Borough Council on masterplanning for growth industries, and the Chief Executive's participation in the British Property Federation's 'Let's Talk Leeds' panel alongside West Yorkshire Combined Authority, informing Harworth's approach to regional growth, transport and investment priorities. – Received regular updates from management on engagement with local authorities and planning bodies to ensure regeneration schemes align with regional priorities. This included oversight of progress at Northern Gateway, notably the milestone planning submission to Bury and Rochdale Councils and associated collaboration within the Atom Valley Mayoral Development Zone.	– Enhanced Harworth's alignment with national and regional policy priorities, improving the likelihood of timely planning outcomes and unlocking opportunities for new projects. – Reinforced Harworth's position as a trusted partner in regional growth initiatives, fostering collaboration with public bodies. – The Board continues to champion proactive engagement with central and local government to identify opportunities that accelerate site delivery and maximise economic and societal value.

External Board performance review

In line with the Code and our commitment to continuous improvement, the Board undertakes an externally facilitated performance review every three years, with internal reviews conducted in the intervening years.

In 2025, the Board engaged Neil Alderton of Lintstock to conduct an externally facilitated performance review. The process was led by the Chair and supported by the Company Secretary. Lintstock has no other connection with the Company or any individual Director.

EXTERNAL BOARD PERFORMANCE REVIEW PROCESS

1. **Tender and appointment:** The Company Secretary approached four potential providers. Following a review of proposals, Lintstock was shortlisted and met with the Chair to agree scope, process and timings. Lintstock was subsequently appointed, with the agreed methodology comprising a short questionnaire followed by one-to-one interviews.

2. **Online questionnaires:** A targeted questionnaire was completed by Non-Executive Directors and the Executive, covering areas such as Board composition and dynamics, meeting focus, strategic and risk oversight, people and culture and Committee effectiveness.

3. **One-to-one interviews:** Structured 90-minute one-to-one interviews were conducted by Lintstock with the Non-Executive Directors and the Executive.

4. **Document review:** Lintstock were provided with relevant governance-related documentation to enable a thorough assessment of the operation of the Board and Committees.

5. **Report and recommendations:** A comprehensive report was shared with the Chair followed by the wider Board detailing the findings, recommendations and benchmarking against Lintstock's proprietary Governance Index which draws on data from over 200 board reviews. Neil Alderton presented the report in person to the Board which discussed the recommendations before agreeing key actions.

OUTCOMES FROM THE 2025 EXTERNAL REVIEW

- The review, supported by benchmarking against the Lintstock Governance Index, confirmed the Board's strong foundations, including a diverse Board with the relevant skills and experience, a capable Executive team, constructive Board dynamics and clarity of strategy and strategic objectives. Two priority areas for further consideration were identified:
- Elevating Board oversight, enabling high-level guidance on key strategic issues, supported by streamlined meeting management and strategically-focused information flows.
- Planning for leadership transition, including proactive long-term Chair and Non-Executive Director succession planning and structured engagement on Executive talent management.

AGREED ACTION PLAN

Board and Executive composition: Keep succession planning under review, including implementing a structured succession plan for roles such as Chair and SID, alongside a deeper dive into Executive succession pipeline development.

Delegated authorities: Review delegated authority thresholds to ensure Board time is focused on high-value strategic matters.

Introduce portfolio-level dashboards and key metrics to enable aggregated oversight of progress against strategic targets.

Meetings and material: Refine Board materials to include concise summaries and a clear strategic focus.

Strategy: Clarify the desired cadence of, and optimise the annual calendar for, strategy discussions.

ESG: Following the reallocation of the ESG Committee's responsibilities, ensure that the Board devotes sufficient time to tracking progress against the Group's ESG strategy and commitments, including regular review of ESG objectives given the market context.

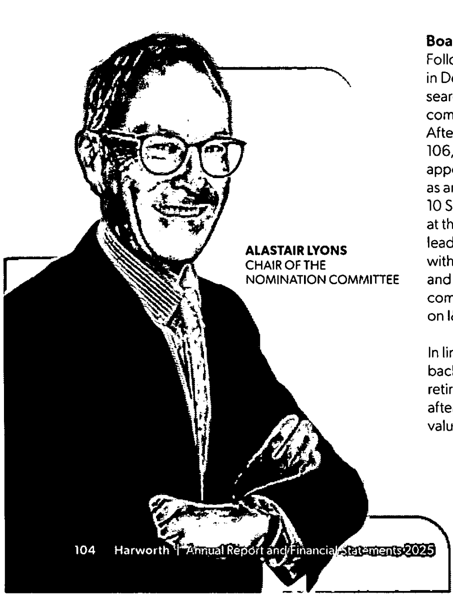
Risk: Focus risk discussions on the most significant threats to Harworth, ensuring any new risks arising from Harworth's pivot towards I&L are captured and appropriately addressed.

These actions are designed to strengthen the Board's ability to add value by providing constructive challenge and effective oversight as the business accelerates its delivery of its I&L strategy and the growth of its investment portfolio. Progress against these actions will be reported in the 2026 Annual Report.

Nomination Committee Report

Dear Shareholder,

I am pleased to present the Nomination Committee (the 'Committee') report for 2025. This report outlines how the Committee has fulfilled its responsibilities in overseeing the composition of the Board and its Committees, ensuring an appropriate balance of skills, experience, independence, and knowledge, while continuing to promote diversity in its broadest sense. Throughout the year, the Committee acted in accordance with its Terms of Reference, which were reviewed and updated during the year, and are available at www.harworthgroup.com/investors/governance.



ALASTAIR LYONS
CHAIR OF THE NOMINATION COMMITTEE

Board and Committee composition

Following the retirement of Steven Underwood in December 2024, the Committee undertook a search to identify a candidate who could bring comparable expertise in real estate development. After a comprehensive process, detailed on page 106, the Committee recommended the appointment of Phil Redding, who joined the Board as an independent Non-Executive Director on 10 September 2025 and will stand for election at the 2026 AGM. Phil brings extensive senior leadership experience in the real estate sector, with particular expertise in high-growth industrial and logistics markets — skills that are highly complementary to Harworth's strategic focus on I&L development and investment.

In line with this strategic shift, Ruth Cooke, whose background is principally in residential real estate, retired from the Board at the AGM on 19 May 2025 after six years of service. I thank Ruth for her valued service.

Following these changes, Phil joined the Remuneration Committee upon appointment, and at the same time Lisa Scenna moved from the Remuneration Committee to the Nomination Committee, replacing Ruth. The Committee is pleased to welcome Lisa, whose experience serving on Nomination Committees in her external roles further strengthens the Committee's membership. Marzia Zafar also joined the Audit Committee in Ruth's place. Marzia has significant experience in sustainability, which is particularly valuable as the Audit Committee assumed responsibility for overseeing ESG reporting following the reallocation of the ESG Committee's responsibilities in April 2025.

During 2025, the Committee initiated a recruitment process for another new Non-Executive Director ('NED'), mindful of the importance of maintaining regular Board refreshment while ensuring the right mix of skills, experience, independence and diversity. The ongoing search is supported by Odgers, which has no other connection with the Company or any of its Directors. At the time of this report, the recruitment process remains ongoing. Once the Committee is ready to make a recommendation, the appointment will be approved by the Board and announced in accordance with the Listing Rules.

Succession planning

Succession planning for both the Board and Executive remains a key priority. Further details on our approach can be found on page 107. The Committee is particularly mindful of upcoming tenure milestones: I will reach nine years as Chair in 2027, and Angela Bromfield, SID and Chair of the Remuneration Committee, will reach the same milestone in 2028. In the year ahead, the Committee will focus on planning for these transitions to ensure continuity and stability of leadership.

Diversity and inclusion

The Committee is committed to maintaining a balanced and diverse Board and oversees equity, diversity and inclusion across the business. This commitment informed our review of management's organisational design changes during the year, which transitioned Harworth from a regional to a national structure to better align capacity and capability with our strategic objectives. Further details on the Committee's responsibilities regarding diversity and inclusion can be found on page 107.

Committee effectiveness

As part of the external Board performance review conducted during the year (see page 103), the Committee's effectiveness was assessed and confirmed. The review concluded that the Committee continues to operate well and is effectively led.

Looking ahead

In 2026, a key priority for the Committee will be succession planning for the Chair role, from which I will recuse myself and the process will be led by our SID, Angela Bromfield. The Committee will also continue to focus on broader Board and Executive succession planning to ensure a strong, diverse pipeline that positions Harworth for long-term success. I will be available at the AGM to respond to any questions relating to the Committee's activities.

ALASTAIR LYONS
CHAIR OF THE NOMINATION COMMITTEE
16 MARCH 2026

Nomination Committee Report
continued

MEMBERSHIP AND ATTENDANCE

Committee membership	Member since	Meetings attended
Alastair Lyons Chair	2018	2/2
Angela Bromfield	2020	2/2
Lynda Shillaw	2020	2/2
Ruth Cooke[1]	2022	1/2
Lisa Scenna[2]	2025	1/2

1. Ruth Cooke retired from the Board and Committee on 19 May 2025.
2. Lisa Scenna joined the Committee on 10 September 2025.

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE IN 2025

Key topic	Why it matters	Committee actions and outcomes
Board skills, experience and diversity	Ensures effective governance and alignment with strategic priorities.	Completed skills-based recruitment resulting in Phil Redding's appointment and induction. Reviewed Board composition and skills to identify priority areas for future appointments. Engaged Odgers for additional NED recruitment (ongoing).
Leadership succession	Supports continuity and delivery of strategy.	Supported the Executive on organisation design changes, and noted that, once embedded, the Committee would provide relevant input to the implementation of a structured succession plan for Executive pipeline development and talent management.
NED tenure and independence	Maintains independence, orderly refresh of skills and experience, and continuous improvement.	Reviewed tenure profiles and confirmed re-election recommendations for the 2025 AGM. Initiated planning for Chair succession.
Diversity and inclusion	Embeds Harworth's values and ensures compliance with UK Listing Rules and the Code.	Assessed Board diversity, and reviewed the Group's approach to progressing its equity, diversity and inclusion agenda, including ambitions and targets for 2026 based on progress in 2025.

THE COMMITTEE'S PRIORITIES IN 2026

- **Chair succession planning:** Progress the process for Chair succession, ensuring a smooth and orderly transition.
- **Board and Executive succession:** Continue to strengthen the leadership pipeline and implement structured succession plans for both the Board and Executive.
- **Board composition:** Complete the ongoing recruitment of a new NED and maintain progressive refreshing of the Board and Committees to align with strategic priorities.
- **Diversity and inclusion:** Review Board diversity and inclusion, and monitor workforce progress including initiatives to meet 2026 diversity objectives.

Recruitment of Phil Redding Read more on page 106
Board and Executive succession planning Read more on page 107
Board gender & ethnicity data Read more on page 108

Nomination Committee Report
continued

BOARD AND COMMITTEE COMPOSITION

The Board comprises the Chair (considered independent), the Chief Executive, the Chief Financial Officer and six Non-Executive Directors, one of whom is not considered independent. All Directors share equal responsibility for the effective stewardship and leadership of Harworth. During the year, the Committee reviewed the Board's size, skills and experience and concluded that it remained appropriately structured with the right balance of knowledge and expertise to discharge its duties effectively.

The Chair's introduction to this report outlines the changes made to Committee composition during the year. Following these adjustments, the Committee is satisfied that the Board Committees are appropriately structured, effectively leveraging the skills, experience and knowledge of the Non-Executive Directors, and remain compliant with the Code.

RECRUITMENT OF PHIL REDDING

During H2 2024, the Committee started a recruitment process which culminated in the appointment of Phil Redding in September 2025. Warren Partners, which has no other connection with the Company or any individual Directors, supported the recruitment process.

1. Background
Steven Underwood retired on 31 December 2024 after over 14 years on the Board, leaving a gap in real estate development expertise. The Committee agreed that replacing this skill set was critical to support Harworth's strategic focus on Industrial & Logistics development and investment.

2. Role brief
The Committee sought an independent Non-Executive Director with deep experience in industrial and logistics real estate, strong strategic insight and a good cultural fit with the Board and Company.

3. Search
Warren Partners commenced the search, presenting a diverse longlist of candidates, aligned with the role brief and Harworth's diversity objectives. From this the Committee selected a shortlist to take forward for interview.

4. Interview
The Committee conducted formal interviews with shortlisted candidates, assessing sector expertise, independence, cultural fit and ability to contribute to Board effectiveness.

5. Selection
Phil Redding was identified as the preferred candidate.

The Committee considered Phil to be a very strong fit to the role brief, bringing extensive senior leadership experience in the Industrial and Logistics real estate sector and offering skills that complement those of existing Board members. Phil's biography can be found on page 91.

6. Appointment
Following the Committee's recommendation to the Board, Phil was appointed as an Independent Non-Executive Director on 10 September 2025. He joined the Remuneration Committee upon appointment and will stand for election at the May 2026 AGM.

Tailored induction of Phil Redding as Non-Executive Director
Phil undertook a comprehensive and tailored induction programme following his appointment, which included:

- **Strategic and financial context** - review of the 2025 Budget and Strategic Plan, latest investor presentations and principal risks.
- **Business overview** - briefings from members of the Executive and senior management covering Harworth's strategy, key financial considerations, operational and people priorities, sustainability commitments and strategy and governance framework.
- **Non-Executive perspective** - each of the Non-Executive Directors met with Phil to share their views on the Company and update him on Committee activities.
- **Operational focus** - site visits to key developments, including our flagship community at Waverley and two large-scale I&L developments at Skelton Grange and Gascoigne Wood.
- **Board and Committee insight** - induction reading pack with Board and Committee timetables, minutes, and terms of reference.
- **Governance and structure** - reviewed the Articles of Association, Group structure chart and Board Reserved Matters Policy.
- **External perspective** - introductions to key advisers, including a detailed briefing from our remuneration consultants, Deloitte.

Nomination Committee Report
continued

SUCCESSION PLANNING

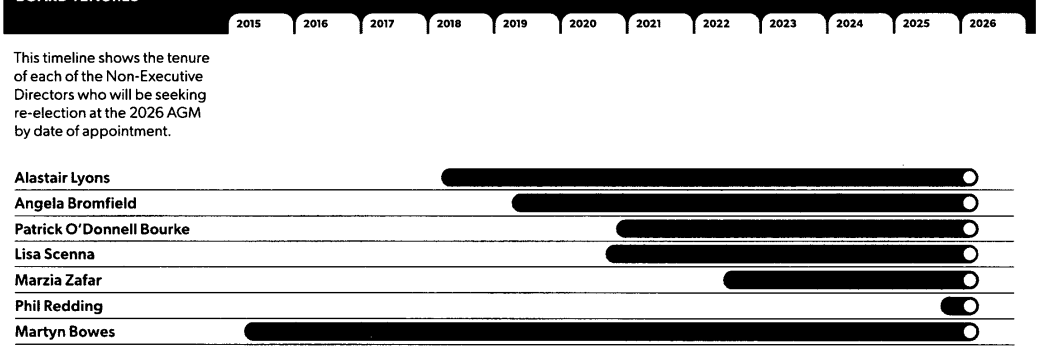
The Committee is responsible for ensuring effective and orderly succession planning for both the Board and the Executive.

The Committee monitors the tenure of Non-Executive Directors to plan in advance of retirements, enabling smooth transitions and continuity of leadership. Looking ahead, Alastair Lyons' tenure as Chair will enter its eighth year in March 2026 and, therefore, he has indicated to the Board that he will not seek re-election at the 2027 AGM. Succession planning for the Chair role will be progressed in 2026. This process will follow best practice, including assessing the skills and capabilities of existing Non-Executive Directors, and will be undertaken by the Committee (excluding Alastair) led by the Senior Independent Director, Angela Bromfield. When appropriate, the Committee will make a recommendation to the Board.

Succession plans are in place for each member of the Executive and those plans are reviewed regularly by the Committee. The Committee recognises that proactive planning is critical to maintaining leadership capability and stability. Reflecting recommendations from the recent external Board performance review, a key focus for the near-future will be supporting the Board in overseeing the development of a strong pipeline of diverse and talented individuals below Executive level. This will ensure the next generation of leaders is equipped to meet Harworth's long-term strategic objectives.

BOARD TENURES

This timeline shows the tenure of each of the Non-Executive Directors who will be seeking re-election at the 2026 AGM by date of appointment.



DIVERSITY AND INCLUSION

The Board recognises that diversity, in its broadest sense, is fundamental to effective governance and sustainable success. A wide range of perspectives, skills and experiences enriches discussion, strengthens decision-making and supports innovation. The Committee is responsible for promoting diversity at Board level and across the business, ensuring an inclusive culture where every individual can contribute fully and realise their potential.

A diverse Board is central to this ambition. Harworth exceeds the FTSE Women Leaders Review target of 40% female representation, with 56% of our Board being women, and meets the Parker Review recommendation by having one Director from an ethnic minority background. In addition, three senior positions on the Board are held by women - the Chief Executive (Lynda Shillaw), Chief Financial Officer (Kitty Patmore) and Senior Independent Director (Angela Bromfield). In February 2025, Harworth was ranked #1 in the FTSE 250 category for Women on Boards in the FTSE Women Leaders Review — a recognition that reflects our achievement of gender balance and the leadership of female Executive Directors. This milestone underlines our commitment to female representation at the most senior level and demonstrates that diversity is not only a matter of fairness but a proven driver of innovation, better decision-making and long-term value creation.

While this achievement is significant, our focus extends beyond the Board. We remain committed to improving gender and ethnic diversity across our leadership and workforce through development programmes and succession planning initiatives. The Board recognises its role in setting the tone for inclusion and modelling behaviours that support Harworth's ambitions. The Committee monitors progress annually, supported by the Group Resources and Transformation Director, and reviews the effectiveness of initiatives designed to advance diversity. Our Equity, Diversity and Inclusion (ED&I) Policy, adopted in 2022, formalises this commitment. Through this policy and supporting actions, we aim to attract and nurture the best talent, enhance engagement and retention and deliver long-term sustainable success.

For more on workforce diversity and inclusion, see The Harworth Way, People on page 35

Nomination Committee Report
continued

NUMERICAL DATA ON GENDER IDENTITY AND ETHNIC BACKGROUND AS AT 31 DECEMBER 2025

BOARD AND EXECUTIVE: GENDER IDENTITY REPRESENTATION[1]

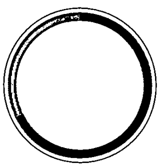
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[2]	Percentage of executive management
Male	4	44%	1	4	67%
Female	5	56%	3	2	33%
Non-binary	-	-	-	-	-
Other gender identity	-	-	-	-	-
Not specified/Prefer not to say	-	-	-	-	-

BOARD AND EXECUTIVE: ETHNICITY REPRESENTATION[1]

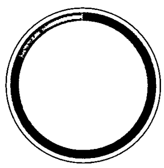
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	89%	4	6	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/ Black British	-	-	-	-	-
Other ethnic group, including Arab	1	11%	-	-	-
Not specified/Prefer not to say	-	-	-	-	-

1. These tables set out the numerical data required to be disclosed in accordance with UK Listing Rule 6.6.6R(9) as at 31 December 2025. The data has been collected in two ways:
   - For the Executive, we have relied upon the existing data stored on our HR platform where employees report their preferred gender identity and ethnic group.
   - The Non-Executive Board members, whose details are not held on the HR platform, were asked to complete a questionnaire and select their preferred gender identity and ethnic group in line with the categories in the tables above.
2. 'Executive management' refers to our 'Executive' and comprises the Chief Executive, Chief Financial Officer, Deputy Chief Financial Officer, Chief Operating Officer, Chief Investment Officer and General Counsel/Company Secretary.

GENDER AND ETHNICITY BALANCE OF THE EXECUTIVE'S DIRECT REPORTS[1]:



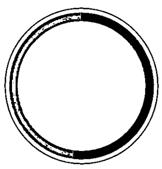
Male	68%
Female	32%
Non-binary	-
Not specific/ prefer not to say	-



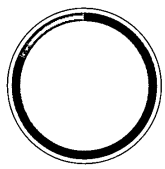
White	82%
Ethnic minority	9%
Not specific/ prefer not to say	9%

1. The Executive's direct reports are the next layer of management below senior management as defined by the Code.

GENDER AND ETHNICITY BALANCE OF THE WIDER WORKFORCE[1]:



Male	52%
Female	48%
Non-binary	-
Not specific/ prefer not to say	-



White	82%
Ethnic minority	3%
Not specific/ prefer not to say	15%

1. Excludes the Executive and their direct reports.

Nomination Committee Report
continued

DIRECTORS' EFFECTIVENESS

Induction, training and ongoing support
We maintain comprehensive and regularly updated induction materials to ensure they remain relevant for new appointments. On joining the Board, new Directors participate in a tailored induction programme designed to familiarise them with Harworth's strategy, assets, governance framework and key stakeholders, enabling them to contribute effectively from the outset. During the year, Phil Redding undertook a tailored induction programme, details of which are set out on page 106.

All Directors receive ongoing updates on governance, legal and regulatory developments, investor expectations, and market trends through Board papers and external briefings. Continuous professional development is supported through horizon-scanning reports, workshops with management and advisers and access to specialist training as required.

Time commitment
As part of the recruitment process, prospective Directors disclose significant time commitments to the Committee, and any future commitments require prior notification to, and approval by, the Board. During the year, the Committee reviewed the external commitments of all Directors and concluded that each has sufficient time to discharge their responsibilities effectively.

Directors' independence
The Board comprises a majority of independent Non-Executive Directors, ensuring robust governance and preventing undue influence by the Executive.

The Committee considers all Non-Executive Directors to be independent in character and judgement in accordance with the criteria set out in the Code, with the exception of Martyn Bowes, who represents one of the Company's largest shareholders, the Pension Protection Fund.

The Board maintains a clear policy for identifying and managing actual or potential conflicts of interest. Directors must disclose to the Chair or Senior Independent Director for approval any new external appointments or circumstances that could create a conflict. All declared conflicts are recorded and reviewed at each Board meeting, and Directors are responsible for promptly notifying any changes to ensure the register of interests remains accurate.

Directors' performance
The performance and contribution of the Chair is assessed annually as part of the Board performance review process, which in 2025 was externally facilitated (see page 103). The Chair appraises the performance of Non-Executive Directors, while the Chief Executive provides feedback on the Chief Financial Officer.

The review concluded that the Chair continues to demonstrate strong leadership and fosters an environment of open and constructive debate. Non-Executive Directors agreed that the Chief Executive provides strong effective strategic and operational leadership of the business and has built a very capable Executive team.

Re-election of Directors at the AGM
In accordance with the Code, all Directors stand for election or re-election at each AGM. The Committee has concluded that all Directors seeking election/re-election remain effective, demonstrate commitment to their role and have the skills, knowledge and experience necessary to discharge their duties.

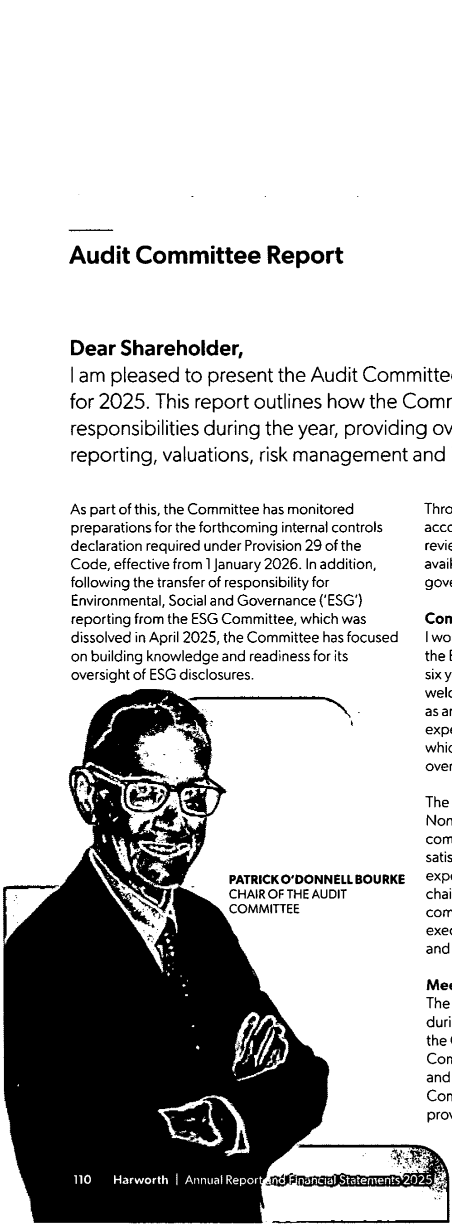
On the Committee's recommendation, the Board proposes the election/re-election of all Directors at the AGM to be held on 18 May 2026. Further details of the 2026 AGM can be found on page 136 and the Notice of AGM available on the website.

Audit Committee Report

Dear Shareholder,

I am pleased to present the Audit Committee (the 'Committee') report for 2025. This report outlines how the Committee has fulfilled its responsibilities during the year, providing oversight of financial reporting, valuations, risk management and internal controls.

As part of this, the Committee has monitored preparations for the forthcoming internal controls declaration required under Provision 29 of the Code, effective from 1 January 2026. In addition, following the transfer of responsibility for Environmental, Social and Governance ('ESG') reporting from the ESG Committee, which was dissolved in April 2025, the Committee has focused on building knowledge and readiness for its oversight of ESG disclosures.



PATRICK O'DONNELL BOURKE
CHAIR OF THE AUDIT COMMITTEE

Throughout the year, the Committee acted in accordance with its Terms of Reference, which were reviewed and updated during the year, and are available at www.harworthgroup.com/investors/governance.

Committee composition

I would like to thank Ruth Cooke, who retired from the Board and Committee at the 2025 AGM after six years of valued service. At the same time, we welcomed Marzia Zafar to the Committee. As well as an accounting degree, she has extensive experience in sustainability and energy transition which strengthens the Committee's capability in overseeing ESG reporting.

The Committee comprises three independent Non-Executive Directors, each bringing significant commercial and industry expertise. The Board is satisfied that I have recent and relevant financial experience as required by the Code, having chaired the Audit Committees of several listed companies and served as Finance Director in my executive career. In addition, both Lisa Scenna and I are chartered accountants.

Meetings and engagement

The Committee had five scheduled meetings during the year. Attendees at all meetings included the Chief Executive, Chief Financial Officer, Company Secretary, Head of Audit and Assurance and our external auditor, Ernst & Young ('EY'). The Committee also invited subject matter experts to provide updates on key topics.

Key activities in 2025

In 2025, the Audit Committee reviewed the 2024 full-year and 2025 interim results and recommended the 2024 Annual Report to the Board, including the going concern and viability statements. The Committee assessed EY's external audit plan, scope, lead audit partner rotation and independence, as well as monitored internal audit findings and approved the 2026 internal audit plan.

The Committee reviewed the effectiveness of the Group's risk management and internal control frameworks and oversaw enhancements to the monitoring of material controls in preparation for Provision 29 of the Code. It also reviewed half-year and year-end valuations, approved the 2026 insurance programme, and oversaw fraud prevention policies, whistleblowing arrangements and digital resilience initiatives.

Further detail on these activities is set out in this Report.

Committee effectiveness

As part of the external Board performance review (see page 103), the Committee was assessed as effective and well-led. The review highlighted strong financial oversight, robust challenge of management and auditors, and proactive engagement on emerging governance requirements. Areas for continued focus include:

- Deepening knowledge of ESG reporting standards.
- Embedding the enhanced internal controls regime required under Provision 29.
- Maintaining awareness of digital resilience and cyber risk.

The Committee will address these through targeted Continuous Professional Development ('CPD') sessions in 2026 and ongoing engagement with management and external advisers.

Looking ahead

In 2026, the Committee aims to continue to provide rigorous oversight of financial reporting and risk management, and maintain strong engagement with management and auditors, ensuring Harworth's governance framework remains robust and aligned with best practice. Our priorities include ongoing oversight of audit integrity and independence, review of going concern and viability statements, and monitoring of digital resilience, enterprise risk management, and internal controls, including compliance with Provision 29 of the Code. The Committee will also review, and ensure assurance over, ESG reporting in the Annual Report.

I will be available online at the AGM to respond to any questions relating to the Committee's activities.

Patrick Bourke

PATRICK O'DONNELL BOURKE
CHAIR OF THE AUDIT COMMITTEE
16 MARCH 2026

Audit Committee Report
continued

MEMBERSHIP AND ATTENDANCE

Committee membership	Member since	Meetings attended
Patrick O'Donnell Bourke Chair	2020	5/5
Lisa Scenna	2020	5/5
Ruth Cooke[1]	2019	2/2
Marzia Zafar[2]	2025	2/3

1. Ruth Cooke retired from the Board and Committee on 19 May 2025.
2. Marzia Zafar joined the Committee on 19 May 2025.

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE IN 2025

Key topic	Why it matters	Actions and outcomes
Financial reporting and significant judgements	Ensures transparency and accuracy of financial statements, underpinning investor confidence and market integrity.	Reviewed management papers and challenged key assumptions. Engaged with auditors to confirm that the Annual Report and Financial Statements are fair, balanced and understandable before recommending them to the Board.
Valuation of property portfolio	Valuations are a key driver of EPRA NDV and overall financial performance.	Reviewed external valuers' reports, challenging them on methodology and assumptions. Considered external auditor's valuation testing and concluded valuations were appropriate and in line with RICS standards.
Going concern and viability	Provides assurance on the Company's ability to operate sustainably and meet obligations, critical for investor trust.	Reviewed base case and downside scenarios, including forecast liquidity and banking covenant compliance, and challenged assumptions. Assessed external auditor's conclusions on the same. Recommended adoption of the going concern accounting basis and viability statement, ensuring alignment with principal risks and strategy.
External audit	Safeguards integrity, reliability and independence of financial reporting and compliance with audit standards.	Reviewed and challenged the external auditor's plan, scope and risk focus. Assessed audit quality and independence, held private sessions with EY without management, held private sessions with management without EY, and confirmed effectiveness of the 2024 audit. Recommended reappointment of EY for 2025.
Internal audit	Provides independent assurance over internal controls and risk management.	Monitored findings and remediation actions from internal audits undertaken during the year and approved the internal audit plan for 2026. Reviewed effectiveness of the Internal Audit function in a session without the Head of Audit and Assurance present, concluding that scope and quality continued to improve.
Enterprise risk management	Strengthens governance and resilience, reducing risk of misstatement or operational failure.	Oversaw the embedding of the enterprise risk framework and documentation of material controls in preparation for Provision 29 of the Code, strengthening the Group's risk culture. For more information on Harworth's risk management framework, see pages 58 to 70.

THE COMMITTEE'S PRIORITIES IN 2026

- **Financial and narrative reporting:** Review reporting of 2025 full-year results and 2026 interim results, including assessment of going concern and viability statements, and challenge significant financial judgements made by management.
- **ESG disclosures:** Oversee the quality and completeness of ESG reporting within the 2025 Annual Report, ensuring integration with financial and strategic disclosures.
- **Valuation oversight:** Review findings from the external valuation process, supported by two dedicated Committee meetings to focus exclusively on valuations and related methodology and assumptions.
- **Audit integrity and effectiveness:** Oversee and ensure the independence, integrity and effectiveness of both internal and external audit processes, including monitoring compliance with regulatory requirements.
- **Risk management and internal controls:** Monitor and assess the effectiveness of the Group's risk management and internal control systems, including progress towards compliance with Provision 29 of the Code.
- **Internal audit:** Approve the 2027 internal audit plan, ensuring alignment with principal risks and material controls.
- **Digital resilience:** Maintain oversight of the Group's digital resilience programme, including cyber security measures and governance for responsible use of emerging technologies including artificial intelligence tools.

Audit Committee Report

continued

Financial reporting

The Audit Committee is responsible for reviewing the integrity of the Group's financial reporting. This includes examining the full-year and interim results, the Annual Report and Financial Statements, and ensuring that all disclosures are fair, balanced and understandable. The Committee considers management reports on significant accounting judgements, such as valuations, provisions and revenue recognition, and challenges underlying assumptions and methodologies. An explanation of the application of Harworth's accounting policies can be found in Note 1 to the Financial Statements. The Committee also oversees the internal control framework supporting the preparation of the Financial Statements. This includes monitoring long-established processes and assurance activities, such as reviews undertaken by internal teams and external parties, including the external auditor and independent valuers, as well as the internal verification exercise designed to ensure consistency between financial statements, narrative reporting and underlying accounting records.

The Committee and the Board review drafts of the Annual Report to ensure consistency between financial and non-financial disclosures and compliance with regulatory requirements.

ESG reporting

Following the transfer of responsibility for ESG reporting oversight to the Committee, the Committee now reviews ESG disclosures within the Annual Report. This includes assessing climate-related reporting under SECR and TCFD, and ensuring ESG information is integrated with financial and strategic disclosures. The Committee monitors the controls and assurance processes supporting ESG data collection and reporting, informed by emerging regulatory requirements.

Significant reporting issues considered by the Committee for the 2025 Financial Statements

Valuation of the property portfolio

The valuation of the Group's property portfolio is the most significant judgement that the Committee and Board must make. Valuation is central to the Group's performance and a key driver of EPRA NDV. It represents a significant estimate because it is inherently subjective: valuers must apply assumptions and judgements in determining fair value.

The year-end valuations were undertaken by independent external valuers, Jones Lang LaSalle ('JLL'), Savills and BNP Paribas, in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards. Given the importance of valuations to the Group's financial position, the Committee plays a key role in overseeing this process, which includes:

- Direct engagement with valuers: At both the half-year and year-end, the valuers attended Committee meetings to present their methodology, explain market assumptions and highlight any issues encountered. The Committee reviewed, challenged and debated these approaches, noting the prevailing market conditions against which valuations were prepared.
- Participation in valuation reviews: For the 2025 half-year, the Committee Chair attended a detailed valuation review meeting alongside valuers, external auditors and management, providing visibility of the underlying assumptions and processes. This was replaced by an additional Committee meeting for the 2025 year-end.
- Consideration of external audit testing: The Committee also reviewed the work undertaken by the external auditor's valuation specialists to test the assumptions applied by the valuers.

Following this oversight, the Committee is satisfied that the valuations were conducted fairly, appropriately and in accordance with industry standards, and that they provide a reliable basis for inclusion in the Financial Statements.

Going concern and viability

The Committee is responsible for reviewing management's going concern and long-term viability assessments to ensure that disclosures provide shareholders with confidence in the Group's ability to operate sustainably under a range of scenarios. This review includes consideration of base case and downside forecasts, including forecast liquidity headroom and banking covenant compliance, and the adequacy of mitigating actions. The Committee challenges assumptions, evaluates stress testing and examines the robustness of the underlying analysis.

For both the 2025 half-year and the year-end, management prepared forecasts on several bases: a base case; a sensitised forecast that reflected a number of severe but plausible downsides; and a specific climate change scenario case. The outputs, which were reviewed in detail and discussed and/or challenged by the Committee, project that the Group can continue to operate within available liquidity and banking facilities under plausible downside scenarios. The Committee is satisfied that the disclosures in the financial statements on going concern and long-term viability are appropriate.

For further detail, see the long-term viability statement on pages 84 to 86, and the going concern basis on pages 137 to 138.

Alternative Performance Measures ('APMs')

Harworth believes that presenting APMs alongside statutory measures provides stakeholders with a clearer understanding of the Group's performance and financial position. These measures offer additional insight into underlying trends and support comparability over time. A full description of the APMs used by the Group is provided in Note 2 to the Financial Statements, with reconciliations to statutory measures included in the appendix.

The Committee reviewed the appropriateness, prominence and consistency of the APMs disclosed to ensure they were clearly explained, not misleading and presented in a balanced manner.

Revenue recognition

The Committee discussed the approach to revenue recognition with the external auditors and management, and is satisfied that revenue has been recognised appropriately.

Fair, balanced and understandable

The Code requires the Board to confirm that it considers that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. To support this confirmation, the Audit Committee undertakes a structured review of the Annual Report, considering whether:

- The report presents both positive and negative aspects of performance openly and without bias.
- Financial and narrative sections are consistent and convey a clear, cohesive message.
- The content is relevant to shareholders and addresses matters impacting short-, medium- and long-term success.
- The report is clear, concise and comprehensive, using appropriate formats (narrative, tabular or graphical) to communicate material information.
- Language is plain and messages are clearly drawn out, with minimal duplication and jargon, and industry terms are defined and used consistently.

Audit Committee Report
continued

The Committee has oversight of the rigorous and collaborative process that management undertakes to ensure the Annual Report is fair, balanced and understandable. Key messages are agreed by the Board before the year-end and incorporated into an initial design framework. A cross-functional team from Finance, Investor Relations, Sustainability, Governance, Risk and Resources & Transformation prepares and reviews content, supported by external specialists in areas such as TCFD, SECR and remuneration reporting. Drafts are reviewed by Executive Directors, Committee Chairs and the Board, while the external auditor provides input on key disclosures. The process includes detailed timetabling and internal verification exercises for factual accuracy and consistency.

As part of the Committee's review of the Group's internal controls system (see page 114), it considered, concluded, and recommended to the Board that the disclosures in, and the process and controls underlying the production of, the 2025 Annual Report, were appropriate to enable the Committee to determine that the report is fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Board's conclusions in this regard are set out in the Statement of Directors' Responsibilities on pages 137 to 138.

External auditor
The Audit Committee is responsible for overseeing the external audit process and recommending the appointment or reappointment of the external auditor. EY has acted as the Company's external auditor since 2020, following a competitive tender overseen by the Committee, which gave fair and objective consideration to both 'Big Four' and challenger firms (details of this tender process were included in the 2019 Annual Report). The Committee reviews the auditor's independence, objectivity and effectiveness annually, taking into account audit quality, scope, team experience, regulatory feedback and proposed fees.

Audit plan
During the year, the Committee reviewed EY's audit plan, scope and materiality thresholds, and challenged the identification of key risk areas. The Committee monitored the progress of audit work and considered EY's findings in detail. Private sessions were held with the auditor without management present to ensure open dialogue and transparency.

There were no shareholder requests for specific audit matters and no regulatory inspections of audit quality during the year.

Audit partner rotation
In line with mandatory rotation requirements, the lead EY audit partner Victoria Venning stepped down after five years and a new partner, Kate Jarman, took over during the year. The Committee oversaw this transition to ensure continuity and quality of the audit process. We would like to thank Victoria for her input.

Independence
The Committee places strong emphasis on auditor independence. EY's independence declarations were reviewed in accordance with applicable auditing standards, and the Committee operates a strict policy to ensure that auditor independence is not compromised. Under this policy, the external auditor is prohibited from providing non-audit services to the Group, except for audit-related services (such as regulatory and statutory reporting or work relating to requirements under the Listing Rules) and, in certain exceptional circumstances, but only with the Committee's prior approval. The Group engages separate advisers for tax matters, pension accounting, and executive and workforce remuneration to avoid any potential conflicts of interest.

Fees
The Committee reviewed the proposed audit fees and considered them appropriate in relation to the scope and complexity of the audit. Details of audit and non-audit fees are disclosed in Note 7 to the Financial Statements. The Committee monitors the ratio of non-audit to audit fees to ensure compliance with regulatory thresholds and best practice and to ensure that the independence and objectivity of the external auditor are safeguarded.

Effectiveness
Having reviewed:

- the independence and objectivity of the external auditor, including consideration of potential conflicts of interest and of any non-audit work undertaken for the Company;
- the effectiveness and rigour of the last external audit;
- the quality control processes that the external auditor has in place, including any regulator's public comments on the same;
- the quality of the audit team, including the experience of the new audit partner, the team and its capacity;
- the quality of the audit through feedback from the management team;
- the proposed scope of the audit; and
- the quantum of fees payable for the audit.

The Committee is recommending the re-appointment of EY at the forthcoming AGM for the external audit of the Company's Financial Statements for the year ending 31 December 2026.

In accordance with applicable audit legislation, companies are required to conduct a mandatory rotation of auditors after 10 years, which can be extended to 20 years if there is a competitive tender process at the 10-year mark. The Committee proposes to conduct its next competitive tender process in the 2029 financial year. The Committee believes this timing is in the best interests of shareholders as it enables a comprehensive competitive tender process ahead of the mandatory rotation deadline, and will ensure the process adheres to the FRC's Audit Committees and the External Audit: Minimum Standard and corporate governance best practice.

Valuers
RICS introduced mandatory rotation rules for valuers undertaking regulated purpose valuations, effective from 1 May 2024, with a transition period to May 2026 for existing arrangements, allowing companies time to implement an orderly transfer of appointments. In response, management developed a phased rotation plan to transition away from the Group's longstanding valuers, Savills, for the Natural Resources & Agricultural portfolio, and BNP Paribas, for the balance of the portfolio. Under this plan:

- JLL was appointed to undertake valuations of the Investment Portfolio for the 2024 year-end; and
- A further rotation was scheduled for 2025 to cover the remaining portfolio ahead of the transition deadline.

For the 2025 half-year, valuations continued to be performed by BNP Paribas, Savills and JLL, supplemented by 'shadow valuations' from incoming valuation teams to familiarise them with the portfolios. At the 2025 year-end, valuations were allocated by specialism as follows:

Audit Committee Report
continued

Valuer	Scope
JLL	Investment Portfolio and I&L portfolio
Savills	Residential portfolio and Natural Resources & Agricultural portfolio
BNP Paribas	One I&L site (due to JLL conflict)

The Committee assesses the effectiveness of valuers based on independence and objectivity, team experience and qualifications, consistency of approach, and quality of data and presentations. Following review, the Committee concluded that the valuation process was well managed, the valuers operated independently, and the resulting valuations were robust and in line with RICS standards.

The Committee notes that Savills will rotate off the Natural Resources & Agricultural portfolio by the 2026 half-year to comply with the mandatory rotation requirements and it continues to be consulted on management's plans to implement this change.

Internal auditor
The Committee believes that, given the Company's size and structure, maintaining an in-house Head of Audit and Assurance supported by a co-sourced partner (currently RSM) is an effective internal audit model. This approach provides independent challenge to management while giving access to specialist expertise.

The Head of Audit and Assurance is responsible for designing and delivering a 36-month rolling internal audit programme. This role has a dotted reporting line to the Chair of the Audit Committee, and regular engagement takes place throughout the year to ensure alignment with the Committee's priorities.

In November 2024, the Committee approved the internal audit plan for 2025, which remained flexible to accommodate emerging risks. During the year, audits focused on key operational and financial controls, including:

- Residential direct development projects
- Compliance with BNG legislation
- Processes to secure power at development sites
- Effectiveness of digital resilience controls
- HR and payroll processes
- Expenses and credit card processes

Findings and recommendations were reported to the Committee throughout the year. No significant control issues were identified beyond those already flagged by management, with remediation plans in progress. Several process and control improvements were recommended, most of which have been adopted and are either implemented or underway. In November 2025, the Committee approved the internal audit plan for 2026.

Effectiveness
The Committee undertakes an annual review of the effectiveness of the Internal Audit function, which is informed by feedback from management, the wider business and the external auditor. In 2025, the Committee concluded that, under the leadership of the Head of Audit and Assurance, the scope and quality of internal audit activity and the assurance provided over internal controls continued to strengthen. The Committee is satisfied that both the process for determining the audit programme and the programme itself remain appropriate and effective, with flexibility to respond to new risks if they arise.

Risk management and internal controls
The Board has overall responsibility for risk and has delegated to the Committee the responsibility for overseeing the effectiveness of the Group's risk management and internal control systems. An explanation of the Group's risk management framework, including the Board's work to identify and review principal risks, their risk appetite and review of mitigation measures, is set out in the Effectively managing our risk section on pages 58 to 59.

In fulfilling its responsibilities, the Committee monitors the effectiveness of the Group's risk management and internal control systems throughout the year. This includes reviewing reports on risk management activities at every Committee meeting. Building on changes initiated in 2024, the Group has continued to strengthen its risk management framework with two key objectives: embedding a culture of continuous improvement, and preparing for compliance with Provision 29 of the Code. During the year, the Enterprise Risk Management ('ERM') function advanced its roadmap to standardise risk practices across the organisation, identified material controls and initiated targeted control enhancements.

Ahead of publication of the year-end results and Annual Report, management provides an assessment of the effectiveness of financial, reporting, operational and compliance controls, supported by internal audit findings throughout the year. The Committee is satisfied that the Group's risk management and internal control systems, together with the assurance framework supporting them, remain effective and appropriate to support delivery of the Group's strategy. The Board's assessment of effectiveness, informed by the Committee's recommendation, is set out on pages 58 to 70.

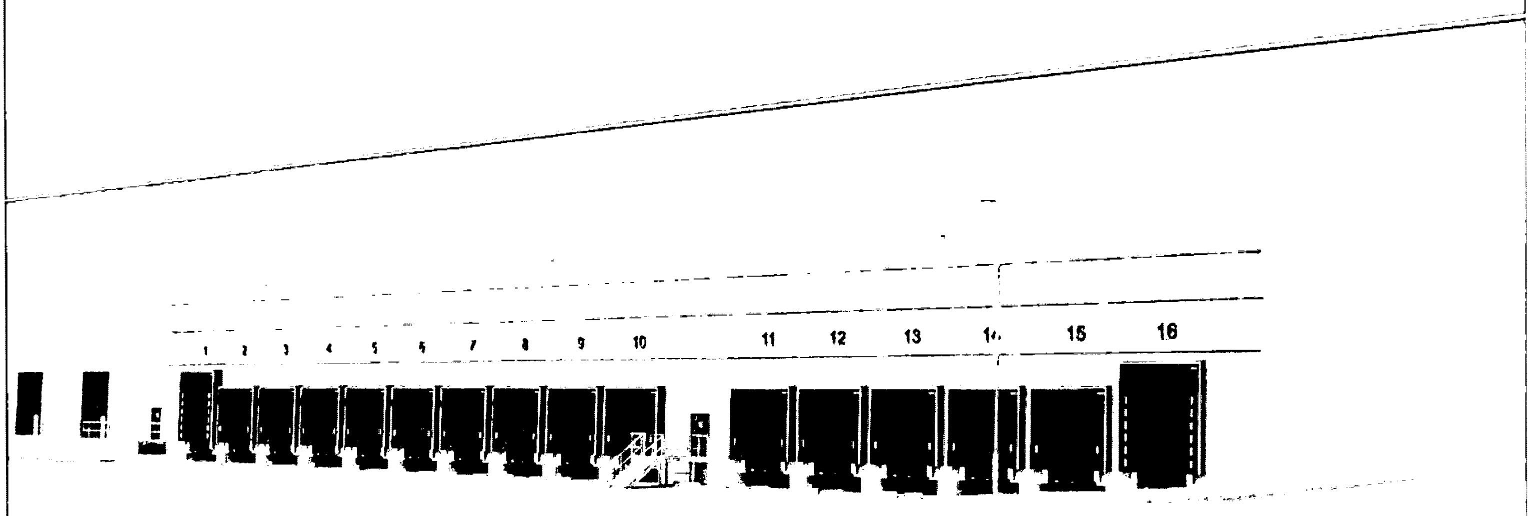
Insurance
The Committee oversaw the renewal of the 2026 insurance programme, challenging management on both overall coverage and, where appropriate, specific policy terms. The scope of cover remained broadly unchanged, and overall pricing reduced year-on-year.

Whistleblowing/Speak up
The Committee monitors the effectiveness of the Group's whistleblowing arrangements. The Company operates an external 'Speak Up' platform, providing employees and stakeholders with a confidential reporting channel alongside internal mechanisms. No whistleblowing incidents or Speak Up reports were received during 2025.

Compliance
The Committee reviews compliance with the Group's policies on modern slavery, and on fraud, anti-bribery and corruption, and the prevention of tax evasion. The Company's 2025 Modern Slavery Statement and related policies are available at www.harworthgroup.com/responsibility.

Audit Committees and the External Audit: Minimum Standard
Following inclusion in the FTSE 350 Index in September 2024, the Company seeks to apply the FRC's Minimum Standard for Audit Committees. The Committee confirms that its activities during the year complied with the provisions of the Minimum Standard, and disclosures required under the Standard are included within this report.

Competition and Markets Authority ('CMA') Order
The Company confirms that it has complied with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 relating to tendering and non-audit services.



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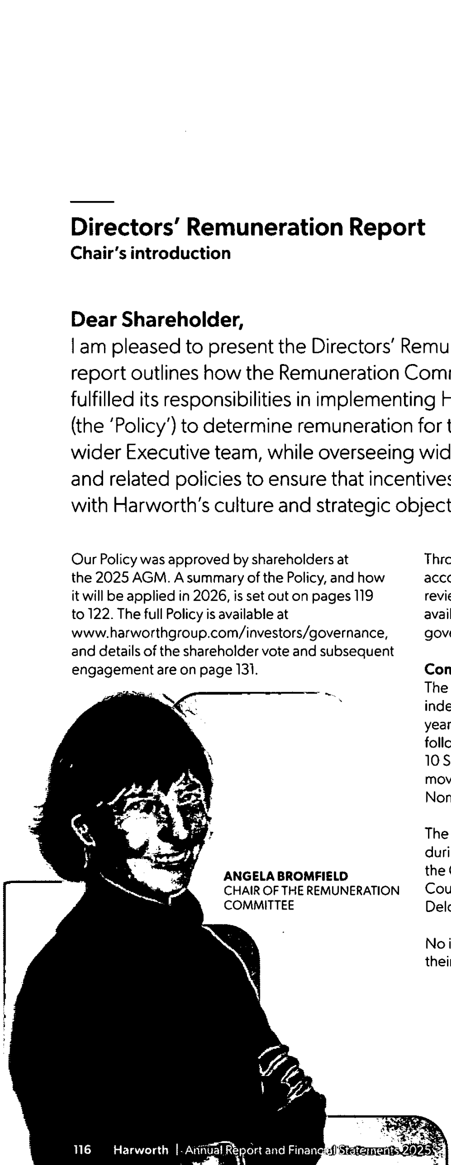
Directors' Remuneration Report

Chair's introduction

Dear Shareholder,

I am pleased to present the Directors' Remuneration Report for 2025. This report outlines how the Remuneration Committee (the 'Committee') has fulfilled its responsibilities in implementing Harworth's Remuneration Policy (the 'Policy') to determine remuneration for the Executive Directors and wider Executive team, while overseeing wider workforce remuneration and related policies to ensure that incentives and rewards remain aligned with Harworth's culture and strategic objectives, and shareholder interests.

Our Policy was approved by shareholders at the 2025 AGM. A summary of the Policy, and how it will be applied in 2026, is set out on pages 119 to 122. The full Policy is available at www.harworthgroup.com/investors/governance, and details of the shareholder vote and subsequent engagement are on page 131.



ANGELA BROMFIELD
CHAIR OF THE REMUNERATION COMMITTEE

Throughout the year, the Committee acted in accordance with its Terms of Reference, which were reviewed and updated during the year, and are available at www.harworthgroup.com/investors/governance.

Committee composition and meetings

The Committee continues to comprise independent Non-Executive Directors. During the year, we welcomed Phil Redding to the Committee following his appointment to the Board on 10 September 2025. At the same time, Lisa Scenna moved from the Remuneration Committee to the Nomination Committee.

The Committee held three scheduled meetings during the year. Attendees at all meetings included the Chief Executive, Chief Financial Officer, General Counsel and our external remuneration adviser, Deloitte LLP ('Deloitte').

No individual participates in decisions regarding their own remuneration.

Committee effectiveness

As part of the external Board performance review conducted during the year (see page 103), the Committee's effectiveness was assessed and confirmed. The review concluded that the Committee continues to operate well and is effectively led.

Company progress and performance outcomes for 2025

Harworth delivered sustained operational performance throughout 2025, positioning the portfolio to realise future upside potential. At a portfolio level, our total property return was 8.4%, significantly outperforming the MSCI UK All Property Total Return Index of 5.6%. Total accounting return was 1.7%.

Management actions during the year resulted in a strong financial performance across our Industrial & Logistics land and development portfolio, with positive value uplifts on sites where enabling works have been completed or significantly advanced or we have made progress on planning promotion. These actions underpin the next generation of Harworth sites.

Residential market conditions remained challenging. While 1,837 plot sales completed in line with business plan expectations and provided a positive cash contribution, the terms achieved reflected prevailing market headwinds and consequently weighed on Group level financial performance.

Since setting our £1bn EPRA NDV ambition in 2021, the Group has delivered cumulative Total Accounting Returns of 44.5% to the end of 2025, materially outperforming much of the sector. However, prolonged macroeconomic weakness, extended transaction timelines and continued delays in the planning system mean the expected timeframe for achieving this milestone has been extended to between the end of 2028 and the end of 2029. Harworth remains well positioned for future growth, supported by a strong strategic land bank and development pipeline offering significant optionality; active capital recycling; and a robust well-managed balance sheet with year-end Net LTV remaining below 20%. Positive momentum across our Industrial & Logistics land and property portfolio, including the potential for high-value transactions; a pipeline of around 1.2m sq ft of strong interest across a broad range of opportunities; and our largest ever volume of development-ready land aligned to growing demand from the industrial, advanced manufacturing, defence, energy and data centre sectors, provide the Board with continued confidence in the Group's ability to deliver attractive shareholder returns.

Lynda Shillaw's and Kitty Patmore's bonus opportunities for 2025 were 150% and 125% of salary respectively. The bonus metrics were a combination of Total Accounting Return (30% of the opportunity), relative Total Property Return (30% of the opportunity) and strategic measures (40% of the opportunity). This is the first year that we have included a relative Total Property Return measure within the annual bonus.

Taking into account performance against these measures, the Committee approved a bonus outcome equal to 56% of maximum (which equates to 84.0% and 70.0% of salary for Lynda Shillaw and Kitty Patmore respectively). Full details are set out on pages 123 to 127.

The Committee considers the bonus outcome in respect of these measures to be a balanced and fair reflection of Group financial, operational and strategic performance and the shareholder experience for 2025.

Directors' Remuneration Report
continued

The average bonus outcome for eligible employees (excluding the Executive Directors) was 61.5% of their maximum entitlement.

The third tranche of the 2021 Restricted Share Plan ('RSP') awards, the second tranche of the 2022 RSP awards and the first tranche of the 2023 RSP awards will vest in full on 18 March 2026. The vested shares under the third tranche of the 2021 RSP Awards are not subject to a holding period given that a five-year vesting period applied to this tranche. The vested shares under the second tranche of the 2022 RSP Awards will be subject to a holding period until March 2027. The vested shares under the first tranche of the 2023 RSP Awards will be subject to a holding period until March 2028. The Committee reviewed performance against the relevant underpins, as well as the underlying financial performance of the business, and found no cause to reduce the vesting outcomes. Full details are set out on page 126.

2026 salary increases
Kitty Patmore's salary is currently £352,030. In support of Harworth's strategic growth priorities, stakeholder management and focus on continued operational success, her role was expanded in 2025 to include Portfolio Strategy, Strategic Partnerships, and Sustainability, Energy and Natural Capital. Furthermore, the Committee is cognisant that Kitty Patmore is a highly regarded executive and considers it necessary, and in line with shareholder interests, to ensure her remuneration package continues to incentivise her and thereby support her retention. The Committee will therefore review Kitty Patmore's salary at the mid-year to ensure it is appropriately positioned in the market and that there is a reasonable differential between her salary and salaries for the remainder of the Executive leadership team. The review will take into account her expanded leadership role and responsibilities, as well as her performance and experience as CFO, and stature in the real estate sector. The increase, once agreed, will apply from 1 January 2026. Details will be disclosed in the 2026 Directors' Remuneration Report.

Management remains focused on managing administration expenses carefully, ensuring they are proportionate to value creation and appropriate for the business model. That being so, Lynda Shillaw recommended to the Committee that she and the balance of the Executive team (other than Kitty Patmore, as detailed above) should not receive a 2026 salary increase. The Committee supported that recommendation and accordingly Lynda Shillaw's salary remains at £540,750. Aligned with the approach taken for the Executive team, there will be no increase in the fees paid to Non-Executive Directors in 2026. The average increase (in % of salary terms) for the wider workforce was 3%.

Conclusion
We remain committed to a responsible approach to executive pay. We believe that the Policy operated as intended in respect of the 2025 financial year and consider that the remuneration received by the Executive Directors was, and that proposed for 2026 is, appropriate, taking in the round the Group's and the Executive Directors' performance.

ANGELA BROMFIELD
CHAIR OF THE REMUNERATION COMMITTEE
16 MARCH 2026

Directors' Remuneration Report
continued

MEMBERSHIP AND ATTENDANCE

Committee membership	Member since	Meetings attended
Angela Bromfield Chair	2019	3/3
Alastair Lyons	2018	3/3
Lisa Scenna[1]	2020	2/2
Phil Redding[2]	2025	1/1

1. Lisa Scenna stepped down from the Committee on 10 September 2025.
2. Phil Redding was appointed as a Non-Executive Director and joined the Committee with effect from 10 September 2025.

KEY ISSUES CONSIDERED BY THE COMMITTEE IN 2025

Key topic	Why it matters	Actions and outcomes
Review of shareholder feedback on Remuneration Policy, and approval of new Policy	Ensures alignment with shareholder expectations supporting strong governance and transparency.	Considered feedback received during consultation and, where considered appropriate, incorporated views into the final Policy and incentive framework, which was approved by shareholders at the 2025 AGM.
Approval of 2025 bonus measures and targets	Aligns Executive incentives with strategic priorities and long-term value creation.	Approved robust financial and strategic performance measures for the 2025 annual bonus.
Assessment of 2024 bonus outcomes (including workforce context)	Ensures pay-for-performance principles and fairness across the organisation.	Reviewed performance against targets and approved bonus outcomes for the Executive.
Approval of 2025 salary increases for wider Executive team (in context of wider workforce)	Maintains fairness and competitiveness while considering pay equity across the organisation.	Approved salary increases for the Executive considering market benchmarks and wider workforce increases.
Assessment of vesting for RSP awards	Reinforces long-term alignment with shareholder returns and strategic delivery.	Approved vesting outcomes subject to the RSP underpins.
Approval of 2025 RSP, SIP and SAYE awards	Supports retention and incentivisation of talent across the business.	Approved grants under the RSP, SIP and SAYE.

THE COMMITTEE'S PRIORITIES IN 2026

The Committee will continue to focus on the effective implementation of the Remuneration Policy, ensuring that executive pay remains aligned with Harworth's strategic objectives and shareholder interests. Key priorities include:

- Approving any increase to Executive salaries taking into account responsibilities and performance in role.
- Approving the annual bonus performance targets for the Executive and monitoring performance.
- Approving the grant of performance-flexed RSP awards for the Executive and RSP awards for the wider workforce participants.
- Approving awards under the SIP and SAYE to support employee engagement and alignment.
- Monitoring emerging trends in remuneration and broader corporate governance to ensure Harworth remains aligned with best practice and regulatory expectations.

Directors' Remuneration Report

continued

ANNUAL REMUNERATION REPORT

This part of the Directors' Remuneration Report describes how we implemented our Policy in 2025 and how we intend to apply our Policy in 2026. The Annual Remuneration Report will be subject to an advisory vote by shareholders at the 2026 AGM.

SUMMARY OF THE POLICY AND HOW IT WILL BE IMPLEMENTED IN 2026

Executive Directors

Element	Operation and performance metrics	Opportunity	**Implementation for 2026**
Base salary	Base salaries are ordinarily reviewed annually, with reference to: salary levels for similar roles at comparable companies; individual contribution to performance; and the experience of the Executive Director.	Salary increases will generally be in line with the range of increases awarded to salaried employees (in percentage terms). Increases above this level may be awarded in certain circumstances including, but not limited to: where there has been an expansion in role and responsibility; to reflect an Executive Director's development in role (e.g. to align a new hire's salary with the market over time); where there is a significant change in the Group's size and/or complexity; where the current salary level has fallen behind the market over time.	Lynda Shillaw did not receive a 2026 salary increase and accordingly her salary remains at £540,750. Kitty Patmore's salary is currently £352,030. As noted on page 117, the Committee will review Kitty Patmore's salary at the mid-year to ensure it is appropriately positioned in the market and that there is a reasonable differential between her salary and salaries for the remainder of the Executive leadership team. The review will take into account her expanded leadership role and responsibilities, as well as her performance and experience as CFO, and stature in the real estate market. The increase, once agreed, will apply from 1 January 2026. Details will be disclosed in the 2026 Directors' Remuneration Report. The average increase (in % of salary terms) for the wider workforce was 3%.
Pension	All Executive Directors are either members of the Group pension scheme or receive a cash pension allowance. Salary is the only element of remuneration that is pensionable.	Aligned with the contribution rate available to the majority of the wider workforce (currently 10% of salary).	Cash pension allowance equal to 10% of salary for both Executive Directors.
Benefits	Includes benefits that the Committee deems appropriate, and the Company may make a payment in respect of any associated tax liability where the Committee considers this to be appropriate.	The monetary value of benefits varies by role and individual circumstances. Eligibility and cost are reviewed periodically.	Benefits include car allowance, private medical cover, life insurance and the use of a chauffeur service for business travel and commuting.

Directors' Remuneration Report
continued

SUMMARY OF THE POLICY AND HOW IT WILL BE IMPLEMENTED IN 2026 CONTINUED

Executive Directors continued

Element	Operation and performance metrics	Opportunity	Implementation for 2026
Annual bonus	The scheme is based on a combination of financial performance, strategic and/or personal objectives. The Committee has discretion to amend the payout should any formulaic outcome not reflect the Committee's assessment of overall business performance or if the Committee considers the formulaic outcome is not appropriate in the context of other factors considered by the Committee to be relevant. If the maximum bonus opportunity exceeds 100% of salary, up to one third of any amount earned (not only the proportion earned above 100% of salary) will be deferred into shares in the Company for two years. Dividend equivalents may be paid on vested shares based on dividends paid during the deferral period. Such amounts will normally be paid in shares. Malus and clawback provisions apply.	Maximum opportunity of up to 150% of salary in respect of a financial year. For financial metrics, up to 25% of maximum may be earned for threshold performance with 100% of maximum earned for meeting or exceeding the maximum performance level. For performance between threshold and maximum, the vesting profile will be determined by the Committee taking into account the stretch in the targets. Vesting of the bonus in respect of strategic performance or personal objectives will be between 0% and 100% based on the Committee's assessment of the extent to which the strategic metrics or personal objectives have been met.	The maximum opportunity for Lynda Shillaw and Kitty Patmore will be 150% and 125% of salary respectively. In 2026, in addition to continuing to lead the business in delivering against the current business strategy, the Executive Directors will be focusing on developing the business strategy beyond its current period which concludes in 2027, revising the Group's Investment Portfolio strategy, and succession planning, all of which are integral to Harworth's future success. The Committee, therefore, considers it appropriate to re-introduce personal objectives within the annual bonus scheme for Executive Directors, to ensure that they are incentivised and rewarded for delivering against the above priorities, as well as against financial KPIs and the pillars underlying the business strategy. The weighting of performance measures will revert to those operated in 2024: 50% based on financial measures; 30% based on strategic measures; and 20% based on personal objectives relating to the above priorities. Financial measures include Total Accounting Return (25%) and Total Property Return relative to the MSCI UK All Property Index) (25%). Strategic measures are aligned to the key pillars underlying the business strategy (see pages 20 to 23) and ESG priorities. The performance targets are considered to be commercially sensitive at this point in the year – they will be fully disclosed in the Annual Remuneration Report. 33% of any amount earned by Lynda Shillaw and 20% of any amount earned by Kitty Patmore will be deferred into shares for two years. Dividend equivalents will be paid on shares awarded during the deferred period, payable in shares.

Directors' Remuneration Report
continued

SUMMARY OF THE POLICY AND HOW IT WILL BE IMPLEMENTED IN 2026 CONTINUED

Executive Directors continued

Element	Operation and performance metrics	Opportunity	Implementation for 2026
Performance flexed Restricted Share Plan ('RSP')	The awards comprise a core award and an outperformance element. Vesting of the outperformance element will be subject to one or more financial performance targets. Vesting of the awards will be subject to specific performance underpins. Awards will normally vest after three years. Vested awards will be subject to a two-year holding period. The Committee has discretion to amend the vesting outcome should it not reflect the Committee's assessment of overall business performance or if the Committee considers the outcome is not appropriate in the context of other factors considered by the Committee to be relevant. Dividend equivalents may be paid on vested shares based on dividends paid during the vesting period and/or holding period. Such amounts will normally be paid in shares. Malus and clawback provisions apply.	Core award: up to 100% of salary in respect of a financial year. Outperformance element: up to 0.33x the core award. Meaning an overall maximum opportunity of up to 133% of salary in respect of a financial year.	Lynda Shillaw and Kitty Patmore will each be granted performance flexed RSP awards comprising a core award of 100% of salary and an outperformance element equal to 0.33x the core award. 50% of the outperformance element will vest if Harworth's Total Property Return over the three-year period ending 31 December 2028 outperforms the upper quartile of the MSCI UK All Property Total Return Index. The remaining 50% of the outperformance element will vest if Harworth's Total Shareholder Return over the three-year period ending 31 December 2028 outperforms the upper quartile of the FTSE 250 Real Estate companies (excluding agencies). The awards are subject to three specific performance underpins related to financial health, underlying performance and corporate governance as defined on page 126.
Share Incentive Plan ('SIP') and Save-As-You-Earn plan ('SAYE')	These plans are reviewed annually and if offered are offered to all eligible employees in accordance with their terms and applicable legislation.	Limits are set in accordance with the relevant legislation.	The Executive Directors will participate in the SIP and SAYE schemes on the same terms as the wider workforce.
Shareholding guidelines	Within-employment: Executive Directors are required to build up a holding equivalent to 200% of salary. Until the shareholding levels are achieved, 50% of any shares vesting under the performance flexed RSP or deferred bonus (post-payment of tax) are required to be held. Post-employment: For the first 12 months following an Executive Director stepping down from the Board, they must retain such number of 'relevant shares' as have a value (as at the point of stepping down from the Board) equal to the within-employment guideline (200% of salary), with that requirement tapering down to 0% over the following 12 months. If the Executive Director holds less than the required number of 'relevant shares' at any time, they must retain the 'relevant shares' they hold.		As at 31 December 2025, Lynda Shillaw and Kitty Patmore held shares equal to 181% and 137% of salary respectively (based on the mid-market closing share price on 31 December 2025 (£1.67)).

Directors' Remuneration Report
continued

SUMMARY OF THE POLICY AND HOW IT WILL BE IMPLEMENTED IN 2026 CONTINUED

Non-Executive Directors

Element	Operation and performance metrics	Opportunity	Implementation for 2026
Fees and benefits	The fees of the Non-Executive Chair and other Non-Executive Directors are determined by the Board excluding those Directors whose fees are being considered. Additional fees are payable for additional Board duties, including but not limited to, acting as Senior Independent Director ('SID') and as Chair of the Board's Committees. Additional fees may be paid in the event that Non-Executive Directors are required to commit substantial additional time above that normally expected of their role. The Non-Executive Directors may be eligible to receive benefits linked to the performance of their duties, including but not limited to travel and other expenses, and the Company may make a payment in respect of any associated tax liability where the Committee considers this to be appropriate.	Fees are set taking into account the responsibilities of the role and expected time commitment. It is generally expected that increases to Non-Executive Director fee levels will be in line with the range of increases awarded to salaried employees (in percentage terms). However, in the event that there is a material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil a Non-Executive Director role, the Board has discretion to make an appropriate adjustment to the fee level. Where benefits are provided to Non-Executive Directors they will be provided at a level considered to be appropriate taking into account the individual circumstances. Overall fees paid to the Non-Executive Chair and Non-Executive Directors will remain within the limits set by the Company's Articles of Association.	The Chair and Non-Executive Directors did not receive a fee increase for 2026. Accordingly, the Chair and Non-Executive Director fees remain as follows: Chair fee: £211,750 Non-Executive Director base fee: £58,500 Additional fee for acting as SID: £10,300 Additional fee for chairing the Remuneration Committee or Audit Committee: £10,300

SINGLE TOTAL FIGURE OF REMUNERATION FOR EXECUTIVE DIRECTORS (AUDITED)

The table below sets out the remuneration received by each Executive Director of the Company for the year ended 31 December 2025 with a comparison to the previous year.

	L. Shillaw		K. Patmore	
	2025	2024	**2025**	2024
Fixed pay				
Salary	**£540,750**	£525,000	**£254,912**[2]	£341,775
Taxable benefits[1]	**£19,197**	£20,486	**£17,977**	£22,446
Pension benefit[3]	**£54,075**	£52,500	**£35,203**	£34,178
Subtotal	**£614,022**	£597,986	**£308,092**	£398,399
Variable pay				
Single-year variable	**£454,230**	£787,500	**£246,420**	£427,219
Multi-year variable[4]	**£283,979**	£191,310[6]	**£199,357**	£185,886[6]
Other[5]	**£7,200**	£10,567	**£7,200**	£7,200
Subtotal	**£745,409**	£989,377	**£452,977**	£620,305
Total	**£1,359,431**	£1,587,363	**£761,069**	£1,018,704

1. Taxable benefits consist of car allowance, private medical cover, and the use of a chauffeur service for business travel and commuting. Other benefits include life insurance. Taxable benefits for Lynda Shillaw up to August 2025 include reimbursement for in-year private medical cover. Taxable benefits for Kitty Patmore for 2024 and 2025 include reimbursement for in-year private medical cover.
2. Kitty Patmore's annual salary for 2025 was £352,030. Kitty Patmore was on maternity leave for a proportion of 2025 and she received a reduced salary of £254,912 in accordance with the Group's maternity leave policy. Kitty Patmore's 2025 bonus was calculated based on her unreduced salary.
3. Lynda Shillaw and Kitty Patmore received a pension allowance equivalent to 10% of salary.
4. Multi-year variable values for 2025 relate to the vesting of the third tranche of the RSP awards granted in 2021, the second tranche of the RSP awards granted in 2022 and the first tranche of the RSP awards granted in 2023. Multi-year variable values for 2024 relate to the vesting of the third tranche of the RSP awards granted in 2020 (which Lynda Shillaw did not participate in), the second tranche of the RSP awards granted in 2021 and the first tranche of the RSP awards granted in 2022.
5. 'Other' includes Free Shares and Matching Shares awarded to Lynda Shillaw and Kitty Patmore during 2024 and 2025 under the all-employee SIP, and options granted during 2024 to Lynda Shillaw under the all-employee SAYE Plan. The value of Free Shares and Matching Shares is determined based on the face value of the shares at the award date. The value of SAYE options is determined based on the intrinsic value of the award at the grant date.
6. In the 2024 Directors' Remuneration Report the value of the third tranche of the 2020 RSP awards, the second tranche of the 2021 RSP awards and the first tranche of the 2022 RSP awards which vested on 18 March 2025 was estimated by reference to the average mid-market closing share price for the three-month period ended 31 December 2024 (£1.75). The value has been updated in the table to reflect the mid-market closing share price on the vesting date (£1.72). The share price at the grant date of the 2020 RSP awards (£1.04, based on the mid-marking closing share price on the trading day immediately preceding the grant date on 25 June 2020) is £0.68 less than the share price at the vesting date. Therefore, 39.5% of the face value at vesting is attributable to growth in share price between grant and vesting. The share price at the grant date of the 2021 RSP awards (£1.276, based on the average mid-marking closing share price for the five trading days immediately preceding the grant date on 6 April 2021) is £0.444 less than the share price at the vesting date. Therefore, 25.8% of the face value at vesting is attributable to growth in share price between grant and vesting. The share price at the grant date of the 2022 RSP awards (£1.787, based on the average mid-marking closing share price for the five trading days immediately following the announcement of the annual results for 2021) is £0.037 more than the share price at the vesting date. Therefore, none of the face value at vesting is attributable to growth in share price.

Directors' Remuneration Report
continued

SINGLE TOTAL FIGURE OF REMUNERATION FOR NON-EXECUTIVE DIRECTORS (AUDITED)

The table below sets out remuneration received by each Non-Executive Director of the Company for the year ended 31 December 2025 with a comparison to the previous year, representing payments received in respect of the period during which each individual was a Director of the Company.

	Base fee		Committee chair fees		SID fee		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
A. Lyons	**£211,750**	£188,715	**–**	–	**–**	–	**£211,750**	£188,715
M. Bowes	**£58,500**	£53,076	**–**	–	**–**	–	**£58,500**	£53,076
A. Bromfield	**£58,500**	£53,076	**£13,733**[3]	£15,986	**£10,300**	£9,371	**£82,533**	£78,433
R. Cooke[1]	**£22,425**	£53,076	**–**	–	**–**	–	**£22,425**	£53,076
P. O'Donnell Bourke	**£58,500**	£53,076	**£10,300**	£9,371	**–**	–	**£68,800**	£62,447
L. Scenna	**£58,500**	£53,076	**–**	–	**–**	–	**£58,500**	£53,076
M. Zafar	**£58,500**	£53,076	**–**	–	**–**	–	**£58,500**	£53,076
P. Redding[2]	**£18,000**	–	**–**	–	**–**	–	**£18,000**	–

1. Ruth Cooke resigned from the Board with effect from 19 May 2025.
2. Phil Redding was appointed as a Non-Executive Director with effect from 10 September 2025.
3. Includes a fee for chairing the ESG Committee to the end of April 2025, after which the responsibilities for the ESG Committee were reallocated to the Board and Audit Committee.

GROUP TARGETS

INCENTIVE OUTCOMES FOR YEAR ENDED 31 DECEMBER 2025 (AUDITED)

Annual bonus

Lynda Shillaw's and Kitty Patmore's bonus opportunities for 2025 were equal to 150% and 125% of salary respectively, subject to a combination of financial and strategic performance measures.

Group financial performance outcome (60% of total bonus opportunity)

Financial performance measures include Total Accounting Return and relative Total Property Return. This is the first year that we have included a relative Total Property Return measure within the annual bonus.

The business delivered sustained operational progress in 2025, and management actions have delivered attractive levels of return across the Group's Industrial & Logistics portfolio. However, Group level value gains have been tempered by residential market weakness which has impacted Total Accounting Return. As a result, Total Accounting Return performance is below the threshold target resulting in nil vesting for this element of the bonus.

Under the relative Total Property Return measure, the Group's Total Property Return performance is measured against the MSCI UK All Property Total Return Index. At a portfolio level, Total Property Return calculated by MSCI was 8.4% outperforming the MSCI UK All Property Total Return Index of 5.6%, resulting in maximum vesting for this element of the bonus.

Financial measure	Weighting (% of financial element)	Threshold[1]	Target[2]	Maximum	Actual performance	Vesting outcome
Total Accounting Return Growth in EPRA NDV plus dividends paid during 2025	50%	4.5%	5.6%	6.6%	1.7%	0%
Relative Total Property Return Total Property Return relative to the MSCI UK All Property Total Return Index	50%	Index	n/a	Index + 1.5%	8.4%	50%

Broadly straight-line vesting occurs between defined levels of performance
1. 25% of maximum opportunity vests at threshold.
2. 50% of maximum opportunity vests at target.

Directors' Remuneration Report
continued

STRATEGIC MEASURES (40% OF TOTAL BONUS OPPORTUNITY)

The strategic measures were aligned to the key strategic pillars underlying the business strategy and ESG priorities. Good progress has been made in the year towards delivering the Group's key 2027 strategic targets (see pages 20 to 23) as evidenced in the table below. Considering performance against these targets in the round, the Committee determined that 65% vesting in respect of the strategic element was appropriate.

Strategic measure	Objective	Performance
Increasing direct development of Industrial & Logistics space	Remain on track to deliver an average of 800,000 sq ft of Industrial & Logistics development each year by the end of 2027.	Direct development of c.270,000 sq ft of modern Grade A Industrial & Logistics space which was transferred into the Group's Investment Portfolio, including the speculatively built 170,000 sq ft unit at Droitwich which was let within six months of practical completion. Significant investment took place, with enabling works completed or well progressed across sites which have capacity to deliver 4m sq ft of Industrial & Logistics space. Planning promotion has also progressed across the pipeline, positioning sites for planning consent in 2026. Both are critical to meeting the average 800,000 sq ft annual development target.
Accelerating sales and broadening the range of Residential products	Transactions completed and enabling works progressed to deliver sales of Residential products to optimise returns and generate capital for redeployment in line with budget.	Measured against a strategic ambition of an average of 2,000 plots per year, 1,837 plot sales completed during 2025, with an additional 155 plots due to complete during Q1 2026, in line with the average of the last four years and budget expectations. A further 700+ plots were conditionally exchanged during 2025. £52m of headline sales delivered across 1,112 freehold plot sales at an overall discount to June 2025 book values and with higher levels of deferred consideration, reflecting market headwinds across the residential market.
Scaling up land acquisitions and promotion	Evaluate the long-term strategic land and development pipeline and formulate an acquisition strategy for addressing any gaps and maintaining the pipeline.	Undertook gap analysis of the existing pipeline and progress made on acquisition strategy, to be finalised and Board approved during 2026. £21.5m of strategic land acquisitions during the year, including the acquisition of JV partner's stake at Gateway 45, adjacent to our Skelton Grange site on which Microsoft is delivering a hyperscale data centre, such that the long-term pipeline now has the ability to deliver 35.0m sq ft of Industrial & Logistics space.

Directors' Remuneration Report
continued

Strategic measure	Objective	Performance
Repositioning core Investment Portfolio to modern Grade A	Remain on track to reach 100% modern Grade A by the end of 2027. Implement an updated approach to Investment Portfolio management to inform decision-making on the retention and divestment of investment assets.	Progress towards 100% Grade A through completion of Grade A units transferring to the Investment Portfolio and sales of either secondary assets or assets where value maximisation through asset management or redevelopment initiatives has been completed. Investment Portfolio at the end of 2025 increased to 76% Grade A by value and 63% by area (2024: 63% by value, 45% by area). On track to reach 100% Grade A by the end of 2027 subject to managing the availability of capital for future investments and headroom in security for the senior debt facility. Progress made on Investment Portfolio management review, with further work to be completed during 2026 to produce and embed the revised Investment Portfolio strategy.
ESG priorities	Remain on track with commitments set out in the NZC Pathway. Continue to make incremental improvements in the quality, transparency and veracity of the Group's ESG reporting.	Progress made against commitments (see the 2025 NZC Pathway Progress Report on our website). Developments delivered to commercial building specification. Delivered first BNG habitat banks. Improved quality of ESG reporting and enhanced level of reporting assurance through internal audit and an independent third party.

OVERALL BONUS OUTCOMES

The overall bonus outcomes for the Executive Directors are set out in the table below. The Committee considers the outcome to be a balanced and fair reflection of Group financial, operational and strategic performance and the shareholder experience for 2025.

	Total Accounting Return		**Relative Total Property Return**		**Strategic**		**Overall bonus outcome**	
Executive Director	Weighting	Vesting	Weighting	Vesting	Weighting	Vesting	% of bonus	% of salary
L. Shillaw	30%	0%	30%	30%	40%	26%	56%	84%
K. Patmore	30%	0%	30%	30%	40%	26%	56%	70%

In accordance with the Policy, 33% of Lynda Shillaw's earned bonus and 20% of Kitty Patmore's earned bonus will be deferred into shares for two years.

Directors' Remuneration Report
continued

RSP AWARDS VESTING (AUDITED)
RSP awards were granted to Lynda Shillaw and Kitty Patmore on 6 April 2021 (2021 RSP award), 8 June 2022 (2022 RSP award) and 17 April 2023 (2023 RSP award).

Vesting is phased over a five-year period, with one-third vesting after three years, one-third after four years and one-third after five years, although all vested shares must be held to the end of year five.

The RSP awards are subject to the following underpins:

Performance underpin	Not met if there is:
Financial health	A breach of financial covenants in the Group's principal banking facilities.
Underlying performance	A material deterioration in the Group's underlying performance which departs significantly from any deterioration across the real estate sector including, but not limited to, by reference to share price, dividend and/or EPRA NDV.
Corporate governance	A material failure in governance or an act resulting in significant reputational damage and/or material financial loss to the Group. This includes giving consideration to any successful prosecutions in relation to health and safety.

The Committee reviewed performance against these underpins, as well as underlying financial performance, and found no cause to reduce the vesting outcomes. The Committee considers the vesting outcomes to be appropriate, recognising that the Group has performed strongly, both financially and operationally, against a backdrop of continued macroeconomic uncertainty.

Therefore, the third tranche of the 2021 RSP awards, the second tranche of the 2022 RSP awards and the first tranche of the 2023 RSP awards will vest in full on 18 March 2026. The vested shares under the third tranche of the 2021 RSP Awards are not subject to a holding period given that a five-year vesting period applied to this tranche. The vested shares under the second tranche of the 2022 RSP Awards will be subject to a holding period until March 2027. The vested shares under the first tranche of the 2023 RSP Awards will be subject to a holding period until March 2028.

	Executive Director	Number of shares granted	Number of shares vesting	Face value at vesting[1]
2021 RSP awards Tranche 3	L. Shillaw	52,247	52,247	£85,685[2]
	K. Patmore	32,654	32,654	£53,553[2]
2022 RSP awards Tranche 2	L. Shillaw	58,981	58,981	£96,729[3]
	K. Patmore	43,368	43,368	£71,124[3]
2023 RSP awards Tranche 1	L. Shillaw	61,930	61,930	£101,565[3]
	K. Patmore	45,537	45,537	£74,681[3]

1. Face value based on the average mid-market closing share price for the three-month period ended 31 December 2025 (£1.64). The RSP awards did not accrue dividend equivalents during the vesting period.
2. The share price at the grant date of the RSP awards (£1.276, based on the average mid-marking closing share price for the five trading days immediately preceding the grant date on 6 April 2021) is £0.364 less than the above mentioned share price used to calculate the face value of the shares at vesting. Therefore, 22.2% of the face value at vesting is attributable to growth in share price between grant and vesting.
3. The share price used to determine the number of RSP awards granted (£1.787, based on the average mid-marking closing share price for the five trading days immediately following the announcement of the annual results for 2021) is £0.147 more than the above mentioned share price used to calculate the face value of the shares at vesting. Therefore, none of the face value at vesting is attributable to growth in share price.

PERFORMANCE FLEXED RSP AWARDS GRANTED IN 2025 (AUDITED)
Performance flexed RSP awards, which are designed to incentivise performance and support retention over the subsequent three years and comprise a core award and an outperformance element, were granted to Lynda Shillaw and Kitty Patmore on 27 June 2025 as follows:

Executive Director	Type of award	Date of grant	Number of shares subject to award	Face value at grant[1]
L. Shillaw	Nil-Cost Option	27 June 2025	412,857	£719,197
K. Patmore	Nil-Cost Option	27 June 2025	268,770	£468,197

1. Face value based on the average mid-market closing share price for the five trading days immediately preceding the grant date on 27 June 2025 (£1.742).

50% of the outperformance element will vest if Harworth's Total Property Return over the three-year period ending 31 December 2027 outperforms the upper quartile of the MSCI UK All Property Total Return Index. The remaining 50% of the outperformance element will vest if Harworth's Total Shareholder Return over the three-year period ending 31 December 2027 outperforms the upper quartile of the FTSE 250 Real Estate companies (excluding agencies).

The awards are subject to the three specific performance underpins related to financial health, underlying performance and corporate governance as defined earlier on this page.

Furthermore, the Committee has discretion to amend the vesting outcome if it considers that it is not reflective of underlying financial and operational performance, or the experience of shareholders or employees, over the vesting period. The Committee will consider whether there have been any 'windfall gains' over the vesting period when assessing the vesting outcome.

The awards will vest after three years. Vested awards will then be released after the end of a two-year holding period.

Directors' Remuneration Report
continued

DEFERRED SHARE BONUS AWARDS GRANTED IN 2025 (AUDITED)
In accordance with the Policy, Lynda Shillaw and Kitty Patmore were respectively required to defer 33% and 20% of their earned 2025 bonuses into shares for two years. Accordingly, Lynda Shillaw and Kitty Patmore were granted deferred share bonus awards on 26 March 2025 which vest on 26 February 2027[1].

Executive Director	Type of award	Date of grant	Number of shares subject to award	Face value[2]
L. Shillaw	Nil-Cost Option	26 March 2025	154,411	£259,874
K. Patmore	Nil-Cost Option	26 March 2025	50,768	£85,443

1. The Committee approved Lynda Shillaw's and Kitty Patmore's bonus awards in respect of 2024 on 26 February 2025, hence the deferred share bonus award vests on 26 February 2027.
2. Face value based on the average mid-market closing share price for the five trading days immediately following the annual results for 2024 (£1.683).

LOSS OF OFFICE PAYMENTS AND PAYMENT TO FORMER DIRECTORS (AUDITED)
There were no loss of office payments or payments made to former Directors during the year ended 31 December 2025.

MALUS AND CLAWBACK
The Group's malus and clawback provisions are set out on page 154 of the 2024 Annual Report. The Group did not use malus and clawback provisions during the year ended 31 December 2025.

EXECUTIVE DIRECTOR SERVICE CONTRACTS AND NON-EXECUTIVE DIRECTORS LETTERS OF APPOINTMENT
Lynda Shillaw has a rolling service contract (dated 29 July 2020) requiring nine months' notice of termination on either side. Kitty Patmore has a rolling service contract (dated 5 August 2019) requiring six months' notice of termination on either side.

Non-Executive Directors are appointed on a rolling annual basis. All Non-Executive Directors offer themselves for re-election at each AGM. The appointment and reappointment and the remuneration of Non-Executive Directors are matters reserved for the full Board.

	Date of letter of appointment	Appointment date to the Board	Current appointment expiry date[1]
A. Lyons	23 November 2017	7 March 2018	7 March 2027
A. Bromfield	19 February 2019	1 April 2019	1 April 2027
L. Scenna	29 June 2020	1 September 2020	1 September 2026
P. O'Donnell Bourke	2 November 2020	3 November 2020	3 November 2026
M. Zafar	31 May 2022	1 June 2022	1 June 2026
P. Redding	10 September 2025	10 September 2025	10 September 2026
M. Bowes[2]	1 March 2015	24 March 2015	24 March 2027

1. All Non-Executive Directors are subject to annual rolling appointments by reference to the date of their original appointment to the Board.
2. Martyn Bowes was previously a Non-Executive Director of Harworth Estates Property Group Limited from 19 March 2013.

Executive Director service contracts and Non-Executive Directors letters of appointment are available at the Company's registered office during normal business hours and at the place of the AGM from 15 minutes before the AGM until it ends.

Directors' Remuneration Report
continued

DIRECTORS' INTERESTS (AUDITED)

The following table sets out the beneficial interests of the Directors and their connected persons in the share capital of the Company as at 31 December 2025 (or, if earlier, the date they stepped down from the Board). None of the Directors have a beneficial interest in the shares of any other Group Company. Details of Directors' share options are also set out in the table below. Current shareholding as a percentage of salary is based on the mid-market closing price for the shares on 31 December 2025 of £1.67.

	Shares held			Options held					
	Beneficially owned	Unvested and not subject to performance[1]	Unvested and subject to performance[2]	Unvested and not subject to performance[3]	Vested and subject to holding period (unexercised)[4]	Vested and not subject to holding or deferral period (unexercised)[5]	Shareholding requirement % salary	Current shareholding % salary	Requirement met?
L. Shillaw	306,506	15,335	989,199	288,646	163,473	59,289	200%	181%	No
K. Patmore	113,202	15,335	668,215	118,330	108,676	96,154	200%	137%	No
A. Lyons	400,000	-	-	-	-		n/a	n/a	n/a
M. Bowes	-	-	-	-	-		n/a	n/a	n/a
A. Bromfield	36,264	-	-	-	-		n/a	n/a	n/a
R. Cooke[6]	-	-	-	-	-		n/a	n/a	n/a
L. Scenna	-	-	-	-	-		n/a	n/a	n/a
P. O'Donnell Bourke	40,000	-	-	-	-		n/a	n/a	n/a
M. Zafar	-	-	-	-	-		n/a	n/a	n/a
P. Redding	-	-	-	-	-		n/a	n/a	n/a

1. Free share awards and matching share awards under the Share Incentive Plan.
2. Nil-cost options granted under the RSP that remain unvested as at 31 December 2025.
3. Options granted under the SAYE Plan and nil-cost options granted under the DBP that remain unvested as at 31 December 2025.
4. Nil-cost options granted under the RSP that have vested but remain subject to a holding period as at 31 December 2025.
5. Nil-cost options granted under the RSP that have vested and are no longer subject to a holding period and nil-cost options granted under the DBP that have vested as at 31 December 2025.
6. Resigned from the Board with effect from 19 May 2025.

As at 16 March 2026, shares held by Lynda Shillaw and Kitty Patmore were 322,657 and 129,353 respectively, as a result of partnership shares and matching shares awarded under the Share Incentive Plan. There have been no further changes to the holdings listed above between 31 December 2025 and 16 March 2026.

Directors' Remuneration Report

continued

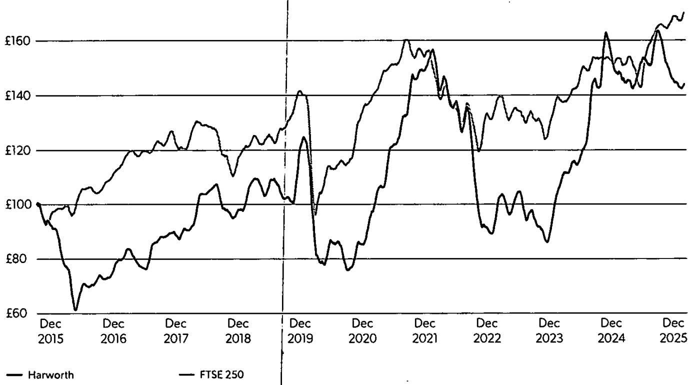
REVIEW OF PAST PERFORMANCE

The following chart shows the Total Shareholder Return of the Company compared to the FTSE 250 Index over the period from 1 January 2016 to 31 December 2025. The FTSE 250 Index was chosen as a comparator as the Company is a constituent of the Index. The table below shows the Chief Executive's 'single-figure' remuneration over the same period.

Historical Total Shareholder Return performance

Growth in the value of a hypothetical £100 holding (including re-investment of dividends) over the period from re-listing on 1 January 2016 to 31 December 2025:

Total Shareholder Return (rebased to £100)



Source: LSEG DataStream

Historical Chief Executive remuneration

	Chief Executive	Single figure remuneration (£'000)	Short-term incentive award as a % of maximum opportunity	Long-term incentive award as a % of maximum opportunity
2025	**L. Shillaw**	**£1,359**	**56%**	**100%[1]**
2024	L. Shillaw	£1,587	100%	100%[2]
2023	L. Shillaw	£1,087	75.2%	100%[3]
2022	L. Shillaw	£815	62.5%	n/a
2021	L. Shillaw	£824	90.5%	n/a
2020	L. Shillaw	£76	n/a	n/a
	O. Michaelson	£559	51.34%	5.05%
2019	O. Michaelson	£669	44.2%	51.5%
2018	O. Michaelson	£901	85.6%	51.8%
2017	O. Michaelson	£1,392	80.6%	n/a[4]
2016	O. Michaelson	£599	90.0%	n/a

1. Vesting of the third tranche of the 2021 RSP award, the second tranche of the 2022 RSP award and the first tranche of the 2023 RSP award.
2. Vesting of the second tranche of the 2021 RSP award and the first tranche of the 2022 RSP award.
3. Vesting of the first tranche of the 2021 RSP award.
4. Excludes vesting of Harworth Estates Long-Term Incentive Plan award as this was a one-off scheme put in place by HEPGL in 2013.

REWARD FOR THE WIDER WORKFORCE

All our people contribute to the achievement of the Group's long-term success. Therefore, when making decisions in respect of the Executive Directors, the Committee considers the reward arrangements for, and views of, the wider workforce. Details of our approach to reward for the wider workforce are set out on page 155 of the 2024 Annual Report.

The Company holds an Employee AGM biennially which forms part of a wider programme of formal and informal employee engagement by the Board, providing a platform for employees to discuss a range of topics with the Board, including Executive and wider workforce remuneration.

Directors' Remuneration Report
continued

PERCENTAGE CHANGE IN REMUNERATION OF DIRECTORS AND EMPLOYEES

The table below shows the annual percentage change in each of the Directors' remuneration compared to the average employee remuneration.

	% change between 2024 and 2025			% change between 2023 and 2024			% change between 2022 and 2023			% change between 2021 and 2022			% change between 2020 and 2021		
	Salary & fees	**Benefits**	**Bonus**	Salary & fees	Benefits	Bonus	Salary & fees	Benefits	Bonus	Salary & fees	Benefits	Bonus	Salary & fees	Benefits	Bonus
Executive Directors															
L. Shillaw[1]	**3%**	**0.4%**	**-24.7%**	18.6%	9.3%	57.8%	5%	14.6%	51.5%	5.4%	3.8%	-9%	n/a	n/a	n/a
K. Patmore	**-25.4%[2]**	**-6.1%**	**-27%**	5%	-8.6%	39.7%	5%	51%	57.8%	24%	17.1%	-14.4%	25%	0%	122.3%
Non-Executive Directors[3]															
A. Lyons	**12.2%**	**-**	**-**	5%	-	-	5%	-	-	5.4%	-	-	1.5%	-	-
M. Bowes	**10.2%**	**-**	**-**	5%	-	-	5%	-	-	5.4%	-	-	1.5%	-	-
A. Bromfield[4]	**5.2%**	**-**	**-**	5%	-	-	5%	-	-	16.8%	-	-	28%	-	-
R. Cooke[5]	**n/a**	**-**	**-**	5%	-	-	5%	-	-	5.4%	-	-	1.5%	-	-
P. O'Donnell Bourke[6]	**10.2%**	**-**	**-**	5%	-	-	5%	-	-	6.3%	-	-	n/a	-	-
L. Scenna[7]	**10.2%**	**-**	**-**	5%	-	-	5%	-	-	5.4%	-	-	n/a	-	-
M. Zafar[8]	**10.2%**	**-**	**-**	5%	-	-	n/a	-	-	n/a	-	-	n/a	-	-
P. Redding[9]	**n/a**	**-**	**-**	n/a	-	-	n/a	-	-	n/a	-	-	n/a	-	-
Average employee (Company)[10]	**21.1%**	**14.2%**	**24.9%**	5.0%	3.3%	80.5%	6.3%	3.6%	5.8%	19.4%	10.0%	9.5%	13.3%	6.5%	157.4%
Average employee (Group)	**2.6%**	**0.7%**	**29.7%**	6.3%	4.6%	27.6%	3.1%	-12%	5%	5.4%	28.8%[11]	-7.8%	9.4%	3.8%	45.7%

1. Appointed as Chief Executive with effect from 1 November 2020 and therefore the annual percentage change in remuneration between 2020 and 2021 is not applicable.
2. Kitty Patmore was on maternity leave for a proportion of 2025 and she received a reduced salary in accordance with the Group's maternity leave policy.
3. As set out on page 149 of the 2024 Annual Report and Accounts, the fees payable to the Chair and Non-Executive Directors were externally benchmarked during 2024, taking into account the growth in Harworth's value, size and complexity since the previous review in 2021. The Board concluded that the resulting increases were appropriate, with fees positioned around the median for Main Market listed companies (excluding financial services) with a market capitalisation of £300m to £900m, and reflected the experience and calibre of the Chair and Non-Executive Directors.
4. Appointed as Senior Independent Director and Chair of the Remuneration Committee with effect from 1 November 2020. Received a fee for chairing the ESG Committee between 1 January 2022 and the end of April 2025.
5. Resigned from the Board with effect from 19 May 2025 and therefore the annual percentage change in remuneration between 2024 and 2025 is not applicable.
6. Appointed as Non-Executive Director with effect from 3 November 2020 and therefore the annual percentage change in remuneration between 2020 and 2021 is not applicable.
7. Appointed as Non-Executive Director with effect from 1 September 2020 and therefore the annual percentage change in remuneration between 2020 and 2021 is not applicable.
8. Appointed as Non-Executive Director with effect from 1 June 2022 and therefore the annual percentage change in remuneration between 2020 and 2021, between 2021 and 2022 and between 2022 and 2023 is not applicable.
9. Appointed as Non-Executive Director with effect from 10 September 2025 and therefore the annual percentage change in remuneration is not applicable.
10. Calculated by reference to employees (excluding Directors) of the Company to satisfy the disclosure obligations under The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. However, given that the Company only employs a small proportion of the Group's employees, the row below cites the equivalent figures calculated by reference to employees (excluding Directors) of the Company and its subsidiaries.
11. A one-off non-contractual payment of £2,000 was made to all employees (excluding the Executive team) during 2022 to provide some support during the 'cost of living crisis'. This payment is included within the 2022 benefits figure. There have been no recent changes to the broader benefits available to our employees. Car allowances are determined by internal gradings and applied consistently. Private medical insurance is available to all employees, their spouses/partners and dependants on the same terms.

Directors' Remuneration Report
continued

CHIEF EXECUTIVE PAY RATIO
The Group has fewer than 250 UK employees and is therefore not required to disclose a Chief Executive pay ratio. However, in line with best practice, the Committee considers it appropriate to disclose the pay ratio voluntarily.

The table below sets out the Chief Executive's total remuneration as a ratio against the full-time equivalent remuneration of employees for the years ended 31 December 2021 to 31 December 2025.

Year ended	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
31 December 2025	23:1	15:1	9:1
31 December 2024	24:1	17:1	11:1
31 December 2023	16:1	12:1	8:1
31 December 2022	15:1	10:1	7:1
31 December 2021	18:1	12:1	8:1

For each year, the Company has calculated the ratio in line with the reporting regulations using Option A. Option A methodology was selected on the basis that it is a robust approach and is preferred by shareholders and proxy voting agencies. The calculations for the representative employees were performed as at the final day of the relevant financial year.

A substantial proportion of the Chief Executive's total remuneration is performance related and delivered in shares. The ratios will therefore depend significantly on the Chief Executive's annual bonus and RSP outcomes and may fluctuate year-on-year.

The Board believes that the median pay ratio is consistent with the pay, reward and progression policies for the wider workforce.

The table below sets out the pay and benefits figures used to calculate the 2025 ratios and the salary component.

Year ended		Chief Executive[1,2]	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
31 December 2025	Total pay and benefits	£1,359,431	£58,986	£87,996	£136,672
	Salary	£540,750	£42,711	£61,002	£100,000

1. The Chief Executive's total pay and benefits is the total single figure as disclosed on page 122.
2. The employee percentile total pay and benefits have been calculated on the same basis as required for the Chief Executive's remuneration for single figure purposes, with the exception that the vesting of awards under the RSP is omitted from the employee calculations.

RELATIVE IMPORTANCE OF SPEND ON PAY

Total employee pay expenditure			Distribution to shareholders		
2025	2024	% change	2025	2024	% change
£23.9m	£22.5m	8.9%	£5.4m	£4.8m	12.5%

Total employee pay in the year reflected the inflationary increase of c.3% awarded to all employees as well as the 12% increase in headcount during the year, with the average number of employees rising to 146 from 130.

Total dividends declared for 2025 were 1.775p per share (2024: 1.614p per share), resulting in total dividends of £5.4m (2024: £4.8m). The percentage change is shown on a per share basis.

SHAREHOLDING VOTING AND ENGAGEMENT
Prior to the 2025 AGM, the Committee engaged extensively with shareholders (representing c.85% of the Company's issued share capital), as well as proxy agencies, in relation to the Remuneration Policy, which provided the Committee with a holistic understanding of shareholder views and helped shape the final Policy and incentive structure. In particular, the Committee received valuable feedback on the performance flexed RSP, with a significant majority of shareholders consulted being supportive of the structure.

The resolution relating to the approval of the Policy was approved with a 75.67% majority and therefore, in accordance with the UK Corporate Governance Code, the Committee Chair wrote to shareholders following the 2025 AGM to explain the decision to move forward with the Policy, to reiterate why the Committee considered the performance flexed RSP to be in the best interests of Harworth's shareholders, and to offer a further opportunity to engage with the Company and provide feedback. Shareholders that responded re-affirmed their previous views and did not consider further engagement necessary.

The Committee will continue to engage with shareholders and proxy agencies on Executive remuneration matters as and when appropriate.

The table below shows the results of votes at the Harworth Group plc AGM on 19 May 2025 on: (1) the resolution relating to the approval of the Annual Remuneration Report; (2) the resolution relating to the approval of the Remuneration Policy; and (3) the resolution relating to the approval of amendments to the Harworth 2019 Restricted Share Plan.

	Votes				
	For	For as a percentage of votes cast	Against	Against as a percentage of votes cast	Withheld
Approval of Annual Remuneration Report	277,344,247	99.26	2,069,460	0.74	748,308
Approval of Remuneration Policy	203,329,389	75.67	65,359,579	24.33	11,472,716
Approval of 2019 RSP amendments	274,336,407	97.95	5,742,328	2.05	66,232

Directors' Remuneration Report
continued

REMUNERATION COMMITTEE ADVISERS
During the year under review, the Committee received advice on Executive remuneration matters from Deloitte LLP ('Deloitte'). Deloitte was appointed by the Committee on 18 October 2018 as its independent adviser following a competitive selection process. Deloitte is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to executive remuneration matters in the UK. The Committee has satisfied itself that Deloitte provided objective and independent advice during 2025.

Deloitte's fees in relation to remuneration advice provided to the Committee during 2025 were £36,500 plus VAT, charged on a time and expenses basis. Deloitte also provided advice to the Group during 2025 in relation to corporate tax, pensions and share plans. The Committee did not consider that these engagements impaired Deloitte's independence.

ANGELA BROMFIELD
CHAIR OF THE REMUNERATION COMMITTEE
16 MARCH 2026

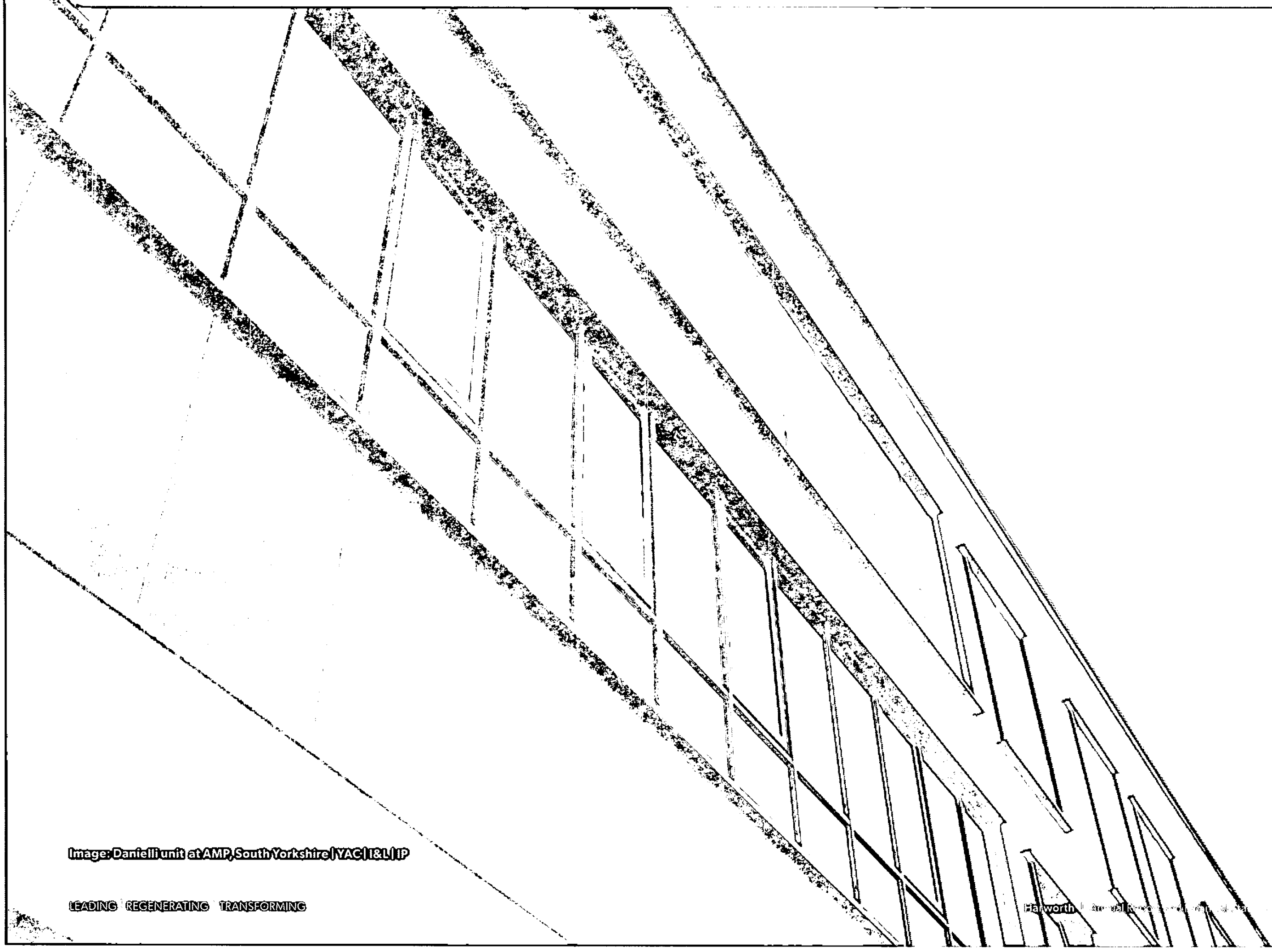


Image: Danielli unit at AMP, South Yorkshire | YAC | I&L | IP

Directors' Report

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2025.

Some of the matters required to be included in this Directors' Report can be found in the Strategic Report or elsewhere in the Governance Report as indicated below:

DISCLOSURE	REFERENCE
Auditors	Audit Committee report, pages 110 to 114
Composition and operation of administrative, management and supervisory bodies and committees	Division of responsibilities, pages 98 to 99
Directors' interests in shares	Directors' remuneration report, page 128
Directors' remuneration	Directors' remuneration report, pages 116 to 132
Disclosure of information to auditors	Statement of Directors' responsibilities, page 138
Diversity	Strategic Report, page 35 Nomination Committee report, pages 107 to 108
Employee engagement	Board leadership and Company purpose, page 96
Employee share schemes	Directors' remuneration report, page 126
Future developments of the business	Strategic Report, pages 16 and 38 to 39
Going concern	Statement of Directors' responsibilities, pages 137 to 138
Greenhouse gas emissions	Strategic Report, pages 72 to 73
Post-balance sheet events	Financial Statements, Note 32, page 194
Risk management and internal controls	Strategic Report, pages 58 to 70 Audit Committee Report, pages 110 to 114
Stakeholders, including regard to the need to foster relationships with suppliers, customers and others	Section 172(1) Statement, pages 100 to 102
Significant related party transactions	Financial Statements, Note 31, pages 193 to 194
Long-Term Viability Statement	Strategic Report, pages 84 to 86
UK Corporate Governance Code	Application of the 2024 Code, page 89

The liabilities of the Directors in connection with this Report are subject to the limitations and restrictions provided by English Company law.

Directors' Report
continued

Company status
Harworth Group plc is a company incorporated in England with company number 02649340. It is listed on the London Stock Exchange (LSE: HWG) and is a constituent member of the FTSE 250 Index. All subsidiaries and associated undertakings are listed in Note 16 to the Financial Statements.

Financial results and dividends
The results for the year are set out in the Financial Statements on pages 147 to 194.

The Board is recommending a final dividend of 1.237p per share, which, together with the interim dividend of 0.538p per share paid in November 2025, makes a combined dividend of 1.775p (2024: 1.614p) per share. Payment of the final dividend, if approved at the 2026 AGM, will be made on 22 May 2026 to shareholders on the register at the close of business on 24 April 2026. The ex-dividend date will be 23 April 2026. The dividend paid in the year to 31 December 2025 was 1.663p (2024: 1.511p) per share, comprising the 2024 final dividend of 1.125p per share and the interim dividend of 0.538p per share for 2025.

Share capital
Harworth has a single class of share capital: ordinary shares of 10 pence each. At 31 December 2025, there were 325,873,292 ordinary shares in issue. Further details relating to share capital, including movements during the year, are set out in Note 27 to the Financial Statements. Since 31 December 2025 to the date of this report, the Company's issued share capital has increased to 325,892,244 ordinary shares.

There are no restrictions on the transfer of shares in the Company, save for the power of the Board to refuse to transfer shares in certain circumstances prescribed by the Articles of Association, and those specified by law or regulation (for example, insider trading laws) and pursuant to the Listing Rules of the FCA whereby certain employees of the Group require the approval of the Company to deal in the shares. All shares carry equal rights to dividends, voting and return of capital on the winding up of the Company, as set out in the Company's Articles of Association, and are fully paid.

On a show of hands at a general meeting of the Company, every holder of shares present in person and entitled to vote shall have one vote, and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The notice of the 2026 AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the meeting. There are no restrictions on any voting rights or deadlines, other than those prescribed by law or the Articles of Association.

The Company is not aware of any arrangement between holders of shares which may result in restrictions on the transfer of securities or voting rights, nor any arrangement whereby a shareholder has waived or agreed to waive dividends (other than the Employee Benefit Trust - see page 136).

The Directors were granted authority at the 2025 AGM to allot shares up to a nominal amount of one-third of the Company's issued nominal share capital, as well as additional authority to allot a further one-third on a rights issue. This authority expires at the conclusion of the 2026 AGM, and a resolution will be proposed for its renewal.

Under Section 561 of the Companies Act 2006 ('Companies Act'), if the Directors wish to allot unissued shares for cash (subject to certain exceptions, including allotments pursuant to an approved employee share scheme), they must first offer them to existing shareholders in proportion to their holdings (a pre-emptive offer). By a special resolution at the 2025 AGM, the shareholders gave authority to the Directors to disapply the previously mentioned pre-emption and to allot shares for cash other than by way of rights issue to existing shareholders, provided that the aggregate nominal value of such shares does not exceed 5% of the Company's total issued equity capital. The Directors have not made use of this authority since the 2025 AGM. Ahead of publication of the 2026 AGM notice, we are engaging with our largest shareholders about the prospect of an increased authority to disapply pre-emption rights.

Purchase of the Company's own shares
The Company has authority under a shareholders' resolution passed at the 2025 AGM to purchase up to 32,544,346 of the Company's ordinary shares, representing approximately 10% of the Company's total issued share capital in the market during the period expiring at the 2025 AGM. No shares have been purchased by the Company under this authority. A special resolution will be proposed at the 2026 AGM to renew this authority. Any shares purchased under this authority will be cancelled (unless the Directors determine that they are to be held as treasury shares) and the number of shares in issue will be reduced accordingly.

Directors
The names and biographical details of the Directors who held office during the year and up to the date of this report are set on pages 90 to 92. In accordance with the Code, all Directors will offer themselves for election/re-election at the 2026 AGM.

The Directors' Remuneration Report, which includes details of Directors' service agreements and their interests in the shares of the Company, is set out on pages 116 to 132. Copies of the service agreements of the Executive Directors and letters of appointment for the Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Company's 2026 AGM.

No Director has had a material interest, directly or indirectly, at any time during the year under review in any contract significant to the Company's business.

The Directors may exercise all the powers of the Company, subject to compliance with relevant laws, the Company's Memorandum and Articles of Association and any directions given by special resolution of shareholders.

Financial risk management
The Group's overall risk management programme includes a focus on credit and liquidity risks to minimise any potential adverse effects on the Group's financial health. Further detail, including use of financial instruments as appropriate as part of managing the interest rate risk on external borrowings, is set out in Note 24 to the Financial Statements.

Directors' indemnities, insurance and independent advice
The Company maintains Directors' and Officers' liability insurance. To the extent permitted by UK law, the Company indemnifies its Directors and senior executives against claims brought against them as a consequence of the execution of their duties as Directors of the Company. The Board has established a procedure by which any Director, for the purpose of furthering their duties, may take independent professional advice at the Company's expense. No Director had reason to use this facility in 2025.

Charitable and political donations
The Group made charitable donations during 2025 in the aggregate sum of £58,936 (2024: £51,784).

Directors' Report
continued

No political donations were made during the year (2024: £nil). It remains the Company's policy not to make any cash donations to political parties. This policy is strictly adhered to and there is no intention to change it. However, the definitions of 'political donation' and 'political expenditure' used in the Companies Act remain very broad, which may have the effect of covering some normal business activities that would not be considered political donations or political expenditure in the usual sense. These could include support for bodies engaged in law reform or governmental policy review or involvement in seminars and functions that may be attended by politicians. To avoid any possibility of inadvertently contravening the Companies Act, the Directors obtained authority from shareholders at the 2025 AGM for certain political donations and expenditure, subject to financial limits, and will seek to renew this authority at the 2026 AGM.

Employee Benefit Trust[1]
The Harworth Group plc Employee Benefit Trust ('EBT') holds shares in the Company for the purposes of satisfying awards that may vest under the Company's employee share plans. Shares issued pursuant to Share Incentive Plan awards are held by Equiniti Share Plan Trustees Limited pending maturity. At 31 December 2025, the EBT held 809,743 (2024: 230,713) ordinary shares and Equiniti Share Plan Trustees Limited held 1,856,368 (2024: 1,445,184) ordinary shares, being in aggregate 2,666,111 (2024: 1,675,897) shares, which represent 0.82% of the Company's issued share capital as of 31 December 2025. The EBT has waived its right to receive dividends on shares that it holds beneficially in respect of awards that have not vested.

1. The number of shares held by Equiniti Share Plan Trustees Limited is higher than the number of the Company's own shares held as stated in Note 27 of the Financial Statements due to Partnership shares held under the SIP.

Amendment of Articles of Association
The Articles of Association may be amended by special resolution of the shareholders.

Substantial shareholdings and agreements with shareholders
As at the date of this Report, the Company had been notified, pursuant to paragraph 5 of the FCA's Disclosure and Transparency Rules, of the following notifiable voting rights:

Name of holder	Number of ordinary shares	Percentage of total voting rights
Goodweather Holdings Limited[1]	95,556,350	29.32%
London and Amsterdam Trust Company	85,097,385	26.11%
Pension Protection Fund	57,716,672	17.71%

1. Goodweather Holdings Limited is a member of the Peel Group.

The Company's relationship with the Pension Protection Fund ('PPF') is governed by an agreement pursuant to which, amongst other things, the PPF is entitled to appoint a representative Director to the Board.

Change of control provisions
Under the terms of the RCF entered into between National Westminster Bank plc, Santander UK plc, HSBC UK Bank plc and Harworth Estates Property Group Limited ('HEPGL') in November 2025, if any person or Group of persons acting in concert gains direct or indirect control of HEPGL or Harworth Group plc the facility is capable of being cancelled, in which event all outstanding loans and ancillary outstandings, together with accrued interest and all other amounts accrued under the facility agreement shall become immediately due and payable.

Transactions with related parties
Transactions entered into with related parties during 2025 are disclosed in Note 31 to the Financial Statements.

Equal opportunities
Harworth is committed to being an equal opportunities employer. Our employment policies and practices are designed to meet all applicable UK legal and regulatory requirements, while protecting and supporting the interests of both current and prospective employees. We do not tolerate any form of unfair or discriminatory treatment and are committed to ensuring that all individuals have equal access to employment, development, and progression opportunities, irrespective of race, nationality, gender, age, marital or civil status, sexual orientation, disability, or religious or political beliefs.

We are dedicated to fostering a workplace culture in which everyone feels valued, respected and able to contribute fully. In support of this commitment, we:

- promote equality, fairness and consistency across all aspects of employment;
- make reasonable adjustments to support disabled employees and give full and fair consideration to applicants with disabilities; and
- ensure equal access to training, professional development and career progression for all employees, including those with disabilities.

2026 Annual General Meeting ('AGM')
Harworth's 2026 AGM will be held at 10:00am on 18 May 2026 at Unit 1, Harworth Way, Catcliffe, Rotherham, S60 5GR.

The Notice of AGM, including full details of resolutions and voting instructions, will be sent to shareholders at least 20 working days before the meeting and published on the Company's website. Shareholders may vote in person or by proxy, with options to submit proxy instructions by post, electronically via Shareview, or through CREST or Proxymity. Further information is provided in the Notice of AGM, published on the Company's website.

The Directors' Report was approved by the Board of Directors and signed on its behalf by:

CHRIS BIRCH
GENERAL COUNSEL AND COMPANY SECRETARY
16 MARCH 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards ('IFRSs'). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- in respect of the Company Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Responsibility statements

The Directors (see the list of names and roles on pages 90 to 92) confirm, to the best of their knowledge:

- that the consolidated Financial Statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Going concern basis

These Financial Statements are prepared on the basis that the Group is a going concern. In forming its opinion as to going concern, the Company prepares cash flow and banking covenant forecasts based upon its assumptions with particular consideration to the key risks and uncertainties and the current macroeconomic environment as well as taking into account available borrowing facilities. The going concern period assessed is until June 2027 which has been selected as it can be projected with a good degree of expected accuracy.

A key focus of the assessment of going concern is the management of liquidity and compliance with borrowing facilities for the period to June 2027. Having refinanced in November 2025, a £275m RCF facility is available to the Group which is aligned to the Group's strategy and provides significant liquidity and flexibility to enable it to pursue its strategic objectives. The facility is subject to financial covenants, including minimum interest cover, maximum infrastructure debt as a percentage of property value and gearing, all of which are tested through the going concern assessment undertaken. Available liquidity, including cash and cash equivalents and bank facility headroom, was £127.1m as at 31 December 2025.

The Group benefits from diversification across its Capital Growth and Income Generation businesses including its industrial and renewable energy property portfolio. Taking into account the independent valuation by Jones Lang LaSalle, Savills and BNP Paribas, the Group net LTV remains low at 15.6%, within the Board's target range and with headroom to allow for falls in property values. Rent collection remained strong, with 99% collected to date for 2025.

In addition to a base cash flow forecast, a sensitised forecast was produced that reflected a number of severe but plausible downsides. These downsides included:

1. a severe reduction in headline sales, including lower investment property sales;
2. notwithstanding strong rent collection in 2025, a prudent material increase in bad debts across the portfolio over the majority of the going concern assessment period;
3. a material decline in the value of land and investment property values; and
4. increases in interest rates, impacting the cost of the Group's borrowings.

A scenario was also run which demonstrated that very severe loss of revenue, valuation reductions and interest cost increases would be required to breach banking covenants. The Directors consider this very severe scenario to be remote. A scenario with consideration of potential climate change and related transition impacts was also examined as part of the Group's focus on climate-related risks and opportunities.

Statement of Directors' responsibilities
continued

Under each downside scenario, for the going concern period to June 2027, the Group expects to continue to have sufficient liquidity to continue to operate with headroom on lending facilities and associated covenants and has additional mitigation measures within management's control, for example reducing development and acquisition expenditure and reducing operating costs, that could be deployed to create further liquidity and covenant headroom.

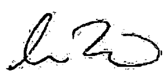
Based on these considerations, together with available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors considered it appropriate to adopt a going concern basis of accounting in the preparation of the Group's and Company's Financial Statements.

Disclosure of information to the auditor
Each of the Directors who were in office at the date of approval of this Report also confirms that:

- so far as they are aware, there is no relevant audit information of which the auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant information and to establish that the Group's and Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 Companies Act.

This statement of Directors' responsibilities was approved by the Board and signed by order of the Board.



CHRIS BIRCH
GENERAL COUNSEL AND COMPANY SECRETARY
16 MARCH 2026

Financial Statements

IN THIS SECTION

Independent auditor's report to the members of Harworth Group plc

Opinion
In our opinion:

- Harworth Group plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Harworth Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise:

Group	Parent company
Consolidated income statement for the year ended 31 December 2025	Company balance sheet as at 31 December 2025
Consolidated statement of comprehensive income for the year ended 31 December 2025	Company statement of changes in equity for the year ended 31 December 2025
Consolidated balance sheet as at 31 December 2025	Company statement of cash flows for the year ended 31 December 2025
Consolidated statement of changes in equity for the year ended 31 December 2025	Related notes 1 to 32 to the financial statements, including: material accounting policy information
Consolidated statement of Cash Flows for the year ended 31 December 2025	
Related notes 1 to 32 to the financial statements, including: material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included

- Confirming our understanding of management's going concern assessment process, in conjunction with our walkthrough of the group's financial close process and engaging with management to ensure all relevant considerations identified during our procedures were considered in their assessment;
- Obtaining management's going concern assessment, including the cash forecasts and covenant calculations for the going concern period which covers the period to 30 June 2027 and testing them for arithmetic accuracy. Management has modelled a base scenario and a severe downside scenario in its cash forecasts and covenant calculations to assess the impact of unexpected changes on the forecasted liquidity and covenant compliance of the group;
- Assessing the severe downside scenario modelled by management, which included a severe but plausible reduction in property sales, decline in land and investment property values, and an increase in overheads and interest rates. In this scenario the group continues to have sufficient cash reserves and headroom on lending facilities and associated covenants;
- Challenging the appropriateness of assumptions included in each modelled scenario considering the impact of the challenging macroeconomic environment on forecasted property sales, property values, overheads, interest cost and assessing whether climate-related risks may have a material impact on the group's going concern assessment. We also considered the appropriateness of the models used to calculate the cash flow forecasts and covenant calculations to determine if they were appropriate to be able to make an assessment on going concern;
- Considering the mitigating factors identified by management that could be applied to the cash flow forecasts and covenant calculations that are within control of the group, including an assessment of the timing and feasibility of such actions, for example, reducing uncommitted development expenditure. This included review of the group's non-operating cash outflows;
- Verifying the credit facilities available to the group comprising the five-year, £275m revolving credit facility which is due to expire in November 2029;

Independent auditor's report to the members of Harworth Group plc
continued

- Assessing the plausibility of management's severe downside scenario including the reverse stress test, by comparing to third-party data, including industry predictions, for indicators of contradictory evidence; and
- Reviewing the group's going concern disclosures included in the Annual Report to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2027.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	- We performed an audit of the complete financial information of one full scope reporting component, being the group as a whole.
Key audit matters	- Inappropriate valuation of investment property - Inappropriate carrying value of development property - Inappropriate recognition of revenue
Materiality	- Overall group materiality of £10.4m (2024: £10.5m) which represents 1% (2024: 1%) of total assets. - Parent company materiality of £2.4m (2024: £2.4m), which represents 1% (2024: 1%) of total assets in the parent company balance sheet. Parent company materiality is applied to all balances within the parent company.

An overview of the scope of the parent company and group audits
We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components on which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures can be performed across all group significant accounts and therefore identified one full scope component for the group. Our scoping to address the risk of material misstatement for each key audit matter is set out in the key audit matters section of our report.

Climate change
Stakeholders are increasingly interested in how climate change will impact companies. The group has determined the most significant future impacts from climate change which are explained on pages 72 to 86 in the required Task Force on Climate-Related Financial Disclosures and on page 64 in the principal risks and uncertainties. They have also explained their climate commitments on page 32. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

The group has explained in the accounting policies note 1 its articulation of how climate change has been reflected in the financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, including both physical and transition, their climate commitments, the effects of material climate risks disclosed on page 67, and whether these have been appropriately reflected in the valuation of the property portfolio following the requirements of IAS 40 'Investment Property' in relation to investment property and IAS 2 'Inventories' in relation to the development property. As part of this evaluation, we performed our own risk assessment, supported by our climate change and property valuation internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged management's considerations of climate change risks in their assessment of going concern and viability, and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: valuation of investment property and carrying value of development property. Details of the impact, our procedures and findings are included in our explanation of key audit matters below.

Independent auditor's report to the members of Harworth Group plc
continued

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Inappropriate valuation of investment property (2025: £667.0m, 2024: £585.0m) *Refer to the Audit Committee Report (pages 110 to 114); Accounting policies (pages 156 to 157); and Note 15 of the Consolidated Financial Statements (page 173)* At 31 December 2025, investment property was valued at £667m (2024: £585m), with a valuation gain of £47m (2024: £61m gain) reported in the year. Property valuations are calculated by the independent external valuers with a number of key assumptions specific to each individual property. Depending on type of site this could include: estimated land values per acre, likelihood of planning permission being granted, construction costs, actual and estimated rental values and yields. There is a risk that the carrying value is misstated given the complexity of the calculation, and the inherent uncertainty and judgement within these assumptions. In addition, there is a risk that management inappropriately override the valuation determined by the external valuers.	Our testing approach to investment properties included: – Performing a walkthrough to understand the key process and identify key controls, including management's challenge of the external valuers throughout the valuation process. – Assessing the appropriateness of the valuations, with the assistance of our EY Real Estate specialists, through: • Assessing the competence and objectivity of both the external valuers and third-party surveyors, including evaluating the appropriateness of any changes in methodology or key assumptions used after new valuers were appointed in the year; • Attending a sample of sites, alongside the external valuers, to gain a detailed understanding of the portfolio and the valuation process, and to observe the specialist's inspection; • Reading the external valuers reports for a sample of sites and holding discussions directly with the external valuers regarding its valuation approach; including its consideration of climate risk; • Challenging, for a sample of sites, the appropriateness of the key assumptions applied by the external valuers in forming its valuation by comparing to third-party evidence of market activity (e.g. land values including recent comparable sales, construction costs, rental values and yields) as well as assessing the reasonableness of judgements made such as the likelihood of planning permission being granted and any other property specific adjustments made. As part of these procedures, we consider any contrary evidence that could imply the valuation approach and assumptions made are not appropriate. Using this information, we calculate an independent valuation range for each sampled site and assess whether management's valuation falls within this range; • Testing the underlying data provided to the external valuers by management, by checking a sample to source documents (e.g. acreage, third-party costs to complete assessments and rental contracts); and • Testing the appropriateness of any material adjustments from the valuation determined by the external valuers to the book value recorded.

Key observations communicated to the Audit Committee

Based on the work performed, we consider that the external valuers' methodologies used in developing the estimate are consistent with valuation practice given the characteristics of the assets being measured.

Our work did not identify evidence to contradict the external valuers' significant assumptions used in developing the estimate as of the balance sheet date.

Our procedures performed over the adjustments made to the valuations have confirmed that these are in line with our expectations and correctly recorded.

We consider that the valuation of investment properties held as of the balance sheet date is appropriate.

Independent auditor's report to the members of Harworth Group plc
continued

Risk	Our response to the risk
Inappropriate carrying value of development property (2025: £195m, 2024: £191m) *Refer to the Audit Committee Report (page 110 to 114); Accounting policies (pages 155 to 156); and Note 17 of the Consolidated Financial Statements (page 183)* Development property has a book value of £195m (2024: £191m) as at 31 December 2025. The group's portfolio consists of a range of assets at varying stages of development, across various sectors and geographies. A risk exists that the carrying value of development property is overstated given the complexity of the calculation and the inherent judgements in determining the net realisable value, such as gross developable value per acre/plot, costs to complete and profit hurdle. In addition, there is a risk that management inappropriately override the valuation determined by the external valuers. A substantial element of management bonuses are impacted by EPRA NDV (European Public Real Estate Association Net Development Value) and there is therefore an incentive for management to maximise NDV resulting in the carrying value being inappropriate.	Our testing approach to development properties included: – Performing a walkthrough to understand the key process and identify key controls including management's challenge of the external valuers throughout the valuation process. – Assessing the appropriateness of the valuations, with the assistance of our EY Real Estate specialists, through: • Assessing the competence and objectivity of both the external valuers and third-party surveyors, including evaluating the appropriateness of any changes in methodology or key assumptions used after new valuers were appointed in the year; • Attending a sample of sites, alongside the external valuers, to gain a detailed understanding of the portfolio and the valuation process and to observe the specialist's inspection; • Reading the external valuers reports for a sample of sites and holding discussions directly with the external valuers regarding its valuation approach; including its consideration of climate risk; • Challenging, for a sample of sites, the appropriateness of the key assumptions applied by the external valuers in forming its valuation by comparing to third-party evidence of market activity (e.g. development values including recent comparable sales, costs to complete and rental contracts) as well as assessing the reasonableness of judgements made such as the profit hurdle and any other property specific adjustments made. As part of these procedures, we consider any contrary evidence that could imply the valuation approach and assumptions made are not appropriate. Using this information, we calculate an independent valuation range for each sampled site and assess whether management's valuation falls within this range; • Testing the underlying data provided to the external valuers by management, by checking a sample to source documents (e.g. acreage and third-party costs to complete assessments); and • Testing the appropriateness of any material adjustments from the valuation determined by the external valuers to the book value recorded. Comparing the valuation post adjustments to the carrying value to assess the appropriateness of the NRV provision recorded.

Key observations communicated to the Audit Committee

Based on the work performed, we consider that the external valuers' methodologies used in developing the estimate of net realisable value are consistent with valuation practice given the characteristics of the assets being measured. Our work did not identify evidence to contradict the external valuers' significant assumptions used in developing the estimate as of the balance sheet date.

Our procedures performed over the adjustments made to the valuations have confirmed that these are in line with our expectations and correctly recorded.

We consider that the carrying value of development properties held as of the balance sheet date is appropriate.

Independent auditor's report to the members of Harworth Group plc

continued

Risk	Our response to the risk
Inappropriate recognition of revenue (2025: £130m, 2024: £182m) *Refer to the Audit Committee Report (page 110 to 114); Accounting policies (page 155); and Note 3 of the Consolidated Financial Statements (page 162).* Revenue for the year ended 31 December 2025 is £130m (2024: £182m), including £57m from the sale of development property (2024: £140m). There is a risk that management could override controls impacting on the amount of revenue recognised via posting journal entries that fall outside of the standard flow of transactions (all revenue streams). In addition, complexity within the sales contracts could lead to property sales being measured inappropriately due to error or through management override.	Our approach included: **All revenue streams** – Performing walkthroughs to understand the key processes and identify key controls; and – Analysing 100% of the revenue journal entry population across all revenue streams by adopting a data analytics approach, to corroborate our expectation of the relationship between revenue, trade receivables and cash receipts. We investigated any material exceptions, representing journals outside of the standard process that could have been indicative of management override of controls and tested these substantively. **Revenue generated from development property sales only:** – Testing all material property disposals to confirm revenue recognised in the year is in line with the contract terms and completion date.

Key observations communicated to the Audit Committee

Based on the work performed, we did not identify any material journals posted outside of the expected flow of transactions that are indicative of management override.

We noted that revenue recognised in respect of material property disposals was in line with the contract terms and completion date.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £10.4 million (2024: £10.5 million), which is 1% (2024: 1%) of total assets. We believe that total assets provide us with the most appropriate basis for determining overall materiality given that key users of the group's financial statements are primarily focused on the valuation of the group's assets.

We determined materiality for the Parent Company to be £2.4 million (2024: £2.4 million), which is 1% (2024: 1%) of total assets.

During the course of our audit, we reassessed our initial materiality considering the actual results for the year and concluded that it remained largely consistent and appropriate.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £7.8m (2024: £7.9m). We set performance materiality at this percentage due to this being our sixth year of engagement and, from our prior year experience, an expectation of a low level of audit differences.

Specific materiality

We assessed that for account balances related to the income generation segment of the business, a misstatement of less than overall materiality for the financial statements could influence the economic decisions of users. We determined specific materiality for these areas to be £1.6m (2024: £1.6m) which equates to 15% (2024: 15%) of materiality based on the quantum of these account balances. During the course of our audit, we reassessed initial materiality considering the actual results for the year and concluded that it remained largely consistent and appropriate.

Independent auditor's report to the members of Harworth Group plc
continued

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.5m (2024: £0.5m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information
The other information comprises the information included in the annual report including Strategic report, Governance report and Additional Information set out on pages 195 to 200, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement
We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 137 to 138;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 84 to 86;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 137 and 138;
- Directors' statement on fair, balanced and understandable set out on page 112;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 114;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 58 and 70; and
- The section describing the work of the audit committee set out on pages 110 to 114.

Independent auditor's report to the members of Harworth Group plc
continued

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on pages 137 to 138 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted International Accounting Standards, the Companies Act 2006 and the UK Corporate Governance Code), Listing Rules, the relevant tax legislations in the United Kingdom, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. We understood how Harworth Group plc is complying with those frameworks by making inquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee, as well as consideration of the results of our audit procedures across the group to either corroborate or provide contrary evidence which was then followed up. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour.

  We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing higher risk journal entries and were designed to provide reasonable assurance that the financial statements were free from fraud and error
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual consolidation journals and journals indicating unusual transactions based on our understanding of the business; enquiries of Legal Counsel, group management and focused testing, as referred to in the key audit matters section above. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address
- Following the recommendation from the audit committee, we were appointed by the company on 13 July 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the years ending 31 December 2020 to 31 December 2025.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

KATE JARMAN
SENIOR STATUTORY AUDITOR
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

16 MARCH 2026

Consolidated income statement

for the year ended 31 December 2025

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue	3	**129,749**	181,585
Cost of sales	3	**(117,197)**	(150,508)
Gross profit	3	**12,552**	31,077
Administrative expenses	3	**(36,342)**	(33,185)
Other gains	3	**45,543**	78,113
Other operating expense	3	**(121)**	(1,371)
Operating profit	3	**21,632**	74,634
Finance costs	6	**(15,203)**	(9,900)
Finance income	6	**4,573**	3,166
Share of profit of joint ventures	16	**6,366**	1,487
Profit before tax		**17,368**	69,387
Tax charge	8	**(7,896)**	(12,150)
Profit for the year		**9,472**	57,237

All activities in the year are derived from continuing operations.

Earnings per share from continuing operations attributable to the owners of the Group during the year.

	Note	Pence	Pence
Basic earnings per share	11	**2.9**	17.7
Diluted earnings per share	11	**2.8**	17.3

The notes on pages 154 to 194 are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 31 December 2025

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Profit for the financial year		**9,472**	57,237
Other comprehensive (expense)/income – items that will not be reclassified to profit or loss:			
Net actuarial gain/(loss) in Blenkinsopp Pension scheme	25	**29**	(239)
Revaluation of Group occupied property		**–**	(515)
Deferred tax credit on other comprehensive income items	8	**93**	–
Total other comprehensive income/(expense)		**122**	(754)
Total comprehensive income for the year		**9,594**	56,483

Consolidated balance sheet

as at 31 December 2025

	Note	As at 31 December 2025 £'000	As at 31 December 2024 £'000
ASSETS			
Non-current assets			
Intangible fixed assets	12	**450**	-
Property, plant and equipment	13	**8,106**	1,529
Right-of-use assets	14	**1,200**	1,443
Trade and other receivables	18	**5,009**	25,638
Investment properties	15	**667,025**	585,489
Investments in joint ventures	16	**25,225**	33,553
Retirement benefit asset	25	**81**	-
		707,096	647,652
Current assets			
Inventories	17	**212,065**	205,985
Trade and other receivables	18	**85,493**	72,580
Assets held for sale	19	**7,686**	8,910
Cash	20	**27,144**	117,382
Current tax asset	8	**2,759**	-
		335,147	404,857
Total assets		**1,042,243**	1,052,509
LIABILITIES			
Current liabilities			
Trade and other payables	22	**(120,220)**	(135,998)
Lease liabilities	14	**(263)**	(271)
Current tax liabilities	8	**-**	(8,130)
		(120,483)	(144,399)
Net current assets		**214,664**	260,458

	Note	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Non-current liabilities			
Borrowings	21	**(173,025)**	(164,125)
Trade and other payables	22	**(3,907)**	(15,226)
Lease liabilities	14	**(934)**	(1,196)
Net deferred tax liabilities	8	**(44,915)**	(35,853)
Retirement benefit obligations	25	**-**	(45)
		(222,781)	(216,445)
Total liabilities		**(343,264)**	(360,844)
Net assets		**698,979**	691,665
SHAREHOLDERS' EQUITY			
Called up share capital	27	**32,587**	32,495
Share premium account	28	**25,224**	25,157
Fair value reserve		**254,257**	216,704
Capital redemption reserve		**257**	257
Merger reserve		**45,667**	45,667
Investment in own shares		**(193)**	(138)
Retained earnings		**331,708**	314,286
Current year profit		**9,472**	57,237
Total shareholders' equity		**698,979**	691,665

The financial statements on pages 147 to 194 were approved by the Board of Directors on 16 March 2026 and were signed on its behalf by:

KITTY PATMORE
CHIEF FINANCIAL OFFICER
Company Registered Number 02649340

Company balance sheet

as at 31 December 2025

	Note	As at 31 December 2025 £'000	As at 31 December 2024 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	16	**214,358**	212,239
Trade and other receivables	18	**21,005**	21,199
Retirement benefit asset	25	**81**	-
Retirement reimbursement asset	25	**-**	45
Deferred income tax assets	8	**897**	568
		236,341	234,051
Current assets			
Trade and other receivables	18	**3,676**	3,544
Current tax asset	8	**383**	383
Cash	20	**37**	504
		4,096	4,431
Total assets		**240,437**	238,482
LIABILITIES			
Current liabilities			
Trade and other payables	22	**(78,128)**	(59,840)
		(78,128)	(59,840)
Net current liabilities		**(74,032)**	(55,409)
Non-current liabilities			
Retirement benefit obligations	25	**-**	(45)
		-	(45)
Total liabilities		**(78,128)**	(59,885)
Net assets		**162,309**	178,597

	Note	As at 31 December 2025 £'000	As at 31 December 2024 £'000
SHAREHOLDERS' EQUITY			
Called up share capital	27	**32,587**	32,495
Share premium account	28	**25,224**	25,157
Capital redemption reserve		**257**	257
Merger reserve		**45,667**	45,667
Investment in own shares		**(193)**	(138)
Retained earnings		**72,723**	85,929
Current year loss	9	**(13,956)**	(10,770)
Total shareholders' equity		**162,309**	178,597

The financial statements on pages 147 to 194 were approved by the Board of Directors on 16 March 2026 and were signed on its behalf by:

K. Patmore

KITTY PATMORE
CHIEF FINANCIAL OFFICER
Company Registered Number 02649340

Consolidated statement of changes in equity

for the year ended 31 December 2025

	Note	Called up share capital £000	Share premium account £000	Merger reserve £000	Fair value reserve £000	Capital redemption reserve £000	Investment in own shares £000	Retained earnings £000	Total equity £000
Balance at 1 January 2024		**32,408**	**25,034**	**45,667**	**225,177**	**257**	**(99)**	**309,278**	**637,722**
Profit for the financial year		-	-	-	-	-	-	57,237	57,237
Fair value gains on investment property		-	-	-	63,334	-	-	(63,334)	-
Transfer of unrealised gains on disposal of investment property		-	-	-	(71,292)	-	-	71,292	-
Other comprehensive (expense)/income:									
Actuarial loss in Blenkinsopp pension scheme	25	-	-	-	-	-	-	(239)	(239)
Revaluation of Group occupied property		-	-	-	(515)	-	-	-	(515)
Deferred tax on other comprehensive expense items	8	-	-	-	-	-	-	-	-
Total comprehensive income for year ended 31 December 2024		-	-	-	(8,473)	-	-	64,956	56,483
Transactions with owners:									
Purchase of own shares		-	-	-	-	-	(39)	-	(39)
Share-based payments		-	-	-	-	-	-	2,188	2,188
Dividends paid	10	-	-	-	-	-	-	(4,899)	(4,899)
Share issue	27,28	87	123	-	-	-	-	-	210
Balance at 31 December 2024		**32,495**	**25,157**	**45,667**	**216,704**	**257**	**(138)**	**371,523**	**691,665**
Profit for the financial year		-	-	-	-	-	-	9,472	9,472
Fair value gains on investment property		-	-	-	54,640	-	-	(54,640)	-
Transfer of unrealised gains on disposal of investment property		-	-	-	(17,087)	-	-	17,087	-
Other comprehensive (expense)/income:									
Actuarial gain in Blenkinsopp pension scheme	25	-	-	-	-	-	-	29	29
Deferred tax on other comprehensive expense items	8	-	-	-	-	-	-	93	93
Total comprehensive income for year ended 31 December 2025		-	-	-	**37,553**	-	-	**(27,959)**	**9,594**
Transactions with owners:									
Purchase of own shares		-	-	-	-	-	(55)	-	(55)
Share-based payments		-	-	-	-	-	-	3,019	3,019
Dividends paid	10	-	-	-	-	-	-	(5,403)	(5,403)
Share issue	27,28	92	67	-	-	-	-	-	159
Balance at 31 December 2025		**32,587**	**25,224**	**45,667**	**254,257**	**257**	**(193)**	**341,180**	**698,979**

Company statement of changes in equity

for the year ended 31 December 2025

	Note	Called up share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	Investment in own shares £000	Retained earnings £000	Total equity £000
Balance at 1 January 2024		**32,408**	**25,034**	**45,667**	**257**	**(99)**	**89,122**	**192,389**
Loss for the financial year		–	–	–	–	–	(10,770)	(10,770)
Actuarial loss in Blenkinsopp pension scheme	25	–	–	–	–	–	(239)	(239)
Deferred tax on other comprehensive (expense)/income items		–	–	–	–	–	61	61
Total comprehensive expense for the year ended 31 December 2024		**–**	**–**	**–**	**–**	**–**	**(10,948)**	**(10,948)**
Transactions with owners:								
Purchase of own shares		–	–	–	–	(39)	–	(39)
Share-based payments		–	–	–	–	–	1,884	1,884
Dividend paid	10	–	–	–	–	–	(4,899)	(4,899)
Share issue	27,28	87	123	–	–	–	–	210
Balance at 31 December 2024		**32,495**	**25,157**	**45,667**	**257**	**(138)**	**75,159**	**178,597**
Loss for the financial year		–	–	–	–	–	(13,956)	(13,956)
Actuarial gain in Blenkinsopp pension scheme	25	–	–	–	–	–	29	29
Deferred tax on other comprehensive (expense)/income items		–	–	–	–	–	(7)	(7)
Total comprehensive expense for the year ended 31 December 2025		**–**	**–**	**–**	**–**	**–**	**(13,934)**	**(13,934)**
Transactions with owners:								
Purchase of own shares		–	–	–	–	(55)	–	(55)
Share-based payments		–	–	–	–	–	2,945	2,945
Dividend paid	10	–	–	–	–	–	(5,403)	(5,403)
Share issue	27,28	92	67	–	–	–	–	159
Balance at 31 December 2025		**32,587**	**25,224**	**45,667**	**257**	**(193)**	**58,767**	**162,309**

Consolidated statement of cash flows

for the year ended 31 December 2025

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Cash flows from operating activities			
Profit before tax for the financial year		**17,368**	69,387
Net finance costs	6	**10,630**	6,734
Other gains	3	**(45,543)**	(78,113)
Share of profit of joint ventures	16	**(6,437)**	(1,487)
Share-based transactions[1]	26	**3,296**	2,287
Depreciation of property, plant and equipment and right-of-use assets	13,14	**608**	406
Pension contributions in excess of charge	25	**(97)**	(205)
Operating cash outflows before movements in working capital		**(20,175)**	(991)
Decrease in inventories		**3,513**	57,088
Decrease/(increase) in receivables		**11,817**	(52,774)
(Decrease)/increase in payables		**(25,519)**	39,297
Cash (used in)/generated from operations		**(30,364)**	42,620
Interest paid		**(11,989)**	(7,568)
Corporation tax paid		**(9,693)**	(516)
Cash (used in)/generated from operating activities		**(52,046)**	34,536
Cash flows from investing activities			
Interest received		**342**	810
Investment in joint ventures		**(1,933)**	(3,048)
Distribution from joint ventures		**619**	1,703
Net proceeds from disposal of investment properties, AHFS and overages		**53,645**	80,028
Property acquisitions		**(26,858)**	(69,478)
Expenditure on investment properties and AHFS		**(55,625)**	(47,009)
Expenditure on property, plant and equipment		**(10,052)**	(600)
Expenditure on intangible fixed assets		**(450)**	-
Cash used in investing activities		**(40,312)**	(37,593)

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Cash flows from financing activities			
Net proceeds from issue of ordinary shares		**59**	137
Proceeds from other loans		**-**	5,510
Repayment of other loans		**-**	(37,134)
Proceeds from bank loans		**492,000**	205,000
Repayment of bank loans		**(482,000)**	(75,000)
Loan arrangement fees paid		**(2,202)**	(151)
Payment in respect of leases		**(334)**	(206)
Dividends paid	10	**(5,403)**	(4,899)
Cash generated from financing activities		**2,120**	93,257
(Decrease)/increase in cash		**(90,238)**	90,200
Cash at 1 January		**117,382**	27,182
(Decrease)/increase in cash		**(90,238)**	90,200
Cash at 31 December		**27,144**	117,382

1. Share-based transactions reflect the non-cash expenses relating to share-based payments included within the income statement.

Company statement of cash flows

for the year ended 31 December 2025

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Cash flows from operating activities		
Loss before tax for the financial year	**(14,238)**	(11,557)
Net interest receivable	**2,545**	1,839
Share-based transactions[1]	**948**	546
Pension contributions in deficit/(excess) of charge, net of movement in reimbursement asset	**29**	(239)
Operating cash outflows before movements in working capital	**(10,716)**	(9,411)
Decrease/(increase) in receivables	**105**	(90)
Increase/(decrease) in payables	**762**	(460)
Cash used in operations	**(9,849)**	(9,961)
Interest paid	**(3,974)**	(3,270)
Corporation tax paid	**-**	(718)
Cash used in operating activities	**(13,823)**	(13,949)
Cash flows from investing activities		
Repayment received from subsidiary undertakings	**1,528**	1,498
Advances made to subsidiary undertakings	**(1,508)**	(2,363)
Interest received	**1,429**	1,432
Cash generated from investing activities	**1,449**	567
Cash flows from financing activities		
Repayment of loans made to subsidiary undertakings	**(4,481)**	(5,207)
Loans from subsidiary undertakings	**21,732**	23,765
Net proceeds from issue of ordinary shares	**59**	137
Dividends paid	**(5,403)**	(4,899)
Cash generated from financing activities	**11,907**	13,796
(Decrease)/increase in cash	**(467)**	414
Cash at 1 January	**504**	90
(Decrease)/increase in cash	**(467)**	414
Cash at 31 December	**37**	504

1. Share-based transactions reflect the non-cash expenses relating to share-based payments included within the income statement.

Notes to the financial statements

for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

General information

Harworth Group plc, company number 02649340, (the 'Company') is a company limited by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is Advantage House, Poplar Way, Catcliffe, Rotherham, South Yorkshire, S60 5TR.

The Company is a public company listed on the London Stock Exchange.

The consolidated financial statements for the year ended 31 December 2025 consolidate the results of the Company and its subsidiaries (together referred to as the 'Group').

Basis of preparation

The consolidated and Company financial statements of Harworth Group plc have been prepared on the going concern basis and in accordance with UK-adopted International Accounting Standards ('IFRS'), and as applied in accordance with the provisions of the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets and liabilities at fair value through profit or loss. The consolidated financial statements are presented in pound sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and the Financial statements and Notes. The Directors believe that the Group is well placed to manage its business risks successfully. The Principal risks that may impact the Group's performance and their mitigation are outlined in the 'Effectively Managing Our Risk' statement starting on page 58. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to fund its operations for the foreseeable future. For this reason, they continue to adopt the going-concern basis in preparing the annual financial statements.

Going-concern basis

These financial statements are prepared on the basis that the Group is a going concern. In forming its opinion as to going concern, the Company prepares cash flow forecasts based upon assumptions, with particular consideration to key risks and uncertainties and the macroeconomic environment as well as taking into account available borrowing facilities, including compliance with financial covenants therein. The going concern period assessed is until 30 June 2027 which is selected as it can be projected with a reasonable degree of accuracy and covers a complete period of reporting under the Group's RCF.

A key focus of the assessment of going concern is the management of liquidity and compliance with borrowing facilities for the period to 30 June 2027. A £275.0m RCF facility is available to the Group and is aligned to the Group's strategy and provides significant liquidity and flexibility to enable it to pursue its strategic objectives. The facility is subject to financial covenants, including minimum interest cover, maximum infrastructure debt as a percentage of property value and gearing, all of which are tested through the going concern assessment undertaken. Available liquidity, including cash and cash equivalents and bank facility headroom, was £127.1m as at 31 December 2025.

The Group benefits from diversification across its Capital Growth and Income Generation businesses including its industrial and renewable energy property portfolios. Taking into account the independent valuations carried out by JLL, Savills and BNP Paribas as at 31 December 2025, the Group LTV was 15.6%, within the Board's target range and with sufficient headroom to allow for any falls in property values. Rent collection remained strong, with 99.0% collected to date for 2025.

In addition to the Company's base cash flow forecast, sensitised forecasts were produced that included a severe but plausible downside scenario. This downside included: 1) a severe reduction in headline sales, including lower investment property sales; 2) notwithstanding strong rent collection in 2025, a prudent material increase in bad debts across the portfolio over the majority of the going concern assessment period; 3) a material decline in the value of land and investment property values and 4) increases in interest rates, impacting the cost of the Group's borrowings.

A scenario was also run which demonstrated that very severe loss of revenue, valuation reductions and interest cost increases would be required to breach banking covenants. The Directors consider this very severe scenario to be remote. A scenario with consideration of potential climate change and related transition impacts was also examined as part of the Group's focus on climate-related risks and opportunities.

Under each of the plausible downside scenarios, for the going concern period to 30 June 2027, the Group expects to continue to have sufficient liquidity to continue to operate with headroom on lending facilities and associated covenants and has, in addition, mitigation measures within management's control, for example reducing development and acquisition expenditure and reducing operating costs, that could be deployed to create further liquidity and covenant headroom.

Based on these considerations, together with available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors considered it appropriate to adopt a going concern basis of accounting in the preparation of the Group's and Company's financial statements.

Notes to the financial statements
continued
for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025. None of these have had a significant effect on the financial statements of the Group.

(b) New standards, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2026 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

Revenue recognition
Revenue comprises rental and other land-related income arising on investment properties, income from construction contracts, planning promotion agreements, promotion fees, royalties and overages and the sale of development properties.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. All such revenue is reported net of discounts, and value added and other sales taxes.

Rental income
Under IFRS 16 'Leases', rental and other land-related income is recognised on a straight-line basis over the term of the lease. Lease incentives, including rent-free periods and payments to tenants, are allocated to the consolidated income statement on a straight-line basis over the lease term as a deduction from rental and other land-related income.

Revenue from contracts with customers
Under IFRS 15 'Revenue from Contracts with Customers', revenue is measured based on the consideration specified in a contract with a customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

On entering two or more contracts at the same time, or near the same time, with the same customer (or related parties of the customer), the contracts shall be combined and evaluated on a combined basis. If one or more of the criteria under IFRS 15.17 are met, the contracts are accounted for as a single contract. Consideration is apportioned on relative standalone selling price.

Income from construction contracts is recognised in line with the accounting policy for construction contracts. Revenue is recognised when the Group is acting as a principal under a contract with primary responsibility for the contract.

Revenue from planning promotion agreements, promotion fees and overages is recognised at the point in time when the associated performance obligations contained within the agreements are satisfied.

Royalty income relates to revenue paid by customers who extract natural resources from some of the Group's property and is recognised at the transaction prices set out in the customer contracts in line with the volumes or values of resources extracted as determined by individual contracts.

Service charge income is recognised as revenue in the period to which it relates.

Sales of development properties, including land parcels sold to housebuilders for residential development, usually have performance obligations such as transferring legal title that are satisfied at a point in time. Revenue is recognised when control of the property passes to the buyer on completion of contracts. Any variable consideration, including overages is estimated at the point of sale, taking into consideration the time to recover overage amounts as well as other factors which may give rise to variability. Revenue is only recognised to the extent that it is highly probable that there will not be a significant reversal in the future. Where sale contracts contain specific performance obligations, the contract price is apportioned to the obligations and the revenue is recognised as the obligations are satisfied in accordance with IFRS 15. Any deferred consideration is discounted to present value with the discount being unwound to the consolidated income statement as finance income.

Construction contracts
Contracts for the construction of substantial assets are accounted for as construction contracts. Revenue on construction contracts is recognised over time, as the performance obligations are satisfied. Revenue is recognised over time if the Group's performance creates or enhances an asset that the customer controls as the asset is created. Otherwise, the revenue is recognised at a point in time. The revenue is reported in Other Property Activities within Note 3. Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion. The assessment of the stage of completion is dependent on the nature of the contracts but will generally be based on the estimated proportion of the total contract costs which have been incurred to date. If a contract is expected to be loss making, a provision is recognised when the contract is, or has become, onerous in accordance with IAS 37.

Interest income and expense
Interest income and expense are recognised within 'finance income' and 'finance costs' in the consolidated income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Inventories
Inventories comprise development properties, land held for development, options to purchase land and planning promotion agreements.

Notes to the financial statements

continued
for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

Development properties are included in the consolidated balance sheet at the lower of cost and net realisable value. Net realisable value is the expected net sales proceeds of the developed property in the ordinary course of business less estimated costs to complete and anticipated selling costs. Properties re-categorised to development properties from investment properties are transferred at deemed cost, being the fair value at the date of re-categorisation. Properties are re-categorised as development properties once planning is secured and where development with a view to sale has commenced.

Where individual parcels of land held for development are disposed of out of a larger overall development site, costs are apportioned based on acreage, or other specific allocation where appropriate, after taking into account the cost or net realisable value of any remaining residual land which may not form part of the overall development site or which may not be available for development. Where the Group retains obligations attached to the development site as a whole, accruals are made relating to these disposals on the same allocation basis.

Land held for development is land that has planning permission and is being developed for onward sale.

Options to purchase land are agreements that the Group has entered into with landowners whereby the Group has the option to purchase their land within a limited timeframe. The landowners are not generally permitted to sell to any other party during this period, unless agreed by the Group. All costs, including the cost of entering into the option, are capitalised. At each reporting date, recoverability of the costs is considered by management and where required provisions are made such that the agreements are held at the lower of cost and net realisable value.

Planning promotion agreements are agreements that the Group has entered into with landowners whereby the Group provides planning and promotion services in exchange for a fixed fee and/or a set percentage of the proceeds or profit of the eventual sale of the land that is the subject of the agreement. The Group promotes the land through the planning process at its own expense. If the land is sold, the Group receives a fee for its services.

The Group incurs various costs in promoting land held under promotion planning agreements, in some instances the agreements allow for the Group to be reimbursed certain expenditure following the conclusion of a successful sale. These costs are held in inventory at the lower of cost and net realisable value.

Investments in subsidiaries
Investments held by the Company in subsidiary undertakings are carried at cost less impairment to write them down to their recoverable amount.

Investments in joint ventures
Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Interests in joint ventures through which the Group carries on its business are classified as jointly controlled entities and accounted for using the equity method. This involves recording the investment initially at cost to the Group and then, in subsequent years, adjusting the carrying amount of the investment to reflect the Group's share of the joint venture's results less any impairment in carrying value and any other changes to the joint venture's net assets such as dividends.

Impairments in subsidiaries
Investments in subsidiaries are reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the present value of expected future cash flows of the relevant cash-generating unit) or 'fair value less costs to sell'. Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the cash-generating unit in an arm's length transaction.

Impairment testing is carried out under the principles described in IAS 36 'Impairment of assets' which includes a number of restrictions on the future cash flows that can be recognised in respect of restructurings and improvements related to capital expenditure.

Investment properties
Investment properties are those properties which are not occupied by the Group and which are held for long-term rental yields, capital appreciation or both. Investment properties also include property that is being developed or constructed for future use as investment property by the Group. Investment properties comprise freehold land and buildings and are measured at fair value. At the end of a financial year the fair values are determined by obtaining an independent valuation prepared in accordance with the current edition of the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. External, independent valuation firms having appropriate, recognised professional qualifications and recent experience in the location and category of property being valued are used. A transfer to the fair value reserve is made for all fair value gains in the year from retained earnings. Where there have been previous fair value gains transferred to the fair value reserve and fair value losses have been incurred in the year then a transfer is made to retained earnings to offset as much of the fair value losses as possible.

At each subsequent reporting date, and in between where an indicator of impairment is present, investment properties are remeasured to their fair value. Movements in fair value are included in the income statement.

Investment properties are re-categorised as development properties and moved to inventory once planning is secured and where development with a view to sale has commenced.

A transfer from the fair value reserve to retained earnings is made if any net realisable value provision is required on any development property where gains had previously been recorded as an investment property.

Where specific investment properties have been identified as being held for sale, which is when a sale is considered highly probable within the next 12 months and the property is immediately available for sale in it's current condition, their fair value is shown under assets held for sale ('AHFS') within current assets, measured in accordance with the provisions of IAS 40 'Investment Property'.

Notes to the financial statements

continued
for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATIONS CONTINUED

Profit or loss on disposal of investment properties
Disposals are accounted for when control of the investment property is passed to a customer, typically at the point of legal completion and when title passes. Profits or losses on disposal arise from deducting the asset's net carrying value, selling costs and where appropriate a proportion of future costs attributable to the development of the overall land area from the net proceeds (being net purchase consideration less any clawback liability arising on disposal) recognised in the income statement. Net carrying value includes valuation in the case of investment properties.

In the case of investment properties, any fair value reserve for the property disposed of is treated as realised on disposal of the property and transferred to retained earnings.

Investment properties in the course of construction
Directly attributable costs incurred in the course of constructing a property, not including interest, are capitalised as part of the cost of the property. Any resultant change in value is therefore recognised through the next revaluation.

Government grants
Government grants are recognised when there is reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received. Grants related to the development of Investment Property and Development Property are deducted from the cost of the related asset. Grants for the reimbursement of operating expenditure are deducted from the related category of costs in the income statement. Once a government grant is recognised, any related deferred income is treated in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'.

Financial assets
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Financial assets include cash received from the sale of certain development properties but held in separate bank accounts over which third-party infrastructure loan providers have a charge.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are assessed for their recoverability under the Expected Credit Loss model on a periodic basis with a provision being made if required under this model. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of financial assets are presented in the income statement within 'other gains' in the year in which they arise.

Interest income is recognised on financial assets by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities
Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or as other liabilities, as appropriate. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Pension obligations
The Group contributes to defined contribution schemes for its current employees. The cost is charged to the consolidated income statement as incurred.

Blenkinsopp pension
The Group's only defined benefit pension liability is in respect of the Blenkinsopp Section of the Industry-Wide Mineworkers Pension Scheme.

During the years to 31 December 2025 and 31 December 2024 all contributions have been paid to this scheme by the Company.

In the Company balance sheet, a net liability equal to the IAS 19 (revised) liability is recognised, and an equal amount within non-current assets, due to the Company's ability to call upon an indemnity from Harworth Estates Mines Property Limited for this liability if required. Harworth Estates Mines Property Limited is a wholly owned subsidiary of the Group.

Share-based payments
Equity-settled share-based payments to employees of the Company and its subsidiary undertakings are measured at the fair value of the equity instruments at the date of grant and are expensed on a straight-line basis over the vesting period in the consolidated income statement. The fair value of the equity instruments is determined at the date of grant taking into account any market-based vesting conditions attached to the award. Non-market based vesting conditions are taken into account in estimating the number of awards likely to vest. The estimate of the number of awards likely to vest is reviewed regularly and the expense charge adjusted accordingly.

Notes to the financial statements

continued

for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

Operating segments

Management has determined the operating segments based upon the operating reports reviewed by the Investment Committee that are used to assess both performance and strategic decisions. Management has identified that the Investment Committee is the Chief Operating Decision Maker in accordance with the requirements of IFRS 8 'Operating Segments'.

The Group is organised into two operating segments: Income Generation and Capital Growth. Group costs are not a reportable segment. However, information about them is considered by the Investment Committee in conjunction with the reportable segments.

The Income Generation segment focuses on generating rental returns from the investment portfolio, rental returns and royalties from energy generation, environmental technologies and the agricultural portfolio, and generating income from recycled aggregates. The Capital Growth segment focuses on delivering value by developing the underlying investment and development property portfolios, and includes planning and development activity, value engineering, proactive asset management and strategic land acquisition.

Operating segments are measured on the same basis as the amounts reported in the consolidated financial statements.

All operations are carried out in the United Kingdom.

Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities, assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Costs related to acquisitions, other than those associated with the issue of debt or equity securities, are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

In line with the requirements of IFRS 3, and the change to the definition of a 'business acquisition' the Group is required to review the impact of the concentration test, when accounting for the acquisition of new subsidiaries. Under the concentration test, the Group considers whether substantially all of the fair value of the gross assets acquired are concentrated within a single asset (or a group of similar assets). In these situations where the concentration test requirements are met the Group accounts for the acquisition of a subsidiary using the following methodology:

1. Identify the individual identifiable assets acquired and liabilities assumed that it recognises at the date of the acquisition.
2. Determine the individual transaction price for each identifiable asset and liability by allocating the cost of the Group based on the relative fair value of those assets and liabilities at the date of acquisition.
3. Apply the initial measurement requirements in the applicable IFRS to each identifiable asset acquired and liability assumed. The Group will account for any difference between the amount at which the asset or liability is measured and its individual transaction price applying the relevant requirements.

Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where shares are issued in direct consideration for acquiring shares in another company, and following which the Group holds at least 90% of the nominal share capital of that company, any premium on the shares issued as consideration is included in a merger reserve rather than share premium.

The merger reserve reflects the premium on the shares issued to the Pension Protection Fund as part of the consideration for the purchase of 75.1% of the issued share capital of Harworth Estates Property Group Limited in 2016.

The fair value reserve reflects the accumulation of fair value adjustments as detailed in the investment property and property, plant and equipment accounting policies.

Intangible fixed assets

Internally developed software

Expenditure on the research phase of the Group's digital transformation project is recognised as an expense as incurred.

Notes to the financial statements
continued
for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

Costs that are directly attributable to the project's development phase are recognised as intangible fixed assets, provided the Group can demonstrate all of the following: the technical feasibility of completing the software so that it will be available for use or sale; the intention to complete the software and use or sell it; the ability to use or sell the software; how the software will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the software; and the ability to measure reliably the expenditure attributable to the software during its development. Development costs not meeting these criteria for capitalisation are expensed as incurred. Directly attributable costs include internal and external design and development activities.

Internally developed software is amortised on a straight-line basis over its estimated useful life of between three and ten years once the development phase is complete.

Subsequent expenditure on maintenance of the software is expensed as incurred.

Costs for Software as a Service ('SaaS') arrangements are recognised as intangible fixed assets only when they relate to the configuration and customisation of such arrangements, and where the Group has control.

Property, plant and equipment
Land and buildings relate to Group-occupied properties. Existing properties are stated at fair value, based on market values, less any subsequent accumulated depreciation or accumulated impairment loss. Depreciation is provided where it is considered significant having regard to the estimated remaining useful lives and residual values of individual properties. Surpluses on revaluations are recorded in other comprehensive income and credited to the fair value reserve. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Deficits on revaluations are charged against the fair value reserve to the extent that there are available surpluses relating to the same asset and are otherwise charged to profit or loss.

Office equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged on these assets so as to write off the cost or valuation of assets over their estimated useful lives of three to four years, using the straight-line method.

Derivatives and hedging
Derivative financial instruments such as interest rate swaps are entered into in order to manage interest rate risks. Such derivative instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

The effective portion of the gain or loss on the hedging instrument is recognised through other comprehensive income, while any ineffective portion is recognised immediately in profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale of the hedged item occurs.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in equity are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction or firm commitment occurs.

When a derivative is held as an economic hedge for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item. A derivative instrument that is a designated and effective hedging instrument is classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if: 1) a reliable allocation can be made; and 2) it is applied to all designated and effective hedging instruments.

Tax
Current tax
The charge or credit for current tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax charge or credit. The tax charge or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax
Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences and all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, with certain limited exceptions:

Notes to the financial statements
continued
for the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

- Deferred tax liability is not recognised when it arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- In respect of taxable or deductible temporary differences associated with investments in subsidiaries and joint ventures, a deferred tax liability is not recognised when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future while a deferred tax asset is not recognised when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the years in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to other comprehensive income or equity in which case the deferred tax is also dealt with in other comprehensive income or equity.

The carrying value of the Group's investment properties is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the Consolidated Balance Sheet regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are as follows:

Estimation of fair value of investment properties
The fair value of investment property reflects, amongst other things, rental income from current leases, assumptions about rental income from future leases and the possible outcome of planning applications, in the light of current market conditions. The valuation has been arrived at primarily after consideration of market evidence for similar property, although in the case of those properties where fair value is based on their ultimate redevelopment potential, development appraisals have been undertaken to estimate the residual value of the landholding after due regard to the cost of, and revenue from, the development of the property.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of investment property has been considered.

The values reported are based on significant assumptions and a change in fair values could have a material impact on the Group's results. This is due to the sensitivity of fair value to the assumptions made as regards to variances in development costs compared to management's own estimates.

Investment properties are disclosed in note 15.

Estimation of valuation of development properties
For the purposes of calculating net realisable value for both EPRA reporting and ensuring that development properties are stated at the lower of cost and net realisable value, the Group obtains an independent valuation of these properties, prepared in accordance with the current edition of the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

If the net realisable value of the property is lower than cost, a provision is made to reduce the value of the property.

Notes to the financial statements

continued
for the year ended 31 December 2025

2. ALTERNATIVE PERFORMANCE MEASURES ('APMS')

Introduction
The Group has applied the December 2019 European Securities and Markets Authority ('ESMA') guidance on APMs and the November 2017 Financial Reporting Council ('FRC') corporate thematic review of APMs in these results. An APM is a financial measure of historical or future financial performance, position or cash flow of the Group which is not a measure defined or specified in IFRS.

Overview of our use of APMs
The Directors believe that APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. APMs assist stakeholder users of the accounts, particularly equity and debt investors, through the comparability of information. APMs are used by the Directors and management, both internally and externally, for performance analysis, strategic planning, reporting and incentive-setting purposes.

APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including peers in the real estate industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The derivations of our APMs and their purpose
The primary differences between IFRS statutory amounts and the APMs used by Harworth are as follows:

1. Capturing all sources of value creation - Under IFRS, the revaluation movement in development properties which are held in inventory, is not included in the balance sheet. Also, overages are not recognised in the balance sheet until they are highly probable. These movements, which are verified by JLL, BNP Paribas and Savills (independent external property valuers), are included within our APMs;

2. Recategorising income statement amounts - Under IFRS, the grouping of amounts, particularly within gross profit and other gains, does not clearly allow Harworth to demonstrate the value creation through its business model. In particular, the statutory grouping does not distinguish value gains (being realised profits from the sales of properties and unrealised profits from property value movements) from the ongoing profitability of the business which is less susceptible to movements in the property cycle. Finally, the Group includes profits from joint ventures within our APMs as its joint ventures conduct similar operations to Harworth, albeit in different ownership structures; and

3. Comparability with industry peers - Harworth discloses some APMs which are European Public Real Estate Association ('EPRA') measures as these are a set of standard disclosures for the property industry and thus aid comparability for its stakeholder users.

Our key APMs
The key APMs that the Group uses are as follows:

- Total Accounting Return - The movement in EPRA NDV plus dividends per share paid in the year expressed as a percentage of opening EPRA NDV per share - EPRA NDV per share
- Total Property Return - Calculated in line with the MSCI Property Index Methodology
- EPRA NDV per share - EPRA NDV divided by the number of shares in issue less shares held by the Employee Benefit Trust and Equiniti Share Plan Trustees Limited to satisfy Long Term Incentive Plan and Share Incentive Plan awards
- Value gains - These are the realised profits from the sales of properties and unrealised profits from property value movements including joint ventures and the mark to market movement on development properties, AHFS and overages
- Net LTV - Group debt net of cash held expressed as a percentage of portfolio value

Set out in the appendix to these financial statements is a reconciliation of the statutory measures to the APMs for the current reporting period and their comparatives.

Notes to the financial statements

continued
for the year ended 31 December 2025

3. SEGMENTAL INFORMATION

Segmental Income Statement
Year ended 31 December 2025

	Capital Growth				
	Sale of Development Properties £000	**Other Property Activities £000**	**Income Generation £000**	**Central £000**	**Total £000**
Revenue (1)	**56,928**	**47,835**	**24,986**	**-**	**129,749**
Cost of sales	(64,979)	(46,772)	(5,446)	-	(117,197)
Gross (loss)/profit (2)	**(8,051)**	**1,063**	**19,540**	**-**	**12,552**
Administrative expenses (3)	-	(6,755)	(2,148)	(27,439)	(36,342)
Other gains (4)	-	41,492	7,964	(3,913)	45,543
Other operating expense	-	-	-	(121)	(121)
Operating (loss)/profit	**(8,051)**	**35,800**	**25,356**	**(31,473)**	**21,632**
Finance costs	-	-	-	(15,203)	(15,203)
Finance income	-	4,374	153	46	4,573
Share of profit of joint ventures	-	3,615	2,751	-	6,366
(Loss)/profit before tax	**(8,051)**	**43,789**	**28,260**	**(46,630)**	**17,368**

(1) Revenue					
Revenue is analysed as follows:					
Sale of development properties	56,928	-	-	-	56,928
Revenue from PPAs	-	4,741	-	-	4,741
Build-to-suit development revenue[1]	-	41,989	-	-	41,989
Rent, service charge and royalties revenue	-	893	23,247	-	24,140
Other revenue	-	212	1,739	-	1,951
	56,928	**47,835**	**24,986**	**-**	**129,749**

(2) Gross profit					
Gross profit is analysed as follows:					
Gross profit excluding sale of development properties	-	1,063	19,540	-	20,603
Gross loss on sale of development properties[2]	(3,152)	-	-	-	(3,152)
Net realisable value provision on development properties	(13,915)	-	-	-	(13,915)
Reversal of previous net realisable value provision on development properties	8,163	-	-	-	8,163
Release of previous net realisable value provision on disposal of development properties	853	-	-	-	853
	(8,051)	**1,063**	**19,540**	**-**	**12,552**

Notes to the financial statements

continued
for the year ended 31 December 2025

3. SEGMENTAL INFORMATION CONTINUED

Segmental Income Statement
Year ended 31 December 2025

	Capital Growth				
	Sale of Development Properties £'000	Other Property Activities £'000	Income Generation £'000	Central £'000	Total £'000
(3) Administrative expenses					
Administrative expenses are analysed as follows:					
Wages and salaries	-	(6,127)	(1,027)	(17,508)	(24,662)
Legal and professional	-	105	(629)	(1,614)	(2,138)
Other administrative expenses	-	(733)	(492)	(8,317)	(9,542)
	-	**(6,755)**	**(2,148)**	**(27,439)**	**(36,342)**
(4) Other gains/(losses)					
Other gains/(losses) are analysed as follows:					
Increase in fair value of investment properties	-	41,093	6,113	-	47,206
Decrease in fair value of land and buildings	-	-	-	(3,913)	(3,913)
Decrease in the fair value of AHFS	-	(14)	(63)	-	(77)
(Loss)/profit on sale of investment properties	-	(257)	1,421	-	1,164
(Loss)/profit on sale of AHFS	-	(302)	493	-	191
Profit on sale of overages	-	972	-	-	972
	-	**41,492**	**7,964**	**(3,913)**	**45,543**

1. As at 31 December 2025 the Group had £23.1m of contracted revenue not yet recognised relating to build-to-suit development contracts (2024: £65.0m). The Group expects to recognise £23.1m within the next 12 months.
2. Gross loss on sale of development properties includes a reduction of £1.4m (2024: £4.3m) relating to the discounting of deferred consideration receivable.

Notes to the financial statements

continued
for the year ended 31 December 2025

3. SEGMENTAL INFORMATION CONTINUED

Segmental Balance Sheet
31 December 2025

	Capital Growth £000	Income Generation £000	Central £000	Total £000
Non-current assets				
Intangible fixed assets	-	-	450	450
Property, plant and equipment	-	-	8,106	8,106
Right-of-use assets	-	-	1,200	1,200
Trade and other receivables	5,009	-	-	5,009
Investment properties	359,614	307,411	-	667,025
Investments in joint ventures	8,475	16,750	-	25,225
Retirement benefit asset	-	-	81	81
	373,098	**324,161**	**9,837**	**707,096**
Current assets				
Inventories	211,799	266	-	212,065
Trade and other receivables	76,974	7,761	758	85,493
AHFS	-	7,686	-	7,686
Cash	-	-	27,144	27,144
Current tax asset	-	-	2,759	2,759
	288,773	**15,713**	**30,661**	**335,147**
Total assets	**661,871**	**339,874**	**40,498**	**1,042,243**

Financial liabilities and derivative financial instruments are not allocated to the reporting segments as they are managed and measured at a Group level.

Notes to the financial statements
continued
for the year ended 31 December 2025

3. SEGMENTAL INFORMATION CONTINUED

Segmental Income Statement
Year ended 31 December 2024

	Capital Growth				
	Sale of Development Properties £000	Other Property Activities £000	Income Generation £000	Central £000	Total £000
Revenue (1)	**140,253**	**19,841**	**21,491**	**-**	**181,585**
Cost of sales	(126,320)	(19,534)	(4,654)	-	(150,508)
Gross profit (2)	**13,933**	**307**	**16,837**	**-**	**31,077**
Administrative expenses (3)	-	(6,367)	(1,107)	(25,711)	(33,185)
Other gains (4)	-	59,722	18,391	-	78,113
Other operating expense	-	-	-	(1,371)	(1,371)
Operating profit/(loss)	**13,933**	**53,662**	**34,121**	**(27,082)**	**74,634**
Finance costs	-	(119)	-	(9,781)	(9,900)
Finance income	-	2,974	125	67	3,166
Share of (loss)/profit of joint ventures	-	(717)	2,204	-	1,487
Profit/(loss) before tax	**13,933**	**55,800**	**36,450**	**(36,796)**	**69,387**

(1) Revenue					
Revenue is analysed as follows:					
Sale of development properties	140,253	-	-	-	140,253
Revenue from PPAs	-	593	-	-	593
Build-to-suit development revenue	-	18,690	-	-	18,690
Rent, service charge and royalties revenue	-	412	21,358	-	21,770
Other revenue	-	146	133	-	279
	140,253	**19,841**	**21,491**	**-**	**181,585**

(2) Gross profit					
Gross profit is analysed as follows:					
Gross profit excluding sale of development properties	-	307	16,837	-	17,144
Gross profit on sale of development properties	8,248	-	-	-	8,248
Net realisable value provision on development properties	(5,664)	-	-	-	(5,664)
Reversal of previous net realisable value provision on development properties	6,950	-	-	-	6,950
Release of previous net realisable value provision on disposal of development properties	4,399	-	-	-	4,399
	13,933	**307**	**16,837**	**-**	**31,077**

Notes to the financial statements
continued
for the year ended 31 December 2025

3. SEGMENTAL INFORMATION CONTINUED

Segmental Income Statement
Year ended 31 December 2024

	Capital Growth				
	Sale of Development Properties £'000	Other Property Activities £'000	Income Generation £'000	Central £'000	Total £'000
(3) Administrative expenses					
Administrative expenses are analysed as follows:					
Wages and salaries	-	(5,255)	(902)	(16,398)	(22,555)
Legal and professional	-	(531)	(408)	(3,683)	(4,622)
Other administrative expenses	-	(581)	203	(5,630)	(6,008)
	-	**(6,367)**	**(1,107)**	**(25,711)**	**(33,185)**
(4) Other gains/(losses)					
Other gains/(losses) are analysed as follows:					
Increase in fair value of investment properties	-	43,004	17,813	-	60,817
Decrease in the fair value of AHFS	-	(201)	(165)	-	(366)
Profit on sale of investment properties	-	12,476	826	-	13,302
Profit/(loss) on sale of AHFS	-	97	(83)	-	14
Profit on sale of overages	-	4,346	-	-	4,346
	-	**59,722**	**18,391**	**-**	**78,113**

Notes to the financial statements

continued
for the year ended 31 December 2025

3. SEGMENTAL INFORMATION CONTINUED

Segmental Balance Sheet
31 December 2024

	Capital Growth £000	Income Generation £000	Central £000	Total £000
Non-current assets				
Property, plant and equipment	-	-	1,529	1,529
Right-of-use assets	-	-	1,443	1,443
Trade and other receivables	25,638	-	-	25,638
Investment properties	281,635	303,854	-	585,489
Investments in joint ventures	18,935	14,618	-	33,553
	326,208	**318,472**	**2,972**	**647,652**
Current assets				
Inventories	205,985	-	-	205,985
Trade and other receivables	61,404	10,948	228	72,580
AHFS	2,450	6,460	-	8,910
Cash	-	-	117,382	117,382
	269,839	**17,408**	**117,610**	**404,857**
Total assets	**596,047**	**335,880**	**120,582**	**1,052,509**

Financial liabilities and derivative financial instruments are not allocated to the reporting segments as they are managed and measured at a Group level.

Notes to the financial statements

continued
for the year ended 31 December 2025

4. OPERATING PROFIT

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Operating profit before tax is stated after charging:			
Net realisable value provision charge/(release) on development properties	17	**4,899**	(5,685)
Staff costs	5	**23,896**	22,555
Depreciation of property, plant and equipment and right-of-use assets	13,14	**608**	406

5. EMPLOYEE INFORMATION

The monthly average number of persons (excluding Non-Executive Directors) employed by the Group during the year was:

	Group		Company	
	Year ended 31 December 2025 Number	Year ended 31 December 2024 Number	**Year ended 31 December 2025 Number**	Year ended 31 December 2024 Number
Management and administration	**143**	131	**3**	3

Remuneration details of these persons were as follows:

	Group		Company	
	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000	**Year ended 31 December 2025 £'000**	Year ended 31 December 2024 £'000
Wages and salaries	**16,843**	17,162	**3,010**	3,087
Share-based payment expense	**3,296**	2,287	**948**	301
Social security costs	**2,495**	2,026	**452**	407
Post-employment benefits	**1,262**	1,080	**24**	33
	23,896	22,555	**4,434**	3,828

Key management remuneration relates to the members of the Investment Committee and Senior Management:

	Group	
	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Short-term employee benefits	**4,852**	5,883
Post-employment benefits	**343**	312
Share-based payment expense	**1,715**	1,004
	6,910	7,199

Detailed information relating to Directors' remuneration is disclosed in the Directors' remuneration report on pages 116 to 132 and forms part of these financial statements.

6. FINANCE COSTS AND FINANCE INCOME

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Finance income		
- Bank interest	**342**	810
- Unwind of discounting on deferred consideration	**4,231**	2,356
Total finance income	**4,573**	3,166
Finance costs		
- Bank interest	**(11,345)**	(6,201)
- Facility fees	**(643)**	(1,235)
- Amortisation of up-front fees	**(1,102)**	(727)
- Other interest	**(2,113)**	(1,737)
Total finance costs	**(15,203)**	(9,900)
Net finance costs	**(10,630)**	(6,734)

During the year no interest has been capitalised in investment or development properties (2024: £nil).

Notes to the financial statements
continued
for the year ended 31 December 2025

7. AUDITORS' REMUNERATION

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Fees payable to the Company's auditors and its associates for the audit of the Company and the consolidated financial statements	**192**	398
Fees payable to the Company's auditors and its associates for other services:		
- The audit of the Company's subsidiaries pursuant to legislation	**290**	68
- Other assurance services	**-**	-
	482	466

8. TAX

Analysis of tax charge in the year	**Year ended 31 December 2025 £'000**	Year ended 31 December 2024 £'000
Current tax		
Current year	**-**	(7,931)
Adjustment in respect of prior periods	**1,358**	1,925
Total current tax credit/(charge)	**1,358**	(6,006)
Deferred tax		
Current year	**(5,924)**	(5,807)
Adjustment in respect of prior periods	**(3,330)**	(337)
Total deferred tax charge	**(9,254)**	(6,144)
Tax charge	**(7,896)**	(12,150)

Other comprehensive income items		
Deferred tax credit - current year	**93**	-
Total	**93**	-

The tax charge for the year is higher (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Profit before tax	**17,368**	69,387
Profit before tax multiplied by rate of corporation tax in the UK of 25% (2024: 25%)	**(4,342)**	(17,347)
Effects of:		
Adjustments in respect of prior periods - deferred taxation	**(3,330)**	337
Adjustments in respect of prior periods - current taxation	**1,358**	1,925
Defined benefits pension scheme	**-**	(342)
Non-taxable income	**-**	107
Expenses not deducted for tax purposes	**(1,676)**	(327)
Revaluation (losses)/gains	**(1,272)**	2,734
Share of profit of joint ventures	**-**	372
Share options	**39**	94
Utilisation of unrecognised deferred tax assets	**106**	176
Losses not recognised previously	**1,157**	-
Other adjustments	**64**	121
Total tax charge	**(7,896)**	(12,150)

At 31 December 2025, the Group had a current tax asset of £2.8m (2024: current tax liability £8.1m).

The Company has recognised a current tax asset in 2025 of £0.4m (2024: £0.4m).

Deferred tax
The following is the analysis of deferred tax liabilities presented in the consolidated balance sheet:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Deferred tax assets	**10,182**	1,520
Deferred tax liabilities	**(55,097)**	(37,373)
	(44,915)	(35,853)

Notes to the financial statements

continued

for the year ended 31 December 2025

8. TAX CONTINUED

The movement on the deferred income tax account is as follows:

	Investment Properties £'000	Tax Losses £'000	Other Temporary Differences £'000	**Total £'000**
At 1 January 2024	(30,592)	-	503	**(30,089)**
Recognised in the consolidated income statement	(6,781)	-	637	**(6,144)**
Recognised in the consolidated statement of equity	-	-	380	**380**
At 31 December 2024 and 1 January 2025	(37,373)	-	1,520	**(35,853)**
Recognised in the consolidated income statement	(12,067)	5,690	(2,877)	**(9,254)**
Recognised in the consolidated statement of equity	-	-	192	**192**
At 31 December 2025	(49,440)	5,690	(1,165)	**(44,915)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Deferred tax assets of £4.4m at 31 December 2025 (2024: £5.4m) have not been recognised owing to uncertainty as to their recoverability.

The Company has recognised a deferred tax asset in 2025 of £0.9m (2024: £0.6m).

9. RESULT OF THE PARENT ENTITY

As permitted by section 408 of the Companies Act 2006, the Company's income statement and statement of comprehensive income have not been included separately in these financial statements. The loss for the financial year was £14.0m (2024: £10.8m) and the total comprehensive expense for the financial year was £14.0m (2024: £11.0m). The distributable reserves of the Company are £58.8m (2024: £75.2m).

10. DIVIDENDS

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Interim dividend of 0.538p per share for the year ended 31 December 2025	**1,748**	-
Full year dividend of 1.125p per share for the year ended 31 December 2024	**3,655**	-
Interim dividend of 0.489p per share for the year ended 31 December 2024	**-**	1,589
Full year dividend of 1.022p per share for the year ended 31 December 2023	**-**	3,310
	5,403	4,899

The Board has declared a final dividend to be paid of 1.237p (2024: 1.125p) per share to be paid in May 2026, bringing the total dividend for the year to 1.775p (2024: 1.614p). The recommended 2025 final dividend and 2025 total dividend represent a 10% increase.

There is no change to the current dividend policy to continue to grow dividends by 10% each year.

11. EARNINGS PER SHARE

Earnings per share has been calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of shares in issue and ranking for dividend during the year.

	Year ended 31 December 2025	Year ended 31 December 2024
Profit from continuing operations attributable to ordinary shareholders (£'000)	**9,472**	57,237
Weighted average number of shares used for basic earnings per share calculation	**324,003,413**	323,497,275
Basic earnings per share (pence)	**2.9**	17.7
Weighted average number of shares used for diluted earnings per share calculation	**334,337,040**	331,274,223
Diluted earnings per share (pence)	**2.8**	17.3

The difference between the weighted average number of shares used for the basic and diluted earnings per share calculation is due to the effect of employee share schemes that are dilutive.

Notes to the financial statements

continued
for the year ended 31 December 2025

12. INTANGIBLE FIXED ASSETS

Group Cost	Internally Developed Software £'000	Total £'000
As at 1 January 2025	-	-
Additions	450	450
As at 31 December 2025	**450**	**450**
Amortisation and impairment		
As at 1 January 2025	-	-
Amortisation	-	-
Impairment	-	-
As at 31 December 2025	-	-
Net book value at 31 December 2025	**450**	**450**

During the year £0.5m of costs were capitalised in relation to the Group's digital transformation project. The capitalised amounts relate to development phase expenditure directly attributable to the Group's new customised software. The criteria for recognition was met on 1 March 2025.

As at 31 December 2025, the software was not yet available for use and therefore no amortisation has been charged during the year.

13. PROPERTY, PLANT AND EQUIPMENT

Group **Cost or fair value**	Land and Buildings £'000	Office Equipment £'000	Total £'000
As at 1 January 2024	1,300	1,031	2,331
Additions at cost	403	197	600
Decrease in fair value	(515)	-	(515)
As at 31 December 2024 and 1 January 2025	1,188	1,228	2,416
Additions at cost	6,093	3,958	10,051
Transfers from development property	787	-	787
Decrease in fair value	(3,913)	-	(3,913)
As at 31 December 2025	**4,155**	**5,186**	**9,341**
Depreciation			
As at 1 January 2024	-	(661)	(661)
Depreciation charge	-	(226)	(226)
As at 31 December 2024 and 1 January 2025	-	(887)	(887)
Depreciation charge	-	(348)	(348)
As at 31 December 2025	**-**	**(1,235)**	**(1,235)**
Net book value			
Net book value at 31 December 2025	**4,155**	**3,951**	**8,106**
Net book value at 31 December 2024	1,188	341	1,529

At 31 December 2025, the Group had entered into contractual commitments for the acquisition of £nil of property, plant and equipment (2024: £0.2m).

During the year the Group invested in the construction of a new head office building at our flagship Advanced Manufacturing Park ('AMP') in Waverley, completing work early in 2026. Alongside creating a fit for purpose sustainable workspace, this enables the future development or sale of our previous head office site and opens up the development of Highfield as one of the final phases of the Waverley site.

Land and buildings are carried under the revaluation model based on independent valuations carried out as at 31 December 2025. If these assets had been carried under the cost model, the carrying amount would have been £9.1m (2024: £2.4m).

Notes to the financial statements
continued
for the year ended 31 December 2025

14. RIGHT-OF-USE ASSETS

Group **Right-of-use assets**	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
Buildings	**1,179**	1,391
Vehicles	**21**	52
	1,200	1,443
Lease liabilities		
Current	**263**	271
Non-current	**934**	1,196
	1,197	1,467
Depreciation charge of right-of-use assets		
Buildings	**229**	149
Vehicles	**31**	31
	260	180

The Group leases a number of offices and vehicles. Rental contracts are typically made for fixed periods of three to ten years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease component based on their relative stand-alone prices.

However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Lease assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Notes to the financial statements

continued
for the year ended 31 December 2025

15. INVESTMENT PROPERTIES

Investment properties at 31 December 2025 and 31 December 2024 have been measured at fair value. The Group holds five categories of investment property, being Agricultural Land, Natural Resources, the Investment Portfolio, Major Developments and Strategic Land in the UK, which sit within the operating segments of Income Generation and Capital Growth.

	Income Generation			Capital Growth		
	Agricultural Land £000	Natural Resources £000	Investment Portfolio £000	Major Developments £000	Strategic Land £000	Total £000
At 1 January 2024	6,510	19,901	208,315	58,340	140,876	433,942
Direct acquisitions	-	-	44,833	30,494	15,462	90,789
Subsequent expenditure	36	624	1,494	41,733	3,111	46,998
Disposals	-	-	(648)	-	(40,022)	(40,670)
(Decrease)/increase in fair value	(278)	688	17,402	3,656	39,349	60,817
Transfers between divisions	-	(1,285)	11,149	(8,119)	(1,745)	-
Transfer to AHFS	-	(2,167)	(2,720)	-	(1,500)	(6,387)
At 31 December 2024	**6,268**	**17,761**	**279,825**	**126,104**	**155,531**	**585,489**
Direct acquisitions	-	286	-	36,894	1,599	38,779
Subsequent expenditure	152	30	1,125	42,089	12,497	55,893
Disposals	-	(824)	(26,880)	-	(310)	(28,014)
Increase in fair value	451	238	5,424	10,470	30,623	47,206
Transfers between divisions	-	2,445	42,050	(42,050)	(2,445)	-
Transfers from/(to) development properties	-	-	155	(10,535)	-	(10,380)
Transfer to AHFS	-	-	(21,098)	-	(850)	(21,948)
At 31 December 2025	**6,871**	**19,936**	**280,601**	**162,972**	**196,645**	**667,025**
Properties included within AHFS (note 19)	-	3,740	2,720	-	2,450	8,910
At 31 December 2024	**6,268**	**21,501**	**282,545**	**126,104**	**157,981**	**594,399**
Properties included within AHFS (note 19)	-	-	7,686	-	-	7,686
At 31 December 2025	**6,871**	**19,936**	**288,287**	**162,972**	**196,645**	**674,711**

Subsequent expenditure is recorded net of government grants of £0.7m (2024: £nil).

Included within investment properties (agricultural land) is a provision of £0.1m (2024: £0.2m) relating to the restoration liability on sites formerly rented to mining tenants. This provision is treated as a reduction of the individual property valuations.

During the year £0.2m of development property was re-categorised as investment property to reflect a change in use (2024: £nil). During the year £10.5m of investment property was re-categorised to development properties (2024: £nil). During the year no investment property was re-categorised as land and buildings (2024: £nil). Properties that have obtained planning permission and where development with a view to sale has commenced are held as development properties in inventories. Until sites receive planning permission and their future use has been determined, Harworth's view is that the land is held for a currently undetermined future use and should thus be held as investment property. Where there is a subsequent change in use, typically in properties and land that have received planning permission and where development with a view to sale has commenced, these are re-categorised as development properties in inventories.

Investment property is transferred between divisions to reflect a change in the activity arising from the asset.

Notes to the financial statements
continued
for the year ended 31 December 2025

15. INVESTMENT PROPERTIES CONTINUED

The fair value disclosures for investment properties are presented on a combined basis along with those properties in AHFS as summarised in the following tables:

31 December 2025

	Income Generation		**Capital Growth**			
	Agricultural Land £000	**Natural Resources £000**	**Investment Portfolio £000**	**Major Developments £000**	**Strategic Land £000**	**Total £000**
Investment properties	6,871	19,936	280,601	162,972	196,645	667,025
Properties included within AHFS (note 19)	–	–	7,686	–	–	7,686
Total properties (excluding development properties)	**6,871**	**19,936**	**288,287**	**162,972**	**196,645**	**674,711**

31 December 2024

	Income Generation		Capital Growth			
	Agricultural Land £000	Natural Resources £000	Investment Portfolio £000	Major Developments £000	Strategic Land £000	Total £000
Investment properties	6,268	17,761	279,825	126,104	155,531	585,489
Properties included within AHFS (note 19)	–	3,740	2,720	–	2,450	8,910
Total properties (excluding development properties)	**6,268**	**21,501**	**282,545**	**126,104**	**157,981**	**594,399**

Notes to the financial statements
continued
for the year ended 31 December 2025

15. INVESTMENT PROPERTIES CONTINUED

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Market value as estimated by the external valuer	**684,561**	605,933
Capital incentives and rent-free periods included within other receivables	**(4,558)**	(6,357)
Contingent interest in adjoining land included within external valuations	**(6,610)**	(5,729)
Other adjustments	**1,318**	552
Fair value for financial purposes	**674,711**	594,399

Valuation process

The properties were valued in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards (the 'Red Book') by BNP Paribas Real Estate, Jones Lang LaSalle and Savills. All are independent firms acting in the capacity of external valuers with relevant experience of valuations of this nature. The valuations are on the basis of Market Value as defined by the Red Book, which RICS considers meets the criteria for assessing Fair Value under IFRS. The valuations are based on what is determined to be the highest and best use. When considering the highest and best use a valuer will consider, on a property by property basis, its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer will consider the cost and the likelihood of achieving and implementing this change in arriving at its valuation. Most of the Group's properties have been valued on the basis of their development potential which differs from their existing use.

At each financial year end, management:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

The different valuation levels are defined as:

Level 1: valuation based on quoted market prices traded in active markets.

Level 2: valuation based on inputs other than quoted prices included within Level 1 that maximise the use of observable data either directly or from market prices or indirectly derived from market prices.

Level 3: where one or more inputs to valuation are not based on observable market data.

The Directors determine the applicable hierarchy that each investment property falls into by assessing the level of significant unobservable inputs used in the valuation technique. As a result of the specific nature of each investment property, valuation inputs are not based on directly observable market data and therefore all investment properties were determined to fall into Level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstance that caused the transfer. There were no transfers between hierarchy levels in the year ended 31 December 2025 (2024: none).

Valuation techniques underlying management's estimation of fair value are as follows:

Notes to the financial statements

continued

for the year ended 31 December 2025

15. INVESTMENT PROPERTIES CONTINUED

Agricultural land

Most of the agricultural land is valued using the market comparison basis, with an adjustment made for the length of the remaining term on any tenancy and the estimated cost to bring the land to its highest and best use. Where the asset is subject to a secure letting, it is valued on a yield basis, based upon sales of similar types of investment.

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Market value	**6,636**	6,397
Weighted Average Land value per acre	**3**	3

The land value per acre is considered to be a significant unobservable input and details are provided below. All things being equal, a higher value per acre would lead to an increase in the valuation of an asset and vice versa. The table below sets out a sensitivity analysis for the key source of estimation uncertainty with the resulting increase/(decrease) in the fair value at 31 December 2025:

	2025		2024	
	Increase in Sensitivity Value £'000	**Decrease in Sensitivity Value £'000**	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in land value per acre by 5%	**332**	**(332)**	320	(320)

Natural resources

Natural resource sites in the portfolio are valued based on a discounted cash flow for the operating life of the asset with regard to the residual land value.

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Market value	**19,759**	21,503
Weighted Average Land value per acre	**14**	16

The land value per acre is considered to be a significant unobservable input and details are provided below. All things being equal, a higher value per acre would lead to an increase in the valuation of an asset and vice versa. The table below sets out a sensitivity analysis for the key source of estimation uncertainty with the resulting increase/(decrease) in the fair value at 31 December 2025:

	2025		2024	
	Increase in Sensitivity Value £'000	**Decrease in Sensitivity Value £'000**	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in land value per acre by 5%	**988**	**(988)**	1,075	(1,075)

Investment Portfolio

The industrial & logistics investment properties are valued on the basis of market comparison with direct reference to observable market evidence including current rent and estimated rental value ('ERV'), yields and capital values and adjusted where required for the estimated cost to bring the property to its highest and best use. The evidence is adjusted to reflect the quality of the property assets, the quality of the covenant profile of the tenants and the reliability/volatility of cash flows. The Group's portfolio has a spread of yields. New income acquisitions are generally acquired at high yields where value can be added. Subject to market backdrop, properties that are newly built by Harworth typically have lower yields. As assets are enhanced and improved, these would also be expected to be valued at lower yields.

ERV and reversionary rental yields are considered to be significant unobservable inputs. Details of the aggregate ERV and weighted average reversionary rental yields used for the Investment Portfolio properties are provided in the following table:

	As at 31 December 2025	As at 31 December 2024
Market value (£'000)	**292,848**	288,853
Aggregate ERV (£'000)	**16,792**	17,570
Equivalent rental yield %	**6.2**	6.7

All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation of an asset and an increase in the current or estimated future rental stream, or market demand for the asset, would have the effect of increasing the capital value, and vice versa. However, there are inter-relationships between the significant unobservable inputs which are partially determined by market conditions, which would impact on these changes.

Notes to the financial statements

continued
for the year ended 31 December 2025

15. INVESTMENT PROPERTIES CONTINUED

The table below sets out a sensitivity analysis for the key sources of estimation uncertainty with the resulting increase/(decrease) in the fair value of Investment Portfolio assets at 31 December 2025:

	2025		2024	
	Increase in Sensitivity Value £'000	**Decrease in Sensitivity Value £'000**	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in net income by 5%	**14,642**	**(14,642)**	14,443	(14,427)
Change in portfolio net initial yield by 50 basis points	**(29,645)**	**34,677**	(29,883)	30,230

The property rental income earned by the Group from its occupied investment property, all of which is leased out under operating leases amounted to £18.7m (2024: £16.9m). Direct operating expenses arising on investment property generating rental income in the year amounted to £4.5m (2024: £4.5m).

The Group has considered performing sensitivity analysis on the ERV and reversionary rental yields on each site. However, it was found that this variable was so inherent within the overall valuation calculation that it was not possible to be able to specifically identify the financial impact of altering this variable in isolation. The Directors have determined that the sensitivities shown for the change in both net income and net yield offer more relevant insight to the risks faced by the Group.

The RCF is secured by way of a floating debenture over assets not otherwise used as security under specific infrastructure or direct development loans.

Major developments

Major development sites are generally valued using residual development appraisals, a form of discounted cash flow which estimates the current site value from future cash flows measured by current land and/or completed built development values, observable or estimated development costs, and observable or estimated development returns.

Where possible development sites are valued by direct comparison to observable market evidence with appropriate adjustment for the quality and location of the property asset, although this is generally only a reliable method of measurement for smaller development sites.

The discounted cash flows utilise gross development value, which takes account of the future expectations of sales over time, less costs, as at today's value, to complete remediation and provide the necessary site infrastructure to bring the site forward. Sales prices, build costs and profit margins are considered to be significant unobservable inputs for sites valued using residual development appraisals and details of these are provided below:

	As at 31 December 2025			
	Market value (£'000)	**Sales price per sq ft**	**Build cost per sq ft**	**Profit Margin %**
Major developments	**161,841**	**£148-£196**	**£71-£80**	**14%**

	As at 31 December 2024			
	Market value (£'000)	Sales price per sq ft	Build cost per sq ft	Profit Margin %
Major developments	125,308	£133-£187	£71-£84	15%

All other factors being equal, a higher land value reflecting future expectations on sales would lead to an increase in the valuation of an asset, an increase in costs would lead to a decrease in the valuation of an asset. However, there are inter-relationships between the significant unobservable inputs which are partially determined by market conditions, which would impact on these changes.

The table below sets out a sensitivity analysis for the key sources of estimation uncertainty with the resulting increase/(decrease) in the fair value of Major Development investment properties at 31 December 2025:

	2025		2024	
	Increase in Sensitivity Value £'000	**Decreases in Sensitivity Value £'000**	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in sales price of 5%	**16,826**	**(16,816)**	13,589	(13,588)
Change in build cost of 5%	**(9,305)**	**9,315**	(8,694)	8,715

The Group has considered performing sensitivity analysis on the Profit Margin required on each site. However, it was found that this variable was so inherent within the overall valuation calculation that it was not possible to be able to specifically identify the financial impact of altering this variable in isolation. The Directors have determined that the sensitivities shown for the change in both sales price and build cost offer more relevant insight to the risks faced by the Group.

Notes to the financial statements

continued
for the year ended 31 December 2025

15. INVESTMENT PROPERTIES CONTINUED

Strategic land

Strategic land is valued on the basis of discounted cash flows, with future cash flows measured by current land values adjusted to reflect the quality of the development opportunity, the potential development costs estimated by reference to observable development costs on comparable sites, and the likelihood of securing planning consent. Valuations are then benchmarked against observable land values reflecting the current existing use of the land, which is generally agricultural and, where available, observable strategic land values. The land value per acre and planning consent risk discount factor are considered to be significant unobservable inputs and details are provided below:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Market value	**203,477**	163,872
Weighted Average Land value per acre	**112**	84

All things being equal, a higher value per acre would lead to an increase in the valuation of an asset and vice versa. The table below sets out a sensitivity analysis for the key source of estimation uncertainty with the resulting increase/(decrease) in the fair value at 31 December 2025:

	2025		2024	
	Increase in Sensitivity Value £'000	**Decrease in Sensitivity Value £'000**	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in land value per acre by 5%	**9,999**	**(9,999)**	8,194	(8,194)
Change in discount factor by 5%	**(11,595)**	**11,595**	(19,234)	19,234

The Group has considered performing sensitivity analysis on both the quality of development opportunity and potential development costs. However, it was found that these variables were so inherent within the overall valuation calculation that it was not possible to be able to specifically identify the financial impact of altering the single variable in isolation. The Directors have determined that the sensitivities shown for the change in land value and the change in planning consent risk discount factors offer more relevant insight to the risks faced by the Group.

Acquisition of Investment Property

On 25 March 2025 the Group acquired the remaining 50% interest in Harworth Gateway 45 LLP ('HG45') formerly known as The Aire Valley Land LLP ('AVL LLP'), for a total consideration of £20.0m.

The remaining 50% acquisition was made via Harworth Estates (Agricultural Land) Limited ('HEAL') – which is a 100% owned subsidiary of Harworth Estates Limited ('HEL').

The joint venture is now a wholly owned subsidiary of the Group, being equally controlled and owned by Harworth Group entities Harworth Estates (Agricultural Land) Limited ('HEAL') and Harworth Estates Investments Limited ('HEIL').

As an acquisition of assets achieved in stages, the total consideration includes the derecognition of the Group's previous interest in HG45:

	At date of acquisition £'000
Fair value:	
Carrying value of joint venture at the point of acquisition	16,079
Consideration paid to acquire net assets	20,000
Acquisition costs and stamp duty	1,079
Total	**37,158**

In line with the requirements of IFRS 3, and the change to the definition of a 'business acquisition' the company has considered the impact of the concentration test when accounting for the acquisition of HG45.

Under the concentration test, the Group has considered whether substantially all of the fair value of the gross assets acquired is concentrated within a single asset (or a group of similar assets).

Having performed the calculation, it is evident that the acquisition of the business was to acquire the property held within the limited liability company. The property acquired represented 99.9% of the net assets of the acquired entity and therefore the assets acquired do not represent a business. Instead, the assets of the acquired company, under the concentration test should instead be accounted for, on consolidation, as an acquisition of assets.

The Company accounts for the acquisition under IFRS 3. For any identifiable asset or liability initially measured at an amount other than cost, the Company initially measures that asset or liability at the amount specified in the applicable IFRS. The Company then deducts from the transaction price of the group the amounts allocated to the assets and liabilities initially measured at an amount other than cost, and then allocates the residual transaction price to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

Notes to the financial statements
continued
for the year ended 31 December 2025

15. INVESTMENT PROPERTIES CONTINUED

Following the approach set out in IFRS 3, detailed above, the Company has recorded the following assets and liabilities at the point of acquisition:

	At date of acquisition £'000	Consideration allocation £'000
Fair value applied to net assets acquired:		
Investment property	31,900	36,902
Cash	279	279
Other debtors	2	2
Trade creditors	(10)	(10)
Accruals	(15)	(15)
Total	**32,156**	**37,158**

The fair value of the HG45 assets and liabilities acquired was £32.2m and therefore, a fair value loss of £5.0m was recognised against investment property at acquisition. However, as at 31 December 2025 a fair value gain of £7.0m was subsequently recognised. The net impact of these fair value movements was a contribution of £2.0m to profit before tax.

Shown below is the total impact on the Group's profitability had the Company acquired the assets on 1 January 2025.

	1 January– 24 March 2025 £'000	Since acquisition (25 March 2025) £'000	**From 1 January 2025 (Total) £'000**
Revenue	–	–	**–**
Cost of sales and administrative expenses	(20)	(5)	**(25)**
Interest expense	–	(6)	**(6)**
Total loss	**(20)**	**(11)**	**(31)**

16. INVESTMENTS

Investment in subsidiaries (Company balance sheet)

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Cost and net book amount:		
At 1 January	**212,239**	210,844
Grant of equity instruments to employees of subsidiaries	**2,119**	1,395
At 31 December	**214,358**	212,239

Investments in subsidiaries are stated at cost less provision for impairment. As permitted by section 616 of the Companies Act 2006, where the relief afforded under section 612 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

Notes to the financial statements
continued
for the year ended 31 December 2025

16. INVESTMENTS CONTINUED

The Group held investments in the following subsidiaries as at 31 December 2025:

Company name	Activity	Description of shares held	Proportion of nominal value of issued share capital held by the Company %	Held directly or indirectly by the Company
Harworth Estates Property Group Limited	Trading	Ordinary	100	Direct
Cadley Park Management Company Limited	Trading	Ordinary	100	Indirect
Cutacre Country Park Management Company Limited	Trading	Ordinary	100	Indirect
EOS Inc Limited	Trading	Ordinary	100	Indirect
Harworth Estates (Agricultural Land) Limited	Trading	Ordinary	100	Indirect
Harworth Estates (Waverley Prince) Limited	Trading	Ordinary	100	Indirect
Harworth Estates Curtilage Limited	Trading	Ordinary	100	Indirect
Harworth Estates Investments Limited	Trading	Ordinary	100	Indirect
Harworth Estates Limited	Trading	Ordinary	100	Indirect
Harworth Estates Mines Property Limited	Trading	Ordinary	100	Indirect
Harworth Estates Overage Limited	Trading	Ordinary	100	Indirect
Harworth Residential Development Management Limited	Trading	Ordinary	100	Indirect
Harworth Estates Warwickshire Limited	Trading	Ordinary	100	Indirect
Harworth Surface Water Management (Bardon) Limited	Trading	Ordinary	100	Indirect
Harworth Surface Water Management (North West) Limited	Trading	Ordinary	100	Indirect
Harworth TRR Limited	Trading	Ordinary	100	Indirect
Logistics North MC Limited	Trading	Ordinary	10.86	Indirect
Thoresby Vale Management Company Limited	Trading	Ordinary	100	Indirect
Harworth Estates Northumberland Woodland Limited	Trading	Ordinary	100	Indirect
Coze Homes Limited	Trading	Ordinary	100	Indirect
Olive Lane Management Company Limited	Trading	Ordinary	100	Indirect
Harworth Catalyst 1 Limited	Trading	Ordinary	100	Indirect
Flass Lane Management Company Limited	Trading	Limited by guarantee	100	Indirect
Mapplewell Management Company Limited	Trading	Limited by guarantee	100	Indirect
POW Management Company Limited	Trading	Limited by guarantee	100	Indirect
Riverdale Park Management Company Limited	Trading	Limited by guarantee	100	Indirect
Rossington Community Management Company Limited	Trading	Limited by guarantee	100	Indirect
Simpson Park Management Company Limited	Trading	Limited by guarantee	100	Indirect
South East Coalville Management Company Limited	Trading	Limited by guarantee	100	Indirect
Waverley Community Management Company Limited	Trading	Limited by guarantee	100	Indirect
Moss Nook (St Helens) Management Company Limited	Trading	Limited by guarantee	100	Indirect
Ansty Development Vehicle LLP	Trading	Partnership	100	Indirect
Grimsby West LLP	Trading	Partnership	100	Indirect
Chidswell LLP	Trading	Partnership	100	Indirect
Harworth Gateway 45 LLP	Trading	Partnership	100	Indirect
Harworth Dawley Road Limited	Non-trading	Ordinary	100	Indirect
Harworth Regeneration Limited	Non-trading	Ordinary	100	Indirect
Harworth Legacy HoldCo Limited	Non-trading	Ordinary	100	Indirect
Harworth Estates No 2 Limited	Non-trading	Ordinary	100	Indirect
Harworth Investments Holdco Limited	Non-trading	Ordinary	100	Indirect
Harworth PPA Holdco Limited	Non-trading	Ordinary	100	Indirect
Harworth PPA No 1 Limited	Non-trading	Ordinary	100	Indirect
Harworth I&L Development Management Limited	Non-trading	Ordinary	100	Indirect
Harworth Partnership HoldCo Limited	Non-trading	Ordinary	100	Indirect
Harworth PPA No 2 Limited	Non-trading	Ordinary	100	Indirect
Harworth Strategic Land HoldCo Limited	Non-trading	Ordinary	100	Indirect
Harworth Development HoldCo Limited	Non-trading	Ordinary	100	Indirect
Harworth Management Shelfco Limited	Non-trading	Limited by guarantee	100	Indirect
Harworth BNG (Allerton Bywater) Limited	Non-trading	Ordinary	100	Indirect
Harworth BNG (Gascoigne) Limited	Non-trading	Ordinary	100	Indirect

Notes to the financial statements
continued
for the year ended 31 December 2025

16. INVESTMENTS CONTINUED

Company name	Activity	Description of shares held	Proportion of nominal value of issued share capital held by the Company %	Held directly or indirectly by the Company
Harworth BNG (Killamarsh) Limited	Non-trading	Ordinary	100	Indirect
Harworth BNG (Thorne) Limited	Non-trading	Ordinary	100	Indirect
Harworth BNG (Sedgebrook) Limited	Non-trading	Ordinary	100	Indirect
Benthall Grange (Ironbridge) Management Company Limited	Dormant	Limited by guarantee	100	Indirect
Skelton Grange Management Company	Dormant	Limited by guarantee	100	Indirect

All of the above companies are incorporated in England and Wales and have a registered address of Advantage House, Poplar Way, Rotherham, South Yorkshire, S60 5TR. Control of Logistics North MC Limited is via ownership of voting rights equal to 75% or more and the right to appoint and remove directors.

The following entities were incorporated during the year:

- Harworth I&L Development Management Limited on 5 August 2025
- Harworth Partnership HoldCo Limited on 5 August 2025
- Harworth PPA No 2 Limited on 5 August 2025
- Harworth Strategic Land HoldCo Limited on 5 August 2025
- Harworth Development HoldCo Limited on 5 August 2025
- Harworth Management Shelfco Limited on 10 September 2025
- Harworth BNG (Allerton Bywater) Limited on 18 September 2025
- Harworth BNG (Gascoigne) Limited on 18 September 2025
- Harworth BNG (Killamarsh) Limited on 18 September 2025
- Harworth BNG (Thorne) Limited on 14 October 2025
- Harworth BNG (Sedgebrook) Limited on 24 October 2025

The following entity was acquired in 2025:

- Harworth Gateway 45 LLP on 25 March 2025

Investment in joint ventures

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At 1 January	**33,553**	30,722
Investments in joint ventures	**1,933**	3,048
Distributions from joint ventures	**(619)**	(1,704)
Share of profits of joint ventures*	**6,437**	1,487
Derecognition of carrying value on acquisition of joint venture	**(12,079)**	-
Share of fair value uplift of joint venture prior to derecognition	**(4,000)**	-
At 31 December	**25,225**	33,553

*Includes £4.0m of remeasurement prior to derecognition.

The Group holds investments in the following joint ventures as at 31 December 2025:

Company name	Activity	Description of shares held	Proportion of nominal value of issued share capital held by the Group %
Multiply Logistics North Holdings Limited	Trading	Ordinary	20
Multiply Logistics North LP	Trading	Partnership	20
Crimea Land Mansfield LLP	Trading	Partnership	50
Northern Gateway Development Vehicle LLP	Trading	Partnership	50

All of the above companies are incorporated in England and Wales and, have a registered address of Advantage House, Poplar Way, Rotherham, South Yorkshire, S60 5TR. Multiply Logistics North Holdings Limited and Multiply Logistics North LP are joint ventures as a consequence of equal voting rights.

Aggregate information of the Group's share of assets, liabilities and results of joint ventures, that are individually material is:

	Harworth Gateway 45 LLP	
	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Investment property	-	24,600
Current assets	-	280
Total assets	-	24,880
Current liabilities	-	(11)
Equity	-	24,869
Group's share in equity (50%)	-	12,435
Group's carrying amount of the investment	-	12,435

Notes to the financial statements

continued
for the year ended 31 December 2025

16. INVESTMENTS CONTINUED

Change in joint venture ownership

On 25 March 2025, Harworth Estates (Agricultural Land) Limited purchased the remaining 50% of the shares in Harworth Gateway 45 LLP (formerly The Aire Valley Land LLP) for a total consideration of £20.0m. The joint venture is therefore now a wholly owned subsidiary of the Group and is no longer subject to related party disclosure requirements.

Included within current assets are cash and cash equivalents of £nil (2024: £0.3m).

	Multiply Logistics North LP	
	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Investment property	**80,147**	71,316
Current assets	**2,637**	3,124
Total assets	**82,784**	74,440
Current liabilities	**(603)**	(1,348)
Equity	**82,181**	73,092
Group's share in equity (20%)	**16,436**	14,618
Groups carrying amount of the investment	**16,436**	14,618

Included within current assets are cash and cash equivalents of £1.2m (2024: £1.2m). Included within current liabilities are accruals and deferred income of £0.6m (2024: £0.6m) and other taxes payable of £0.4m (2024: £0.5m)

	Harworth Gateway 45 LLP	
	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue	**-**	-
Cost of sales	**-**	(4)
Gross loss	**-**	(4)
Administrative expenses	**(20)**	(13)
Other losses	**-**	(1,415)
Loss for the year	**(20)**	(1,432)
Group's share of losses for the year (50%)	**(10)**	(716)

	Multiply Logistics North LP	
	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue	**4,346**	3,625
Cost of sales	**(574)**	(570)
Gross profit	**3,772**	3,055
Administrative expenses	**(294)**	(110)
Other gains	**6,483**	8,075
Finance income	**10**	-
Profit for the year	**9,971**	11,020
Group's share of profit for the year (20%)	**1,994**	2,204

Aggregate information of the Group's share of assets, liabilities and results of joint ventures, that are not individually material are:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Investment property	**4,193**	4,193
Current assets	**12,759**	9,899
Total assets	**16,952**	14,092
Current liabilities	**(70)**	(322)
Equity	**16,882**	13,770
Group share in equity (50%)	**8,441**	6,885
Group's carrying amount of the investment	**8,441**	6,885

Loss for the year	**(3)**	(3)
Group's share of losses for the year (50%)	**(1)**	(1)

The risks associated with these investments are as follows:

- Decline in the availability, and/or an increase in the cost, of credit for residential and commercial buyers; and
- Decline in market conditions and values.

Notes to the financial statements

continued

for the year ended 31 December 2025

17. INVENTORIES

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Development properties	**195,185**	190,888
Planning promotion agreements	**3,768**	4,655
Options	**12,846**	10,442
Biodiversity Net Gain ('BNG') units	**266**	-
At 31 December	**212,065**	205,985

The total cost of inventory recognised as an expense within cost of sales in the year is £67.5m (2024: £127.5m) and comprised: £60.1m (2024: £132.0m) relating to the sale of development properties; a charge of £4.9m (2024: £5.7m credit) net realisable value provision against development properties, a charge of £1.9m (2024: £1.2m) in relation to planning promotion agreements and a charge of £0.7m in relation to BNG units (2024: £nil).

The movement in development properties was as follows:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At 1 January	**190,888**	250,024
Acquisitions	**1,256**	1,419
Subsequent expenditure	**37,503**	38,919
Disposals	**(39,156)**	(105,159)
Net realisable value provision (charge)/release	**(4,899)**	5,685
Transfers to land and buildings	**(787)**	-
Transfers from investment properties	**10,380**	-
At 31 December	**195,185**	190,888

Subsequent expenditure is recorded net of government grant receipts of £0.5m (2024: £3.7m).

A 5% increase or decrease in land value per acre across the development property portfolio would increase or decrease the carrying value of development property by approximately £9.8m (2024: £9.6m).

The movement in net realisable value provision was as follows:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At 1 January	**8,451**	14,136
Charge for the year	**13,915**	5,664
Reversal of previous net realisable value provision	**(8,163)**	(6,950)
Released on disposal	**(853)**	(4,399)
At 31 December	**13,350**	8,451

The reversal of previous net realisable value provision occurs where development properties have an increase in net realisable value which offsets a previous net realisable value charge.

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
Current	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000	**As at 31 December 2025 £000**	As at 31 December 2024 £'000
Trade receivables	**65,892**	48,625	**-**	-
Less: provision for impairment of trade receivables	**-**	-	**-**	-
Net trade receivables	**65,892**	48,625	**-**	-
Other receivables	**14,771**	19,691	**291**	380
Prepayments	**758**	568	**73**	26
Accrued income	**4,072**	3,696	**-**	-
Amounts owed by subsidiary undertakings (note 31)	**-**	-	**3,312**	3,138
	85,493	72,580	**3,676**	3,544
Non-current				
Trade receivables	**4,541**	25,038	**-**	-
Other receivables	**468**	600	**-**	-
Amounts owed by subsidiary undertakings (note 31)	**-**	-	**21,005**	21,199
	5,009	25,638	**21,005**	21,199

Notes to the financial statements

continued
for the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES CONTINUED

The carrying amount of trade and other receivables approximates to their fair value due to the short time frame over which the assets are realised. All of the Group and Company receivables are denominated in sterling.

Included within trade receivables is £55.4m (2024: £43.8m) of deferred consideration on the sale of investment and development property due in less than one year and £0.4m (2024: £0.7m) of deferred consideration on the sale of AHFS due in less than one year.

The non-current trade receivable includes £3.8m (2024: £24.5m) of deferred consideration on the sale of development properties due in more than one year and £0.8m (2024: £0.5m) of deferred consideration on the sale of AHFS due in more than one year.

Other receivables include debtors from agent managed properties of £2.1m (2024: £3.0m), right of return assets of £nil (2024: £2.7m) and rent-free and capital incentives of £4.6m (2024: £6.4m).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables as disclosed in note 23. The Group and Company do not hold any collateral as security.

The amounts owed to the Company by subsidiary undertakings are repayable on demand. Interest is payable at SONIA +2% (2024: SONIA + 2%).

Group

Movements on the Group provisions for impairment of trade receivables are as follows:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At 1 January	**-**	(9)
Released in the year	**-**	9
At 31 December	**-**	-

Trade receivables can be analysed as follows:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Amounts receivable not past due	**65,381**	48,034
Amounts receivable past due but not impaired	**511**	591
Amounts receivable impaired (gross)	**-**	-
Less impairment	**-**	-
At 31 December	**65,892**	48,625

Ageing of past due but not impaired trade receivables

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
31 - 60 days	**1**	558
61 - 90 days	**-**	5
91 - 120 days	**510**	28
At 31 December	**511**	591

19. ASSETS HELD FOR SALE

AHFS relate to investment properties identified as being for sale within 12 months, where a sale is considered highly probable and the property is immediately available for sale.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
At 1 January	**8,910**	18,752
Transferred to/from investment properties	**21,948**	6,387
Subsequent expenditure	**(268)**	163
Decrease in fair value	**(77)**	(366)
Disposals	**(22,827)**	(16,026)
At 31 December	**7,686**	8,910

20. CASH

	Group		Company	
	As at 31 December 2025 £'000	As at 31 December 2024 £'000	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
Cash	**27,144**	117,382	**37**	504

Notes to the financial statements
continued
for the year ended 31 December 2025

21. BORROWINGS

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Non-current:		
Secured – bank loan	**(173,025)**	(164,125)
	(173,025)	(164,125)
Total borrowings	**(173,025)**	(164,125)

Loans are stated after deduction of unamortised borrowing costs of £2.0m (2024: £0.9m).

At the beginning of 2025, the Group had in place a £240 million Revolving Credit Facility ('Old RCF') which was due to expire in 2027. During the year the Group refinanced and entered into a new £275 million Revolving Credit Facility ('New RCF') having repaid the Old RCF in full. The New RCF is provided by NatWest, Santander and HSBC and covers an initial four-year term, which may be extended to five years at Harworth's request, and is repayable on a non-amortising basis. The New RCF includes an uncommitted accordion option which if exercised would increase it to £325 million.

The New RCF is subject to financial and other covenants. Borrowings are secured by way of a floating debenture over assets not otherwise used as security under specific infrastructure or direct development loans. Proceeds from and repayments of bank loans are reflected gross in the Consolidated Statement of Cash Flows and reflect timing of utilisation of the RCF. Following the balance sheet date the Group entered into a three-year premium paid interest rate cap covering a notional amount of £50 million at a strike rate of 4.5%.

Infrastructure and direct development loans (£nil at 31 December 2025 and 31 December 2024) are provided by public and private bodies in order to promote the development of major sites or assist with vertical direct development. The loans are drawn down as work on the respective sites is progressed and repaid on agreed dates or when disposals are made from the sites. At the year end the Group had an undrawn development loan provided by the North West Evergreen Fund, this will provide up to £26.2m in debt funding in support of development at our Wingates Major Development I&L site.

22. TRADE AND OTHER PAYABLES

	Group		Company	
Current	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
Trade payables	**4,607**	1,300	**21**	1
Amounts owed to subsidiary undertakings (note 31)	**–**	–	**74,353**	57,102
Taxation and social security	**1,654**	19,172	**287**	238
Other creditors	**26,115**	13,089	**347**	169
Accruals	**72,978**	97,035	**3,120**	2,330
Deferred income	**14,866**	5,402	**–**	–
	120,220	135,998	**78,128**	59,840

The amounts owed by the Company to subsidiary undertakings are repayable on demand. Interest is payable at SONIA + 2% (2024: SONIA + 2%).

	Group		Company	
	As at 31 December 2025 £'000	As at 31 December 2024 £'000	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
Amounts in accruals relating to parcels of land that have been sold but where infrastructure costs are yet to be incurred	**51,099**	60,366	**–**	–
Amounts in accruals and other creditors relating to deferred payments for investment property acquisitions	**15,300**	7,650	**–**	–

Deferred income includes £3.7m (2024: £2.8m) in relation to rental income.

	Group		Company	
Non-current liabilities	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
Other creditors	**2,950**	14,584	**–**	–
Deferred income	**957**	642	**–**	–
	3,907	15,226	**–**	–

Amounts in non-current other creditors relating to deferred payments for property acquisitions £1.8m (2024: £13.6m).

Notes to the financial statements
continued
for the year ended 31 December 2025

23. FINANCIAL INSTRUMENTS AND DERIVATIVES

The Group's principal financial instruments include trade and other receivables, cash, interest bearing borrowings and trade and other payables.

Other financial assets and liabilities

Group	As at 31 December 2025 Book value £'000	As at 31 December 2025 Fair value £'000	As at 31 December 2024 Book value £'000	As at 31 December 2024 Fair value £'000
Financial assets held at amortised cost				
Cash	**27,144**	**27,144**	117,382	117,382
Trade and other receivables	**85,672**	**85,672**	93,954	93,954
Financial liabilities held at amortised cost				
Bank and other borrowings	**173,025**	**173,025**	164,125	164,125
Trade and other payables	**106,649**	**106,649**	126,007	126,007

Company	As at 31 December 2025 Book value £'000	As at 31 December 2025 Fair value £'000	As at 31 December 2024 Book value £'000	As at 31 December 2024 Fair value £'000
Financial assets held at amortised cost				
Cash	**37**	**37**	504	504
Trade and other receivables	**24,608**	**24,608**	18,659	18,659
Financial liabilities held at amortised cost				
Trade and other payables	**77,841**	**77,841**	59,602	59,602

The Group classifies the assets and liabilities in the analysis above as 'loans and receivables' and 'other financial liabilities', respectively.

The fair value of bank and other borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are within Level 2 of the fair value hierarchy.

Changes in liabilities arising from financing activities

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Borrowings at start of year	**164,125**	63,574
Repayments	**(482,000)**	(112,134)
Drawdowns	**492,000**	210,510
Interest expense	**11,345**	7,931
Interest paid	**(11,345)**	(6,332)
Capitalised borrowing costs	**(2,202)**	(151)
Amortisation of capitalised borrowing costs	**1,102**	727
Borrowings at end of year	**173,025**	164,125

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Leases at start of year	**1,467**	555
Additions	**-**	1,068
Lease financing costs	**46**	8
Payments in respect of leases	**(316)**	(164)
Leases at end of year	**1,197**	1,467

Notes to the financial statements

continued
for the year ended 31 December 2025

24. FINANCIAL RISK MANAGEMENT

The Group's overall risk management programme focuses on credit and liquidity risks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out centrally under policies approved by the Board of Directors. The Board discusses and agrees courses of action to cover material risk management areas, including credit risk and investment of excess liquidity.

Credit risk

The Group is subject to credit risk arising from outstanding receivables and committed cash and cash equivalents and deposits with banks and financial institutions. The Group's policy is to manage credit exposure to trading counterparties within defined trading limits.

The Group is exposed to counterparty credit risk on cash and cash equivalent balances. The Group and Company hold all their cash deposits with their principal bankers.

Interest rate risk

The Group holds a three-year premium paid interest rate cap covering a notional amount of £50 million at a strike rate of 4.5%. Bank borrowings held at year end are secured by way of a floating debenture over assets not otherwise used as security under specific infrastructure or direct development loans. The Group's interest rate risk arises from these external borrowings.

The table below sets out sensitivity analysis for an increase or decrease of 1% in UK interest rates showing the resulting increase/(decrease) in the Group's pre-tax profit for the year ended 31 December 2025:

	2025		2024	
	Increase in Sensitivity Value £'000	**Decrease in Sensitivity Value £'000**	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in interest of 1%	**1,750**	**(1,750)**	1,650	(1,650)

These sensitivities have been prepared in respect of the direct impact of such an interest rate change on the net financing expense of financial instruments only, and do not attempt to estimate the indirect effect such a change may have on the wider economic environment.

Liquidity risk

The Group is subject to the risk that it will not have sufficient liquid resources to fund its on-going business. The Group manages its liquidity requirements with the use of operating cash flows, cash balances and drawdowns under its RCF.

The Group had net debt at 31 December 2025 of £145.9m (2024: £46.7m). The Group used cash from operating activities and investing activities for the year of £92.4m (2024: £3.1m).

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the Balance sheet date to the contractual maturity date. The amounts disclosed in the table are the gross contractual undiscounted cash flows.

	Net carrying amount of financial liabilities £'000	**Total contractual cash flow £'000**	**Less than 1 year £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**
At 31 December 2025						
Trade and other payables	**106,649**	**106,649**	**103,699**	**2,950**	**-**	**-**
Lease liability	**1,197**	**1,605**	**328**	**279**	**473**	**525**
Bank and other borrowings including interest payable	**173,025**	**200,859**	**11,228**	**11,228**	**178,403**	**-**
At 31 December 2024						
Trade and other payables	126,007	126,007	111,423	13,694	890	-
Lease liability	1,467	1,921	322	364	579	656
Bank and other borrowings including interest payable	164,125	190,098	12,511	12,511	165,075	-

Notes to the financial statements

continued
for the year ended 31 December 2025

24. FINANCIAL RISK MANAGEMENT CONTINUED

Capital risk management

The Group is subject to the risk that its capital structure will not be sufficient to support the growth of the business. The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern and have the resources to provide returns for Shareholders and benefits for other stakeholders;
- to maximise returns to Shareholders by allocating capital across the business based upon the expected level of return and risk; and
- to maintain an optimal capital structure to reduce the cost of capital.

The Group manages and monitors its cash balances to ensure it has sufficient capital to manage and maintain its business activities. Cash balances are disclosed in note 20.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of net debt to equity. Net debt at 31 December 2025 was £145.9m (2024: £46.7m).

At the beginning of 2025, the Group had in place a £240 million Revolving Credit Facility ('Old RCF') which was due to expire in 2027. During the year the Group refinanced and entered into a new £275 million Revolving Credit Facility ('New RCF') having repaid the Old RCF in full. The New RCF is provided by NatWest, Santander and HSBC and covers an initial four-year term, which may be extended to five years at Harworth's request, and is repayable on a non-amortising basis. The New RCF includes an uncommitted accordion option which if exercised would increase it to £325 million.

The New RCF is subject to financial and other covenants. Borrowings are secured by way of a floating debenture over assets not otherwise used as security under specific infrastructure or direct development loans. Proceeds from and repayments of bank loans are reflected gross in the Consolidated Statement of Cash Flows and reflect timing of utilisation of the RCF. Following the balance sheet date the Group entered into a three-year premium paid interest rate cap covering a notional amount of £50 million at a strike rate of 4.5%.

25. RETIREMENT BENEFIT OBLIGATIONS

Defined contribution pension schemes

The Group pays defined contribution payments to pension insurance plans. Contributions to defined contribution schemes in the year amounted to £1.3m (2024: £1.1m). The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an expense when they are due.

Defined benefit obligations

The Group and the Company have defined benefit obligations in respect of the Blenkinsopp Section of the Industry-Wide Mineworkers' Pension Scheme (the Blenkinsopp scheme). This scheme is closed to new members.

The Balance sheet amounts in respect of retirement benefit (asset)/obligations are:

	Group		Company	
	As at 31 December 2025 £'000	As at 31 December 2024 £'000	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
Relating to continuing activities				
Blenkinsopp	**(81)**	45	**(81)**	45

Contributions to the Blenkinsopp scheme of £0.2m were made by the Group during 2025 (2024: £1.6m). At December 2025, no contributions remained unpaid (2024: £nil).

The pension scheme is valued annually by a qualified independent actuary for the purposes of IAS 19 (revised) and the preparation of financial statements. The assumptions which usually have the most significant effect on the results of the valuation are the discount rate, which is based on corporate bond yields, and the rates of increase in pensions. There are no active members of this scheme. The main assumptions underlying the valuation of the Blenkinsopp scheme were:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Discount rate	**5.40% pa**	5.40% pa
Rate of pension increases	**2.35% pa**	2.70% pa
Rate of price inflation ('RPI')	**2.80% pa**	3.20% pa
Rate of price inflation ('CPI')	**2.35% pa**	2.70% pa
Rate of cash commutation	**25% of pension at a rate of £9:£1**	25% of pension at a rate of £9:£1

Notes to the financial statements
continued
for the year ended 31 December 2025

25. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Life expectancy at age 65 for current pensioners (years)		
Male	**18.6**	18.3
Female	**21.8**	21.7
Life expectancy at age 65 for future pensioners currently aged 45 (years)		
Male	**19.5**	19.2
Female	**23.0**	22.9

The assumed pension increases depend on the period of service accrual (before April 1997: no increases, after 1997: in line with statutory minimum increases based on consumer price inflation).

Defined benefit obligations
The amounts recognised in the Balance sheet are:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Fair value of plan assets	**1,994**	1,933	2,124	1,989	2,747
Present value of funding obligations	**(1,913)**	(1,978)	(2,135)	(2,103)	(3,305)
Net asset/(liability) recognised in the Balance sheet	**81**	(45)	(11)	(114)	(558)

The Blenkinsopp scheme does not own any shares in the Company.

The amounts recognised in the Consolidated Income Statement are:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Expenses	**(121)**	(102)
Loss on settlements	**-**	(1,294)
Interest cost	**-**	28
	(121)	(1,368)

During the year ended 31 December 2024, other operating expense included a settlement loss incurred following the Group entering a trustee agreed Buy-In Agreement with respect to the Blenkinsopp Pension scheme during the year. The agreement secures all remaining liabilities in the scheme by way of an insurance contract. The costs of £1.4m represent a settlement loss preceding buyout arrangement and as such were expensed through the Income Statement.

A further credit of £nil (2024: £0.2m) was reflected in the Statement of Comprehensive Income in the year. This represents the net effect of experience, and actuarial gains and losses on the scheme in the year.

Change in assets	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Fair value of plan assets at the start of the year	**1,933**	2,124
Interest income	**103**	124
Actual return/(loss) on scheme assets excluding interest income	**6**	(401)
Employer contributions	**218**	1,573
Expenses	**(121)**	(101)
Loss on settlements	**-**	(1,294)
Benefits paid	**(145)**	(90)
Fair value of plan assets at the end of the year	**1,994**	1,933

Plan assets, which are all quoted investments, are comprised as follows:

Analysis of plan assets (which are all quoted investments)	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Gilts	**-**	-
Liability driven investments	**-**	-
Delegated solutions	**-**	-
Sterling liquidity fund	**-**	-
Annuity policy	**1,903**	1,968
Other	**91**	(35)
Total	**1,994**	1,933

Notes to the financial statements
continued
for the year ended 31 December 2025

25. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Change in defined benefit obligations	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Present value of defined benefit obligations at the start of the year	**(1,979)**	(2,135)
Interest cost	**(103)**	(96)
Remeasurements:		
- Losses arising from changes in demographic assumptions	**(13)**	(1)
- (Loss)/gain arising from changes in experience	**(19)**	16
- Gains arising from changes in financial assumptions	**55**	147
Benefits paid	**145**	90
Present value of defined benefit obligation at the end of the year	**(1,914)**	(1,979)

Analysis of the movement of the Balance sheet liability	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At the start of the year	**(45)**	(11)
Total amounts recognised in the income statement	**(121)**	(1,368)
Employer contributions	**218**	1,573
Net actuarial gain/(loss) recognised in the year	**29**	(239)
At the end of the year	**81**	(45)

The duration of the defined benefit obligation is c.11 years (2024: c.12 years).

Cumulative actuarial gains and losses recognised in equity	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At the start of the year	**(641)**	(402)
Net actuarial gain/(loss) in the year	**29**	(239)
At the end of the year	**(612)**	(641)

Experience gains and losses	Year ended 31 December 2025 £'000	Year Ended 31 December 2024 £'000
Actual return/(loss) on scheme assets excluding interest income	**6**	(401)
Remeasurements:		
- (Loss)/gain arising from changes in experience	**(19)**	16
- Gains arising from changes in financial assumptions	**55**	147
- Losses arising from changes in demographic assumptions	**(13)**	(1)
Net actuarial gain/(loss)	**29**	(239)

Contributions are determined by a qualified actuary on the basis of a triennial valuation, using the projected credit unit method. The most recent valuation for the purpose of determining contributions was at 31 December 2021, which was agreed in March 2023. This showed an estimated past service deficit of £0.7m.

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Change in discount rate by 0.5% (2024: 0.5%)	**(97)**	(104)
Change in price inflation (and associated assumptions) by 0.5% (2024: 0.5%)	**88**	110
Increase in life expectancy by 1 year (2024: increase by 1 year)	**61**	69

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice some of the assumptions may be correlated. No changes have been made to the method and types of assumptions from those in the previous year.

The Scheme exposes the Group to actuarial risks such as: investment risk, interest rate risk and longevity risk.

- Investment risk: the present value of the defined benefit obligation is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on Scheme assets is below this rate, it will create a deficit. The majority of the Scheme investments are held within index-linked government bonds or cash/liquidity funds.
- Interest rate risk: a decrease in the corporate bond interest rate will increase the liability but this would likely be partially offset by an increase in the return on the Scheme's debt investments.
- Longevity risk: the present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of Scheme participants both during and after retirement. An increase in the life expectancy of the participants will increase the Scheme's liability.

Notes to the financial statements
continued
for the year ended 31 December 2025

26. SHARE-BASED PAYMENTS

During the year, there were five classes of equity-settled share incentive plans outstanding:

- Deferred Share Bonus Plan ('DSBP'). Under this scheme share options with a nil-cost exercise price are granted to eligible employees. Vesting of the share options is subject to the achievement of a performance condition relating to Total Return and continued employment.
- Deferred Bonus Plan ('DBP'). Under this scheme share options with a nil-cost exercise price are granted to eligible employees. Vesting of the share options is subject to continued employment.
- Restricted Share Plan ('RSP'). Under this scheme share options with a nil-cost exercise price are granted to eligible employees. Vesting of the share options is subject to continued employment and the satisfaction of underpin conditions relating to Financial Health, Underlying performance and Corporate Governance as detailed on page 121 of the Directors' Remuneration Report.
- Save As You Earn ('SAYE'). Under this scheme eligible employees enter into a savings contract for a period of three years. Share options are granted on commencement of the savings contract and are exercisable using the amount saved under the contract at the time it terminates. Share options are granted at a discount of up to 20% of the market value of the shares at the time of invitation. The exercise of the share options is subject to continued employment only.
- Share Incentive Plan ('SIP'). Under this scheme eligible employees are granted free shares which vest after three years subject to continued employment only.

Share options granted under the DSBP, DBP and RSP are exercisable no later than the tenth anniversary of the grant date. Share options granted under the SAYE are exercisable for a six-month period after the end of the three-year savings period.

The movements in the number of share options outstanding and their weighted average exercise prices are as follows:

	Number of shares		Weighted average exercise price	
DSBP	**2025**	2024	**2025**	2024
Outstanding at beginning of the year	**943**	943	**£0.00**	£0.00
Granted during the year	**-**	-	**n/a**	n/a
Forfeited during the year	**-**	-	**n/a**	n/a
Exercised during the year	**943**	-	**n/a**	n/a
Outstanding at end of the year	**-**	943	**£0.00**	£0.00
Exercisable at end of the year	**-**	943	**£0.00**	£0.00
Weighted average remaining contractual life	**n/a**	3.3 years		

	Number of shares		Weighted average exercise price	
DBP	**2025**	2024	**2025**	2024
Outstanding at beginning of the year	**224,650**	57,988	**n/a**	n/a
Granted during the year	**246,771**	166,662	**£0.00**	£0.00
Forfeited during the year	**-**	-	**n/a**	n/a
Exercised during the year	**-**	-	**n/a**	n/a
Outstanding at end of the year	**471,421**	224,650	**£0.00**	£0.00
Exercisable at end of the year	**57,988**	-	**n/a**	n/a
Weighted average remaining contractual life	**8.6 years**	9.0 years		

	Number of shares		Weighted average exercise price	
RSP	**2025**	2024	**2025**	2024
Outstanding at beginning of the year	**5,164,327**	3,762,530	**£0.00**	£0.00
Granted during the year	**2,139,349**	1,880,711	**£0.00**	£0.00
Forfeited during the year	**(122,452)**	(132,630)	**£0.00**	£0.00
Exercised during the year	**(354,905)**	(346,284)	**n/a**	n/a
Outstanding at end of the year	**6,826,319**	5,164,327	**£0.00**	£0.00
Exercisable at end of the year	**96,154**	4,394	**n/a**	n/a
Weighted average remaining contractual life	**8.0 years**	8.1 years		

	Number of shares		Weighted average exercise price	
SAYE	**2025**	2024	**2025**	2024
Outstanding at beginning of the year	**1,298,059**	1,194,070	**£0.97**	£0.91
Granted during the year	**126,782**	279,678	**£1.36**	£1.00
Forfeited during the year	**(67,644)**	(35,888)	**£1.10**	£1.26
Exercised during the year	**(53,542)**	(139,801)	**£1.10**	£0.74
Outstanding at end of the year	**1,303,655**	1,298,059	**£0.99**	£1.04
Exercisable at end of year	**-**	-	**n/a**	£0.74
Weighted average remaining contractual life	**0.7 years**	1.5 years		

Notes to the financial statements

continued
for the year ended 31 December 2025

26. SHARE-BASED PAYMENTS CONTINUED

	Number of shares		Weighted average exercise price	
SIP	**2025**	2024	**2025**	2024
Outstanding at beginning of the year	**1,244,255**	890,743	**£0.00**	£0.00
Granted during the year	**440,032**	476,307	**£0.00**	£0.00
Forfeited during the year	**(22,092)**	(75,931)	**£0.00**	£0.00
Released during the year	**(80,540)**	(46,864)	**£0.00**	£0.00
Outstanding at end of the year	**1,581,655**	1,244,255	**£0.00**	£0.00

The fair values of the share options granted under the RSP and SAYE during the year were determined using Black-Scholes valuation methodology. The weighted average fair value of the share options granted under the DBP during the year was equal to the share price at date of grant £1.68.

The significant inputs to the valuation models were as follows:

	RSP	SAYE
Share price at date of grant	**£1.80**	£1.68
Exercise price	**£0.00**	£1.36
Dividend yield	**0.00%**	1.00%
Expected volatility	**34%**	34%
Risk free interest rate	**3.7%**	3.7%
Expected term	**2.72 to 4.72 years**	3.38 years
Weighted average fair value	**£1.65**	£0.56

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Awards under the 2022 SAYE Scheme were exercised in the year with a weighted average share price on exercise of £1.70.

Awards under the 2023 SAYE Scheme were exercised in the year with a weighted average share price on exercise of £1.63.

Awards under the 2024 SAYE Scheme were exercised in the year with a weighted average share price on exercise of £1.81.

The weighted average fair value of free share and matching share awards granted under the SIP during the year was equal to £1.71.

Awards under the RSP Scheme were exercised in the year with a weighted average share price on exercise of £1.71.

The total charge for the year relating to employee share based payment plans was £2.94m (2024: £1.8m), £2.94m of which related to equity-settled share-based payment transactions and the remainder to cash-settled share-based payment transactions.

27. SHARE CAPITAL

Issued, authorised and fully paid

Group and Company	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
At 1 January	**32,495**	32,408
Shares issued	**92**	87
At 31 December	**32,587**	32,495

Issued, authorised and fully paid – number of shares

Group and Company	**As at 31 December 2025 £'000**	As at 31 December 2024 £'000
At 1 January	**324,955,414**	324,084,072
Shares issued	**917,878**	871,342
At 31 December	**325,873,292**	324,955,414
Own shares held	**(1,732,232)**	(1,314,562)
At 31 December	**324,141,060**	323,640,852

There is only one class of share in issue: ordinary shares of 10 pence each. All shares carry equal rights to dividends, voting and return of capital on a winding up of the Company, as set out in the Company's Articles of Association.

The own shares held represent the number of shares held by the Employee Benefit Trust and Equiniti Share Plan Trustees Limited to satisfy Deferred Share Bonus Plan, Restricted Share Plan and Share Incentive plan awards for Executive Directors, Senior Executives and employees. For this purpose both Employee Benefit Trust and Equiniti Share Plan Trustees Limited are treated as an extension of the Company.

Notes to the financial statements

continued
for the year ended 31 December 2025

28. SHARE PREMIUM ACCOUNT

Group and Company	As at 31 December 2025 £'000	As at 31 December 2024 £'000
At 1 January	**25,157**	25,034
Premium on shares issued	**67**	123
At 31 December	**25,224**	25,157

29. COMMITMENTS

At 31 December 2025 the Group had contractual commitments due under construction contracts of £24.7m (2024: £44.1m). Capital commitments for the acquisition of property, plant and equipment are disclosed in note 13. Future expenditures required to bring our investment and development properties to their highest and best use are not considered to be capital commitments, however such build costs for our investment properties are disclosed as a significant unobservable input in the valuation of Major Development properties as set out in note 15.

30. OPERATING LEASES

Future minimum lease receipts

At 31 December 2025 the Group had contracted with tenants for the following future minimum lease receipts:

	Group	
	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Less than one year	**14,534**	15,055
Between one and two years	**13,998**	14,460
Between two and three years	**12,453**	14,073
Between three and four years	**11,031**	11,790
Between four and five years	**9,626**	10,605
More than five years	**95,908**	107,955
	157,550	173,938

As set out in note 15 property rental income earned during the year was £18.7m (2024: £16.9m)

31. RELATED PARTY TRANSACTIONS

Group

The Group carried out the following transactions with related parties during 2025. The following entities are related parties as a consequence of shareholdings, joint venture arrangements and partners of such and/or common Directorships. All related party transactions are clearly justified and beneficial to the Group and are undertaken on an arm's-length basis on fully commercial terms in the normal course of business.

	Year ended/ as at 31 December 2025 £000	Year ended/ as at 31 December 2024 £000
Multiply Logistics North Holdings Limited & Multiply Logistics North LP		
Sales		
Recharges of costs	**150**	176
Asset management fee	**86**	107
Water charges	**119**	132
Purchases		
Recharge of costs	**-**	3
Receivables		
Trade receivables	**-**	39
Payables		
Other payables	**(66)**	(66)
Crimea Land Mansfield LLP		
Investment made during the year	**150**	25
Northern Gateway Development Vehicle LLP		
Sales		
Recharges of costs	**11**	-
Purchases		
Recharge of costs	**-**	5
Investment made during the year	**1,783**	3,023
Investment Property Forum		
Purchases	**-**	3
British Property Federation		
Purchases	**19**	20

Notes to the financial statements

continued
for the year ended 31 December 2025

31. RELATED PARTY TRANSACTIONS CONTINUED

Company

The Company carried out the following transactions with subsidiary undertakings.

Details of the Company's intercompany balances and interest at 31 December 2025 are set out below:

	Year ended/as at 31 December 2025		Year ended/as at 31 December 2024	
	Net interest receivable/(payable) in the year £'000	**Net amounts due from/(to) £'000**	Net interest receivable/(payable) in the year £'000	Net amounts due from/(to) £'000
EOS Inc. Limited	**912**	**14,564**	1,033	15,142
Harworth Estates Limited	**(833)**	**(17,120)**	(683)	(12,692)
Harworth Estates (Agricultural Land) Limited	**(181)**	**(3,208)**	(145)	(2,794)
Harworth Estates Investments Limited	**(1,378)**	**(25,234)**	(1,275)	(20,425)
Harworth Estates No. 1 Limited	**-**	**882**	-	879
Harworth Estates Overages Limited	**-**	**6**	-	3
Harworth Estates Mines Property Limited	**377**	**6,441**	399	6,057
Harworth Estates Curtilage Limited	**140**	**2,387**	-	2,244
Harworth Estates Waverley Prince Limited	**(117)**	**(1,998)**	(92)	(1,893)
Harworth Estates Property Group Limited	**(1,327)**	**(24,379)**	(994)	(17,520)
Harworth Surface Water Management (North West) Limited	**(41)**	**(691)**	(42)	(654)
Harworth Estates Warwickshire Limited	**-**	**6**	-	3
Harworth TRR Ltd	**(47)**	**(794)**	(31)	(536)
Logistics North MC Limited	**-**	**6**	-	3
Ansty Development Vehicle LLP	**(36)**	**(621)**	(9)	(588)
Harworth Surface Water Management (Bardon) Limited	**-**	**6**	-	3
Harworth Estates Residential Development Limited	**(14)**	**(308)**	-	3
Harworth Catalyst 1 Limited	**-**	**15**	-	-
Coze Homes Limited	**-**	**1**	-	-
Grimsby West LLP	**-**	**3**	-	-
	(2,545)	**(50,036)**	(1,839)	(32,765)

Dividends received

During the year the Company received dividends of £nil (2024: £nil) from subsidiary undertakings.

32. POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose that have not been disclosed publicly by a regulatory news announcement.

Additional Information

IN THIS SECTION

Appendix

EPRA Net Asset Measures

EPRA introduced a new set of Net Asset Value metrics in 2020: EPRA Net Reinstatement Value ('NRV'), EPRA Net Tangible Assets ('NTA') and EPRA NDV. While the Group uses only EPRA NDV as a key APM, the EPRA Best Practices Recommendations guidelines require companies to report all three EPRA NAV metrics and reconcile them to IFRS. These disclosures are provided below.

	31 December 2025		
	EPRA NDV £'000	**EPRA NTA £'000**	**EPRA NRV £'000**
Net assets	**698,979**	**698,979**	**698,979**
Cumulative unrealised gains on development properties	**32,330**	**32,330**	**32,330**
Cumulative unrealised gains on overages	**5,454**	**5,454**	**5,454**
Deferred tax liabilities ('IFRS')	**-**	**44,915**	**44,915**
Notional deferred tax on unrealised gains	**(9,446)**	**-**	**-**
Deferred tax liabilities @ 50%	**-**	**(27,181)**	**-**
Purchaser costs	**-**	**-**	**64,084**
	727,317	**754,497**	**845,762**
Number of shares used for per share calculations	**324,141,060**	**324,141,060**	**324,141,060**
Per share (pence)	**224.4**	**232.8**	**260.9**

	31 December 2024		
	EPRA NDV £'000	EPRA NTA £'000	EPRA NRV £'000
Net assets	691,665	691,665	691,665
Cumulative unrealised gains on development properties	31,026	31,026	31,026
Cumulative unrealised gains on overages	6,100	6,100	6,100
Deferred tax liabilities ('IFRS')	-	35,853	35,853
Notional deferred tax on unrealised gains	(9,253)	-	-
Deferred tax liabilities @ 50%	-	(22,553)	-
Purchaser costs	-	-	58,616
	719,538	739,209	817,598
Number of shares used for per share calculations	323,640,852	323,640,852	323,640,852
Per share (pence)	222.3	229.3	254.4

1) Reconciliation to statutory measures

a. Revaluations gains	Note	**Year ended 31 December 2025 £000**	Year ended 31 December 2024 £000
Increase in fair value of investment properties	3	**47,206**	60,817
Decrease in fair value of land and buildings	13	**(3,913)**	-
Decrease in fair value of AHFS	3	**(77)**	(366)
Share of profit of joint ventures	3	**6,366**	1,487
Net realisable value provision on development properties	3	**(13,915)**	(5,664)
Reversal of previous net realisable value provision on development properties	3	**8,163**	6,950
Amounts derived from statutory reporting		**43,830**	63,224
Unrealised gains on development properties		**9,381**	21,874
Unrealised gains on overages		**354**	854
Revaluation gains		**53,565**	85,952

b. Profit/(loss) on sale			
Profit on sale of investment properties	3	**1,164**	13,302
Profit on sale of AHFS	3	**191**	14
(Loss)/profit on sale of development properties	3	**(3,152)**	8,249
Release of net realisable value provision on disposal of development properties	3	**853**	4,399
Profit on sale of overages	3	**972**	4,346
Amounts derived from statutory reporting		**28**	30,310
Less previously unrealised gains on development properties released on sale		**(8,076)**	(14,932)
Less previously unrealised gains overages released on sale		**(1,000)**	(4,154)
(Loss)/profit on sale contributing to growth in EPRA NDV		**(9,048)**	11,224

c. Value gains		
Revaluation gains	**53,565**	85,952
(Loss)/profit on sale	**(9,048)**	11,224
Value gains	**44,517**	97,176

Appendix
continued

1) Reconciliation to statutory measures continued

d. Total property sales	Note	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Revenue		**129,749**	181,585
Less revenue from other property activities	3	**(47,835)**	(19,841)
Less revenue from income generation activities	3	**(24,986)**	(21,491)
Add proceeds from sales of investment properties, AHFS and overages		**58,069**	75,541
Total property sales		**114,997**	215,794

e. Operating profit contributing to growth in EPRA NDV	Note	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Operating profit		**21,632**	74,634
Share of profit on joint ventures	16	**6,366**	1,487
Unrealised gains on development properties		**9,381**	21,874
Unrealised gains on overages		**354**	854
Less previously unrealised gains on development properties released on sale		**(8,076)**	(14,932)
Less previously unrealised gains on overages released on sale		**(1,000)**	(4,154)
Operating profit contributing to growth in EPRA NDV		**28,657**	79,763

f. Portfolio value	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Land and buildings (included within property, plant and equipment)		**4,155**	1,188
Investment properties	15	**667,025**	585,489
Investments in joint ventures	16	**25,225**	33,553
AHFS	19	**7,686**	8,910
Development properties (included within inventories)	17	**195,185**	190,888
Amounts recoverable on contracts (included within receivables)		**165**	1,604
Amounts derived from statutory reporting		**899,441**	821,632
Cumulative unrealised gains on development properties as at year end		**32,330**	31,026
Cumulative unrealised gains on overages as at year end		**5,454**	6,100
Portfolio value		**937,225**	858,758

g. Net debt	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Gross borrowings	21	**(173,025)**	(164,125)
Cash		**27,144**	117,382
Net debt		**(145,881)**	(46,743)

h. Net loan to portfolio value (%)	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Net debt		**(145,881)**	(46,743)
Portfolio value		**937,225**	858,758
Net loan to portfolio value (%)		**15.6%**	5.4%

i. Net loan to core income generation portfolio value (%)	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Net debt		**(145,881)**	(46,743)
Core income generation portfolio value (investment portfolio and natural resources)	15	**300,537**	297,587
Net loan to income generation portfolio value (%)		**48.5%**	15.7%

j. Gross loan to portfolio value (%)	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Gross borrowings	21	**(173,025)**	(164,125)
Portfolio value		**937,225**	858,758
Gross loan to portfolio value (%)		**18.5%**	19.1%

k. Gross loan to core income generation portfolio value (%)	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Gross borrowings	21	**(173,025)**	(164,125)
Core income generation portfolio value (investment portfolio and natural resources)	15	**300,537**	297,587
Gross loan to core income generation portfolio value (%)		**57.6%**	55.2%

l. Number of shares used for per share calculations (number)	Note	As at 31 December 2025	As at 31 December 2024
Number of shares in issue at end of year	27	**325,873,292**	324,955,414
Less Employee Benefit Trust and Equiniti Share Plan Trustees Limited held shares (own shares) at end of year	27	**(1,732,232)**	(1,314,562)
Number of shares used for per share calculations		**324,141,060**	323,640,852

m. Net Asset Value ('NAV') per share	Note	As at 31 December 2025	As at 31 December 2024
NAV £'000		**698,979**	691,665
Number of shares used for per share calculations	27	**324,141,060**	323,640,852
NAV per share (p)		**215.6**	213.7

Appendix
continued

1) Reconciliation to statutory measures continued

n. Total underlying revenue	Note	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Total property sales		**114,997**	215,794
Income generation portfolio revenue		**24,986**	21,491
Build-to-suit development revenue		**41,989**	18,690
Other revenue		**5,846**	1,151
Total underlying revenue		**187,818**	257,126
Less proceeds from sale of investment properties, AHFS and overages		**(58,069)**	(75,541)
Statutory revenue		**129,749**	181,585

2) Reconciliation to EPRA measures

a. EPRA NDV	Note	As at 31 December 2025 £000	As at 31 December 2024 £000
Net assets		**698,979**	691,665
Cumulative unrealised gains on development properties		**32,330**	31,026
Cumulative unrealised gains on overages		**5,454**	6,100
Notional deferred tax on unrealised gains		**(9,446)**	(9,253)
EPRA NDV		**727,317**	719,538

Harworth calculates EPRA NDV per share and total asset return on an undiluted basis.

b. EPRA NDV per share (p)			
EPRA NDV £'000		**727,317**	719,538
Number of shares used for per share calculations	27	**324,141,060**	323,640,852
EPRA NDV per share (p)		**224.4**	222.3

c. EPRA NDV growth and total accounting return		
Opening EPRA NDV/share (p)	**222.3**	205.1
Closing EPRA NDV/share (p)	**224.4**	222.3
Movement in the year (p)	**2.1**	17.2
EPRA NDV growth	**0.9%**	8.4%
Dividends paid per share (p)	**1.7**	1.5
Total accounting return per share (p)	**3.8**	18.7
Total accounting return as a percentage of opening EPRA NDV per share	**1.7%**	9.1%

To help retain and incentivise a management team with the requisite skills, knowledge and experience to deliver strong, long-term, sustainable growth for shareholders Harworth runs a number of share schemes for employees. The dilutive impact of these on the number of shares at 31 December is set out below:

Number of shares used for per share calculations	**324,141,060**	323,640,852
Outstanding share options and shares held in trust under employee share schemes	**9,396,649**	7,135,161
Number of diluted shares used for per share calculations	**333,537,709**	330,776,013

Diluted EPRA NDV per share, Diluted NDV Growth and Total Accounting Return as a percentage of opening diluted EPRA NDV per share are set out below:

d. Diluted EPRA NDV per share (p)	Note	As at 31 December 2025	As at 31 December 2024
EPRA NDV £'000		**727,317**	719,538
Number of diluted shares used for per share calculations		**333,537,709**	330,776,013
Diluted EPRA NDV per share (p)		**218.1**	217.5

Diluted EPRA NDV growth and total accounting return		
Opening diluted EPRA NDV/share (p)	**217.5**	201.9
Closing diluted EPRA NDV/share (p)	**218.1**	217.5
Movement in the year (p)	**0.6**	15.6
Diluted EPRA NDV growth	**0.3%**	7.7%
Dividends paid per share (p)	**1.7**	1.5
Total return per share (p)	**2.3**	17.1
Total return as a percentage of opening diluted EPRA NDV per share	**1.0%**	8.5%

e. Net loan to EPRA NDV		
Net debt	**(145,881)**	(46,743)
EPRA NDV	**727,317**	719,538
Net loan to EPRA NDV	**20.1%**	6.5%

Glossary of frequently used terms and abbreviations

AGM	Annual General Meeting
AHFS	Assets held for sale
AMP	Advanced Manufacturing Park
APMs	Alternative Performance Measures
BCP	Business Continuity Plan
BNG	Biodiversity Net Gain
BREEAM	Building Research Establishment Environmental Assessment Method
BTR	Build to Rent
CDM	Construction Design and Management
CEO	Chief Executive
CFO	Chief Financial Officer
CIO	Chief Investment Officer
Code	2018 UK Corporate Governance Code
COO	Chief Operating Officer
CPD	Continuous Professional Development
CRREM	Carbon Risk Real Estate Monitor
DBP	Deferred Bonus Plan
DSBP	Deferred Share Bonus Plan
DNO	Distribution Network Operator
EBT	Employee Benefit Trust
ED&I	Equity, Diversity and Inclusion
EHS	Environment, Health & Safety
EPC	Energy Performance Certificate
EPRA	European Public Real Estate Association
ERV	Estimated Rental Value
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
the Executive	Comprises the CEO, CFO, COO, CIO and Deputy CFO/General Counsel/ Company Secretary
EY	Ernst & Young LLP
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
GHG	Greenhouse gas
GLC	Group Leadership Committee
GRAM	Group Risk and Assurance Map
GVA	Gross Value Added
HN1L	Harworth No.1 Limited
I&L	Industrial and Logistics

IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicator
KWh	Kilowatt hours
LEP	Local Enterprise Partnership
LTV	Loan to portfolio value
MEES	Minimum Energy Efficiency Standard
NAV	Net Asset Value
NDV	Net Disposal Value
NRV	Net Reinstatement Value
NTA	Net Tangible Assets
NZC	Net Zero Carbon
PEVG	Profit Excluding Value Gains
the Policy	The Directors' Remuneration Policy applicable for the three years from 2025 which was approved by shareholders at the 2025 AGM
PPA	Planning Promotion Agreement
PV	Photo-Voltaic
RCF	Revolving Credit Facility
RCP	Representative Concentration Pathway
RICS	Royal Institution of Chartered Surveyors
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RSP	Restricted Share Plan
SAYE	Save As You Earn
SID	Senior Independent Director
SIP	Share Incentive Plan
SUDs	Sustainable urban drainage systems
TAR	Total Accounting Return
TCFD	Task Force on Climate-Related Financial Disclosures
TPR	Total Property Return
TSR	Total Shareholder Return
UN SDGs	United Nations Sustainable Development Goals

Company information and investor timetable

Non-Executive Chair
Alastair Lyons

Chief Executive
Lynda Shillaw

Chief Financial Officer
Kitty Patmore

Non-Executive Directors
Angela Bromfield
Lisa Scenna
Patrick O'Donnell Bourke
Marzia Zafar
Phil Redding
Martyn Bowes

Company Secretary
Christopher Birch

Registered Office
Advantage House
Poplar Way
Rotherham
S60 5TR

Company Registered Number
02649340

LEI Code
213800R8JSSGK2KPFG21

Share price information
The Company's Ordinary Shares are traded on the London Stock Exchange.
SEDOL number BYZJ7G4
ISIN number GB00BYZJ7G42
Reuters ticker HWG.L
Bloomberg ticker HWG:L

External Auditors
Ernst & Young LLP
12 Wellington Place
Leeds, LS1 4AP

Registrars
Equiniti Limited
Highdown House, Yeoman Way,
Worthing, West Sussex, BN99 3HH

Registrars – Shareholder enquiries
All administrative enquiries relating to shareholdings should, in the first instance, be directed to:
Equiniti, Aspect House, Spencer Road,
Lancing, West Sussex, BN99 6DA
Telephone: +44 (0)371 384 2301)

Clearly state the registered shareholder's name and address.

Financial Calendar
Annual General Meeting
Monday 18 May 2026 at 10.00am at
Unit 1, Harworth Way, Catcliffe, Rotherham,
S60 5GR.

Please refer to our 2026 Notice of Meeting for the most up to date information. Shareholders are also advised to check our website at www.harworthgroup.com/investors/annual-general-meeting, which will be updated if there are any changes to the arrangements.

Interim Results Announcement 2026
Interim Results to be published at www.harworthgroup.com/investors in September 2026

Dividend mandate
Any shareholder wishing dividends to be paid directly into a bank or building society should contact the Registrars for a dividend mandate form. Dividends paid in this way will be paid through the Bankers' Automated Clearing System ('BACS').

Website
To keep up to date with Harworth, you can source further information about the Group on **www.harworthgroup.com**

Enquiries
For general enquiries, email **enquire@harworthgroup.com** or phone +44 (0) 114 349 3131.

For existing or potential investor enquiries, email **investors@harworthgroup.com**.

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