

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO, THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS), CANADA, AUSTRALIA, JAPAN, NEW ZEALAND, SINGAPORE, HONG KONG, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL OR CONTRARY TO ANY REGULATION.

THIS ANNOUNCEMENT DOES NOT CONSTITUTE A PROSPECTUS OR OFFERING MEMORANDUM OR AN INVITATION, SOLICITATION, RECOMMENDATION, OFFER OR ADVICE IN RESPECT OF ANY SECURITIES AND IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY INVESTMENT DECISION IN RESPECT OF SUTTON HARBOUR GROUP PLC OR OTHER EVALUATION OF ANY SECURITIES OF SUTTON HARBOUR GROUP PLC OR ANY OTHER ENTITY AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION THAT ANY INVESTOR SHOULD SUBSCRIBE FOR OR PURCHASE OR OTHERWISE ACQUIRE OR DISPOSE OF ANY SUCH SECURITIES.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU NO. 596/2014) AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("UK MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN UK MAR) WERE TAKEN IN RESPECT OF CERTAIN OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION, AS PERMITTED BY UK MAR, PRIOR TO ITS ANNOUNCEMENT. UPON PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

4 May 2023

#### **Sutton Harbour Group plc**

#### **Subscription to raise £2.9m and Trading Update**

Sutton Harbour Group plc (AIM: SUH) ("**Sutton Harbour**", or the "**Company**") is pleased to announce that it has conditionally raised approximately £2.9 m (before expenses) by way of a direct subscription by FB Investors LLP ("**FB Investors**") for 12,994,407 new ordinary shares of 1p each in the capital of the Company ("**New Ordinary Shares**") at the price of 22.5 pence per New Ordinary Share ("**Subscription Price**") (the "**Subscription**"). Admission of the New Ordinary Shares to trading on AIM ("**Admission**") is expected to occur on or around 5 May 2023.

#### **Trading update**

Trading in the second half year continued in line with management's expectations. The marinas and car parks both achieved record revenues for the year ended 31 March 2023. Fisheries trading was slightly down on the previous year and tenant occupancy remained strong after allowing for the planned vacation of one building.

The construction of the 14-apartment building, Harbour Arch Quay, has progressed well with completion expected by early June 2023. The Company is pleased to announce that it has exchanged contracts on 10 apartments (including the two penthouses). Exchange of contracts on two further apartments is hoped to take place shortly and the last two apartments are being marketed. The Company intends to relocate its head office to the ground floor of the new building in the Summer. Having proven the market for the size, format and location of these apartments, the Company is now working on a similar sized development at Sutton Harbour, targeting a start on site by January 2024. These developments are intended to enable the Company to achieve returns from which bank debt can be reduced and consequently reduce bank interest obligations.

As expected, the second half year results were undermined by increasing costs, notably increasing interest rates and the high cost of energy. Whilst the higher interest rates have persisted into the new financial year, the Company expects to reduce bank debt from the net proceeds received from the Harbour Arch Quay development. Energy costs, which for the second half year were running at approximately 3.5 times the cost of the first half year, are now reducing with the outlook for energy costs in the first half of the new financial year expected to be approximately half of the energy costs for the six-month period to 31 March 2023. Further reductions are expected in the second half of the new financial year.

#### **Valuation**

The resilience and performance of the Company's investments and owner-occupied assets is evidenced in a recent unaudited independent valuers' report dated 31 March 2023 which values the portfolio, excluding development sites, at £55.355 million, a £1.185 million (or 2.14%) increase on the 2022 valuation. The valuation of the owner-occupied assets (marinas, car parks and fisheries) reflects the continued strong trading by both the marinas and car parks operations. Investment property values have held up well and the deficit relates almost entirely to a single property let as office accommodation. A summary of the updated valuation, including comparatives for 2022, are set out in the table below:

	As at 31 March 2023	As at 31 March 2022	Increase/(Decrease)
Owner Occupied portfolio	£38.300m	£36.125m	£2.175m
Investment Property portfolio	£17.055m	£18.045m	(£0.990m)
Total Estate portfolio*	£55.355m	£54.170m	£1.185m

\*Excludes property held as development inventory

#### Strategy and Use of Proceeds of the Subscription

The Company is advancing its plans to deliver comprehensive regeneration of the East of Sutton Harbour area, including the consented Sugar Quay development. Following purchases of land in the area, the Company is exploring further strategic opportunities to acquire land (which is expected to be subject to separate funding) to permit delivery of a new urban village with strong links to the Harbour, City Centre and other local amenities.

Additionally, the Company is focused on the opportunity for the regeneration of the Former Airport Site and intends to submit a planning application for the site later this calendar year. A five-year-long protection for aviation operations, expires in March 2024. The Company has maintained the site for over 11 years, since closure of the airport, and the proposed plans are expected to show the significant opportunity in the alternative use of the site for healthcare, education, mixed-use housing and commercial space.

The net proceeds received under the Subscription are intended to support progress on these two key strategies, which have material potential for value creation, and for ongoing activities.

#### The Subscription

FB Investors has subscribed for 12,994,407 New Ordinary Shares in the Subscription, following which FB Investors will be interested in 107,691,157 ordinary shares, representing approximately 75.37% of the Company's issued ordinary shares as enlarged by the Subscription.

The Subscription is conditional on the Company's having received the Subscription monies from the subscriber prior to Admission and on Admission becoming effective by not later than 8.00 a.m. on 5 May 2023 (or such later time and/or date as the Company, the subscriber and Strand Hanson Limited ("**Strand Hanson**") may determine).

The Subscription Price is equal to the closing mid-market price of the Company's ordinary shares on 3 May 2023, being the latest practicable date before this announcement. The New Ordinary Shares are being issued under the Company's existing shareholder authorities.

If either condition of the Subscription is not satisfied, the New Ordinary Shares will not be issued, and all monies received will be returned to the subscriber as soon as possible thereafter. The Subscription is not being underwritten.

#### Relationship Agreement

FB Investors has entered into a new relationship agreement ("**Relationship Agreement**") with the Company and the Company's nominated adviser, Strand Hanson, on terms substantially similar to the previous FB Investors relationship agreement from November 2017. The principal purpose of the Relationship Agreement is to provide that the relationship between FB Investors (and its Connected Persons, as defined therein) and the Company will be conducted independently and on an arm's length basis. The Relationship Agreement, amongst other things, provides FB Investors with the ability to appoint up to two directors to the Company's board ("**Board**") (one of whom may be the Chairman) for so long as it holds, directly or indirectly, 50% or more of the issued voting share capital of Company and contains certain restrictions in relation to directors appointed by FB Investors voting at meetings of the Board on matters in which FB Investors is interested. Under the Relationship Agreement, FB Investors has agreed not to vote in relation to certain resolutions of the shareholders of the Company, including a resolution put to the Company's shareholders to cancel its admission to trading on AIM pursuant to Rule 41 of the AIM Rules unless such resolution is in conjunction with an offer for to acquire the ordinary shares of the shareholders of the Company other than the Company's Substantial Shareholders (as defined in the AIM Rules) at that time, on terms approved by the Board that are considered fair and reasonable having regard to the interests of all shareholders. The Relationship Agreement remains in force for so long as FB Investors' holding does not drop to below 20%.

## Related Party Transaction

The Subscription by FB Investors constitutes a related party transaction for the purposes of the AIM Rules, as Beinhaker Design Services Limited is a member of FB Investors, which, (prior to the Subscription) holds a 72.91% holding in the Company, and is controlled by the Beinhaker family, including Corey Beinhaker and Philip Beinhaker, each a director of the Company.

The directors who are independent of the transaction, being Graham Miller, Sean Swales and Natasha Gadsdon, having consulted with the Company's nominated adviser, Strand Hanson, consider that the terms of the transaction are fair and reasonable insofar as shareholders are concerned.

## AIM Admission and Total Voting Rights

Application will be made to the London Stock Exchange plc for the 12,994,407 New Ordinary Shares to be admitted to trading on AIM. Dealings in the New Ordinary Shares, which will all rank *pari passu* with the Company's existing ordinary shares, are expected to commence at 8.00 a.m. on or around 5 May 2023 (or such later time and/or date as Strand Hanson, the subscriber and the Company agrees).

Following Admission, there will be 142,939,108 ordinary shares of 1p each in issue. This number may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company FCA's Disclosure Guidance and Transparency Rules.

For further information, please contact:

### Sutton Harbour Group plc

Philip Beinhaker - Executive Chairman  
Corey Beinhaker - Chief Operating Officer  
Natasha Gadsdon - Finance Director

+44 (0) 1752 204186

### Strand Hanson Limited

(Nominated & Financial Adviser and Broker)  
James Dance  
Richard Johnson

+44 (0) 20 7409 3494

## Notes to Editors

Sutton Harbour Group plc (SUH) is an AIM quoted company specialising in marine operations, waterfront regeneration and destination creation in Plymouth and Southwest England.

The Company operates Sutton Harbour Marina, King Point Marina and Plymouth Fisheries. Operational activities include mixed-use lettings, car parking and support services to harbour users, property management and regeneration and asset enhancement.

Sutton Harbour Group plc is committed to being the leading marine and waterfront regeneration specialist in Southern England, and to positioning Sutton Harbour in Plymouth as a destination of national interest.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCFLFIREAIVIV