

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023

EXPANSION PLANS ON TRACK AND LAND ACQUISITIONS SUPPORT FUTURE GROWTH

STRONG BALANCE SHEET MAINTAINED

FY23 DIVIDEND PER SHARE HELD AT FY22 LEVEL

Crest Nicholson Holdings plc ('Crest Nicholson', the 'Company' or the 'Group') today announces its unaudited interim results for the six months ended 30 April 2023:

HY23 Financial Highlights

- FY23 adjusted profit before tax expected to be in line with published consensus of £73.7m¹
- Revenue at £282.7m (HY22: £364.3m), reflecting the economic uncertainty and lower confidence in the housing market during the first half
- Home completions of 894 (HY22: 1,096), comprising open market completions (including bulk deals) of 647 (HY22: 912) and affordable completions of 247 (HY22: 184)
- Sales per outlet week (SPOW) of 0.54 (HY22: 0.72) with average outlets at 48 (HY22: 58). Average selling prices have remained robust
- Forward sales as at 2 June 2023 of 2,354 units and £597.4m Gross Development Value (GDV) (10 June 2022: 2,891 units and £814.9m GDV) with approximately 85% of FY23 revenue covered
- Adjusted profit before tax² at £20.9m (HY22: £52.5m)
- Adjusted operating profit margin² at 7.8% (HY22: 15.0%)
- Profit before tax at £28.4m (HY22: £52.5m loss before tax), including a £7.5m net exceptional credit relating to combustible materials
- Strong balance sheet has enabled selective investment in the land market during the first half to support future growth
 - Net cash^{2,3} at £66.2m (HY22: £173.3m) with average net cash of £104.2m (HY22: £98.6m) during the period
 - Land creditors at £148.2m (HY22: £179.9m)
- Return on capital employed⁴ at 14.6% (HY22: 18.3%)
- Interim dividend of 5.5 pence per share (HY22: 5.5 pence)
 - Total dividend for FY23 to be in line with prior year at 17.0 pence per share

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Key financial metrics

£m (unless otherwise stated)	HY23	HY22	% Change
Adjusted basis²			
Operating profit	22.1	54.5	(59.4)
Operating profit margin	7.8%	15.0%	-720bps
Profit before tax	20.9	52.5	(60.2)
Basic earnings per share (p)	6.1	15.7	(61.1)
Statutory basis			
Revenue	282.7	364.3	(22.4)
Operating profit/(loss)	30.7	(50.5)	(160.8)
Operating profit/(loss) margin	10.9%	(13.9)%	+2480bps
Profit/(loss) before tax	28.4	(52.5)	(154.1)
Basic earnings/(loss) per share (p)	8.2	(16.5)	(149.7)
Other metrics			
Home completions (number)	894	1,096	(18.4)
Net cash ^{2,3}	66.2	173.3	(61.8)
Dividend per share (p)	5.5	5.5	-

1 <https://www.crestnicholson.com/investors/consensus-estimates>

2 Adjusted basis represent the HY23 and HY22 statutory figures adjusted for exceptional items as disclosed in note 5. Adjusted performance metrics are non-statutory alternative performance measures (APMs) used by the Directors to manage the business which they believe should be shared for a greater understanding of the performance of the Group. The definitions of these APMs and the reconciliation to the statutory numbers are included on pages 29 to 30.

3 Net cash is defined as cash and cash equivalents less interest-bearing loans and borrowings. See note 14 to the condensed consolidated half year financial statements.

4 Return on capital employed equals rolling 12-month adjusted operating profit before joint ventures divided by the average of opening and closing capital employed over the same 12 months (capital employed = equity shareholders' funds plus net borrowing or less net cash). Adjusted performance metrics are disclosed on pages 29 to 30.

HY23 Strategic Highlights

- Good progress with divisional expansion
 - Yorkshire office now active and operational. Six sites being progressed with a further pipeline of other high quality sites being reviewed
 - Business leader in East Anglia joined in November 2022 and establishing a new team in the region. Divisional office now open with three sites being progressed for purchase
- Our disciplined approach to acquiring land enabled the Group to add several high quality sites to our land portfolio
 - 1,957 plots approved for purchase at a forecast gross margin of 26.2% after sales and marketing costs
 - 1,539 plots added to the short-term land portfolio
- On 13 March 2023 the Group signed the Government's Developer Remediation Contract. HY23 provision of £139.2m remains materially in line with FY22
- Five-star customer service recovery plan implemented with additional resources and processes now in place

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Peter Truscott, Chief Executive, commented:

We started our first half amidst the worst of the economic uncertainty arising from the September 2022 mini-budget. Rapidly falling consumer confidence and rising interest rates immediately translated into softer demand in the housing market. At the time we outlined that, with a package of sensible measures to restore economic stability and trust, the market would remain resilient and this has proven to be the case.

As we traded through the period, confidence started to return and this has been reflected in our trading metrics, which have sequentially improved throughout the period. Unemployment remains low and mortgage availability remains good albeit at more expensive rates. The ongoing lack of housing supply is continuing to support house prices and these factors are also driving strong levels of rental inflation. The economic case for buying a home therefore remains compelling, but for many first time buyers the higher cost of borrowing and the cessation of Help to Buy are prohibitive to realising this ambition. If interest rates continue to rise, and remain elevated for a sustained period of time, this will undoubtedly exacerbate this issue even further and start to impact demand and confidence again. We continue to call on Government to recognise this challenge and provide further support to these potential homeowners.

Our disciplined approach in continuing to acquire land during the period, supported by our strong balance sheet, has enabled us to add several high quality sites in desirable locations that support our expansion plans and position us for future growth. I would like to thank all Crest Nicholson colleagues for their ongoing hard work and efforts in delivering today's results.

Analyst and investor meeting, conference call and webcast

There will be a meeting for analysts at 9.00 am today at Norton Rose Fulbright, 3 More London Riverside, London SE1 2AQ hosted by Peter Truscott, Chief Executive and Duncan Cooper, Group Finance Director.

To join the presentation, please use the following link:

<https://www.investis-live.com/crest-nicholson/646cbe07796b42130069d620/ndye>

There is also a facility to join the presentation and Q&A session via a conference call. Participants should dial **+44 (0)203 936 2999** and use confirmation code **465346**. A playback facility will be available shortly after the presentation has finished.

For further information, please contact:

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8 June 2023

Cautionary statement regarding forward-looking statements

This release may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, changes in its business strategy, political and economic uncertainty. Save as required by the Listing and Disclosure Guidance and Transparency Rules, the Company is under no obligation to update the information contained in this release. Past performance cannot be relied on as a guide to future performance.

Chief Executive's Statement

Business Review – challenging first half but well set for future growth

The housing market is undoubtedly experiencing softer demand than the previous year. As we emerged from the restrictive impacts of the pandemic, home movers were searching for more space and were encouraged by the temporary cut in stamp duty. However, by the end of 2022 the sector was facing the start of a succession of interest rate rises to combat inflation, with peak rates forecast to reach their highest level in over 20 years. This was accompanied by the end of the Help to Buy scheme and a general deterioration in economic confidence driven by a cost-of-living crisis and fears of another major adjustment in house prices.

This backdrop was reflected in our 11-week SPOW rate from the start of our trading year on 1 November 2022 of 0.35. Our priorities during this time were to convert our forward order book, deliver a great customer experience, maintain a sharp focus on operational efficiency and be disciplined on our cost and capital commitments.

In line with our own forecasts, the market started to recover as we entered the spring of 2023. Against a backdrop of rising interest rates, mortgage availability started to increase and competition over fewer transactions and new mortgage applications meant that mortgage rates started to reduce. Customers with good levels of equity or deposits were able to move with confidence again.

This improving trading environment ensured we were able to deliver a first half SPOW rate of 0.54. Cancellation rates have continued to normalise and pricing has remained robust with minimal discounting or incentives being offered to achieve this outcome. We start the second half with a robust forward sales position, as at 2 June 2023 of 2,354 units and £597.4m GDV with approximately 85% of FY23 revenue covered.

Investing for growth – selectively acquiring new sites

Investing in high quality sites is a key driver of our future growth, whether in our new divisions, Yorkshire and East Anglia, or our existing ones that focus on Southern England where land supply is scarce. The Group continues to benefit from a strong balance sheet which has provided us with operational flexibility and choices in the way we allocate capital. We continue to believe that investing for growth is the best way to create value for shareholders over the medium term.

Our experienced management team have a proven track record in navigating and managing through evolving economic conditions and the cyclical nature of the housing market. We made a strategic decision to be less active in the land market during the summer of 2022 as the market was becoming increasingly competitive.

Following the period of acute economic uncertainty in the autumn of 2022, most of our housebuilding peers signalled their intention to withdraw from the land market until stability returned. Given our perspectives on how we expected the housing market to evolve in 2023, and supported by our strong balance sheet, we made the decision to re-engage with land sellers and were well placed to step in and acquire several highly attractive sites in superior market locations including Windsor and Oxford. We were able to achieve more favourable economic terms given the decline in demand and our insistence that sites were valued on prevailing market assumptions.

Our continued activity in the land market also reflects our expectation of a likely tightening in the supply of available land in the future following the Government's decision to eliminate its top-down housing targets. This has already resulted in delays to new site allocations in 2023. Additionally, the development control process that leads to implementable approvals is now increasingly difficult and complex as under-resourced planning departments are battling with regulatory requirements. We believe our decision to remain active in

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the land market will mean that these delays are mitigated with a higher number of outlets being in place when market conditions improve in the future.

During the half year we approved 1,957 plots for purchase at a forecast gross margin (after sales and marketing expenses) of 26.2% and have added 1,539 plots to the short-term land portfolio.

Geographical expansion – good progress and on track

We have made good progress with our geographical expansion plans in the period and are on track with our original expectations. Yorkshire now has all the necessary functional capabilities in place and is a fully operational division. We have agreed six sites in excellent, sought after locations in Yorkshire. These are expected to contribute to our FY24 financial performance.

In East Anglia, our business leader is similarly establishing a new team and an office has now been set up in Bury St Edmunds. We have approved two sites for purchase which are being progressed with several further opportunities under negotiation.

Build cost inflation and administrative expenses

The first half has seen a high inflationary backdrop which has impacted our construction costs, in line with the rest of the sector. In previous years housebuilders have been able to offset this impact through higher selling prices in an environment of strong demand. However, in a more benign sales environment this has not been possible and has consequently impacted our margin performance in the first half. Overall build cost inflation has remained at high single digit percentages throughout the period.

From a materials perspective we have, where possible, successfully mitigated this impact via centrally negotiated procurement contracts and if appropriate the use of alternative materials. Our decision to move to a standard house type range in 2020 has helped insulate these impacts through greater consistency and scale of purchasing. However, we still have some non-standard schemes in construction, such as Brightwells Yard, Farnham, which are more exposed to specific material price movements.

We are starting to see signs of this inflation abating and in some cases price reductions are now being offered by suppliers. Blocks, trusses and timber for example have all seen recent reductions in price. In addition, the general slowdown in construction activity has helped mitigate some of the materials shortages experienced last year as supply chains continued to recalibrate post COVID-19 and in response to the disruption caused by the Ukraine war.

From a labour and subcontractor perspective we have seen a more immediate adjustment to lower levels of construction output. Since the beginning of 2023, we have seen a much greater volume of tender returns and competitive rates increasingly being offered. Again, the lower level of construction activity has helped cushion the impact caused by the shortage of skilled labour in recent years.

We expect build cost inflation will continue to moderate in the second half in line with broader economic forecasts.

At our preliminary results in January 2023, we outlined that our administrative expenses would grow by over 10.0% in FY23 compared to FY22. This increase has been driven by investments in two new divisions to support our geographical expansion, resources dedicated to successfully complying with the new quality and customer standards and broader regulatory changes and technology upgrades. We have also chosen to give our colleagues a pay increase which recognised the inflationary backdrop and cost of living crisis. We remain committed to our strategic priority of operational efficiency and are always looking for ways to work more productively. We now expect FY23 administrative expenses to be circa £60.0m.

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Building safety

As a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group has now become legally responsible for the identification and remediation of those buildings it has developed with possible life-critical fire safety defects. The Group is currently working on circa 90 buildings in various stages of design, procurement and works and managed to recover £11.1m from third parties during the period in respect of defective design and workmanship.

Sustainability

Our sustainability strategy is split into three priority areas – protect the environment, make a positive impact on our communities and operate the business responsibly. These three priority areas guide our commitment to drive positive action across our activities and value chain and we continue to make good progress against our sustainability targets.

An area of focus in HY23 has included a continued drive to reduce greenhouse gas emissions assisted by improved management reporting, a gradual increase in the use of hydrotreated vegetable oil (HVO) to power plant and equipment, a continued increase in the procurement of renewable electricity tariffs and developing solutions to achieve the Future Homes Standard.

People

We are pleased to announce that Crest Nicholson has been accredited as a Living Wage Employer. This is a significant step towards our commitment to our employees' well-being and directly aligns with our values and aspirations for fairness and social responsibility. The Real Living Wage exceeds the Government's National Minimum Wage, is independently calculated based on the cost of living, and extends to all direct Crest Nicholson employees and subcontractors.

Capital allocation and dividend policy

The Group communicated its long-term investment proposition at its Capital Markets Day in October 2021. Creating value for all stakeholders is centred on:

- Maintain a robust balance sheet
- Geographical expansion
- Sustainable dividend policy
- Capital efficiency

At the time the Group announced it was opening two new divisions in Yorkshire and East Anglia and committed to announcing a third new division in FY24. Following the rapid deterioration in the economic backdrop in the autumn of 2022, coupled with the increasingly challenging planning environment and ability to secure new sites, the Group announced in November 2022 that it was taking the decision to defer the opening of a third new division for the foreseeable future.

The Board remains confident that the best way to create value for shareholders is to expand the Group's operations, and to give more customers in the UK the chance to own a Crest Nicholson home. This conviction is reflected in the investments the Group has made in HY23 to successfully launch its operations in Yorkshire and East Anglia.

However, the Board also recognises the importance of dividend payments to shareholders and has carefully considered the market outlook and current financial position. Although the housing market is softer than in previous years, the market fundamentals remain strong, and the Group has managed to secure the land it needs for its medium-term growth aspirations while maintaining a robust financial position. Given this backdrop the Board will hold the dividend payment at the same level as FY22, paying 17.0 pence per ordinary share for FY23.

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Outlook

We have successfully navigated a difficult first half and continue to lay the foundations for future growth. Our decision to remain active in the land market was the right one. We now have a land pipeline to deliver our growth ambitions over the medium term, including our expansion into new geographies. We expect the second half trading environment to be more stable and conducive to moving home. Employment levels remain good, inflation should start to recede and economic growth forecasts continue to be revised upwards. However, if interest rates continue to rise, and remain elevated for a sustained period of time, this will undoubtedly start to impact demand and confidence again.

A strong and vibrant housing market is in everyone's interests. The Group continues to participate in active dialogue with Government to highlight the challenges in both the planning environment as well as affordability for first time buyers and remains hopeful that political solutions can be deployed to address both in the near term.

Despite the lower first half contribution compared to the prior year, and assuming that trading conditions remain stable in the second half, we expect FY23 adjusted profit before tax to be in line with published consensus of £73.7m.

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Financial Review

Completions and revenue

During the first half open market (private) completions were 532 (HY22: 754), affordable completions were 247 (HY22: 184) and bulk completions were 115 (HY22: 158). Total home completions were therefore 894 (HY22: 1,096), down 18.4%, reflecting the economic uncertainty and fall in confidence in the housing market in the period.

Open market (private) average selling price (ASP) increased slightly to £433k (HY22: £409k), up 5.9%. This reflects the effect of the continuing inflation of average selling prices in the second half of the prior year which started to ease in HY23 as inflation became broadly neutral. Pricing is remaining robust due to the lack of available housing stock to purchase and the improving economic conditions as the half progressed.

Affordable ASP was in line with prior year at £179k (HY22: £179k) and bulk ASP was 2.8% lower at £273k (HY22: £281k).

Sales

Sales rates as measured by SPOW, were 0.54 for the first half compared to 0.72 in the prior half. The economic uncertainty that followed the mini-budget in September 2022 had an immediate impact on prospective home movers' confidence levels. Against an already rising interest rate backdrop, forecasts of peak mortgage rates being their highest in over 20 years and widespread commentary suggesting the housing market would undergo a significant pricing adjustment, saw housing transactions contract sharply as customers adopted a more cautious position. As the Group traded through the spring of 2023 sales rates started to improve as mortgage availability remained good, available housing stock continued to be limited and pricing was robust.

Average sales outlets were 48 (HY22: 58) in the first half. The strong demand environment of the past two years has depleted most housebuilders land portfolios and led to a reduction in outlets. At a time when acquiring new land has been necessary to support future supply, the economic and market uncertainty has actually led to a lower risk appetite for more land. In addition, those sites that are planned for development are taking longer to progress to operational development because of other issues such as environmental impacts associated with water neutrality and nutrients.

Forward sales as at 2 June 2023 of 2,354 units and £597.4m GDV (10 June 2022: 2,891 units and £814.9m GDV) with approximately 85% of FY23 revenue covered.

Operating profit and margin

Adjusted operating profit fell 59.4% to £22.1m (HY22: £54.5m), with adjusted operating profit margin also falling to 7.8% (HY22: 15.0%).

The Group recorded a lower number of legal completions in the first half reflecting the challenging trading environment and economic uncertainty. While demand started to recover in the spring of 2023 it has remained at a lower level than in previous years. In addition, those lower housing transaction levels have also seen neutral levels of house price inflation, which in previous years has offset or surpassed the build cost inflation also being experienced. The combination of a lower number of completions, persistent build cost inflation and no selling price growth has reduced gross profit and gross margin in HY23 compared to prior year, which in turn has reduced adjusted operating profit and margin as well.

At 31 October 2022 the Group held a £12.6m NRV provision relating to several unprofitable legacy schemes. During the half, a further £3.2m NRV charge was recorded, principally related to the Group's scheme at Brightwell's Yard, Farnham. This scheme has previously been highlighted as being unprofitable. It is a complex, urban regeneration and mixed-use development scheme. During the half costs to complete on the scheme increased and hence a further charge was necessary. At 30 April 2023 the Group's remaining NRV provision was £14.6m, of which £11.6m relates to Farnham. Approximately a fifth of this

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provision is currently forecast to be utilised in the second half. This additional NRV charge in the half also contributed to the decline in adjusted operating margin.

Finally, the Group recorded net administrative expenses of £28.3m (HY22: £20.7m) in the first half, an increase of 36.7% on prior year. The drivers for this increase were highlighted at the Group's Preliminary Results in January 2023 and include additional resources to drive the geographical expansion plans, further investments into customer service and quality roles and processes, IT system upgrades and readying the Group for various regulatory and compliance changes. Although this increase is significant compared to the prior half it is comparable in magnitude terms to the second half of the prior year, when administrative expenses had recovered to a more normalised level post the pandemic. Accordingly, the Group expects FY23 net administrative expenses to be around £60.0m, nearly 8% below the FY19 charge for the Group despite the additional activity burden highlighted above. This movement has also contributed to a reduction in adjusted operating margin.

Operating profit after a net exceptional credit of £7.5m for the first half was £30.7m (HY22: £50.5m operating loss after an exceptional charge of £105.0m).

Exceptional items

As a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group has now become legally responsible for the identification and remediation of those buildings it has developed with possible life-critical fire safety defects. The Group is currently working on circa 90 buildings in various stages of design, procurement and works. During the half the Group recorded a further £1.4m charge to adjust its provision to reflect the latest estimate of costs to complete these remedial works. £11.1m was also received from third parties in respect of defective design and workmanship.

Tax charge on exceptional items is £2.0m (HY22: £22.4m credit).

Further detail on exceptional items can be found in note 5 and note 12 of the condensed consolidated financial statements.

Financing and liquidity

At 30 April 2023 the Group had net cash of £66.2m (HY22: £173.3m). Net debt including land creditors was £82.0m (HY22: £6.6m). Average net cash during the period was £104.2m (HY22: £98.6m). Return on capital employed (ROCE) for the first half was 14.6% (HY22: 18.3%) reflecting the lower adjusted operating profit compared to prior year and the lower net cash position on the balance sheet.

The Group has steadily rebuilt its financial position since 2019 and communicated a clear capital allocation framework at its Capital Markets Day in October 2021. This has been reflected throughout our business including in our decision to remain active in the land market in the first half as we believe this is the best way to create future value for shareholders. However, given our confidence in the long-term fundamentals of the housing market, and its relative resilience through the economic uncertainty of the first half, we are also pleased to be able to maintain the same level of dividend as HY22.

Pension

The Group operates a defined benefit pension scheme. At 30 April 2023 the retirement benefit surplus under IAS 19 was £14.1m (HY22: £35.4m).

Taxation

The effective tax rate applied to profit before tax for the period was 25.7% (HY22: 19.6%). This reflects the best estimate of the weighted average annual effective tax rate which is expected to apply to the Group for the year ending 31 October 2023. Over the next two years the Group's effective tax rate will increase in line with the statutory rate increases and also reflects the effect of the Residential Property Developer Tax (RPDT) of 4.0%, effective from 1 April 2022.

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Earnings per share

Adjusted basic earnings per share was 6.1 pence (HY22: 15.7 pence), reflecting the decrease in the Group's earnings on prior year. Basic earnings per share was pence 8.2 pence (HY22: loss per share 16.5 pence), as the £105.0m exceptional charge relating to combustible materials in HY22 was not repeated in the half.

Dividend

The Board has declared an interim dividend of 5.5 pence per share, payable on 13 October 2023 to shareholders on the register on 22 September 2023. The dividend represents approximately one third of the dividend expected to be paid in respect of the financial year ending 31 October 2023.

Land and planning

During the first half the Group approved 1,957 plots for purchase at a forecast gross margin of 26.2% after sales and marketing costs.

At 30 April 2023 the short-term land portfolio includes 15,011 (FY22: 14,250) plots. 1,539 plots were added in the half. The Group's strategic land portfolio ended the half with 22,461 (FY22: 22,450) plots meaning the total land portfolio at 30 April 2023 was 37,472 plots (FY21: 36,700). The total GDV of the portfolio is £12.5bn (FY22: £12.3bn).

The Group has been able to add several high quality sites to the short-term land portfolio in the first half which position it well for growth in FY24 and beyond. The withdrawal from the land market from many of our major peers has enabled the Group to step in and secure terms on several sites with competitive financial metrics. In turn, this has led to land agents and sellers deciding to wait until greater demand returns and accordingly we expect the lack of available supply, and appetite for outlet growth from developers, will mean that the land market remains highly competitive for the foreseeable future.

Principal Risks and Uncertainties

The Group's financial and operational performance and reputation is subject to a number of potential risks and uncertainties. These risks could, either separately or in combination, have a material impact on the Group's performance and shareholder returns.

Our divisional boards consider their divisional risk registers on a half-yearly basis. The divisional risk reviews, alongside the Group's principal and emerging risks are carefully considered by the Executive Leadership Team. Both the Audit and Risk Committee and the Board have oversight of the Group's emerging and principal risks.

We have continued to face political uncertainty and economic headwinds which has led to significant increases in mortgage rates and a slowdown in the housing market. This has affected housing buying affordability and reservation activity. We have also seen continued build cost inflation through raw material prices and subcontractor pricing. There have also been continued challenges in the planning environment. These areas impact a number of the Group's principal risks including market conditions, build cost management and land availability and planning, although there are clear mitigations and actions to address these risks.

Our principal risks are unchanged from those set out on pages 58 to 64 of the Company's Annual Integrated Report for the year ended 31 October 2022.

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Statement of Directors' Responsibilities

The Directors confirm that these condensed consolidated half year financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related party transactions described in the last Annual Integrated Report.

The current Directors of Crest Nicholson Holdings plc are listed in the Annual Integrated Report for the year ended 31 October 2022.

A list of Directors is maintained on the Crest Nicholson website: www.crestnicholson.com.

By order of the Board

Peter Truscott

Chief Executive

8 June 2023

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CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Half year ended 30 April 2023 Unaudited Pre- exceptional items £m	Half year ended 30 April 2023 Unaudited Exceptional items (note 5) £m	Half year ended 30 April 2023 Unaudited Total	Half year ended 30 April 2022 Unaudited Pre- exceptional items £m	Half year ended 30 April 2022 Unaudited Exceptional items (note 5) £m	Half year ended 30 April 2022 Unaudited Total £m	Full year ended 31 October 2022 Audited Pre- exceptional item £m	Full year ended 31 October 2022 Audited Exceptional item (note 5) £m	Full year ended 31 October 2022 Audited Total £m
Revenue	4	282.7	–	282.7	364.3	–	364.3	913.6	–	913.6
Cost of sales		(232.1)	8.6	(223.5)	(286.8)	(105.0)	(391.8)	(719.3)	(102.5)	(821.8)
Gross profit/(loss)		50.6	8.6	59.2	77.5	(105.0)	(27.5)	194.3	(102.5)	91.8
Net administrative expenses	6	(28.3)	–	(28.3)	(20.7)	–	(20.7)	(51.1)	–	(51.1)
Net impairment losses on financial assets		(0.2)	–	(0.2)	(2.3)	–	(2.3)	(2.3)	–	(2.3)
Operating profit/(loss)	6	22.1	8.6	30.7	54.5	(105.0)	(50.5)	140.9	(102.5)	38.4
Finance income		2.0	–	2.0	1.3	–	1.3	3.1	–	3.1
Finance expense		(4.5)	(2.2)	(6.7)	(5.2)	–	(5.2)	(10.2)	(1.0)	(11.2)
Net finance expense		(2.5)	(2.2)	(4.7)	(3.9)	–	(3.9)	(7.1)	(1.0)	(8.1)
Share of post-tax result of joint ventures using the equity method		1.3	1.1	2.4	1.9	–	1.9	4.0	(1.5)	2.5
Profit/(loss) before tax		20.9	7.5	28.4	52.5	(105.0)	(52.5)	137.8	(105.0)	32.8
Income tax (expense)/credit	7	(5.3)	(2.0)	(7.3)	(12.1)	22.4	10.3	(28.8)	22.4	(6.4)
Profit/(loss) for the period attributable to equity shareholders		15.6	5.5	21.1	40.4	(82.6)	(42.2)	109.0	(82.6)	26.4
Earnings/(loss) per ordinary share										
Basic	8	6.1p		8.2p	15.7p		(16.5)p	42.5p		10.3p
Diluted	8	6.1p		8.2p	15.7p		(16.5)p	42.3p		10.2p

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Half year ended 30 April 2023 Unaudited £m	Half year ended 30 April 2022 Unaudited £m	Full year ended 31 October 2022 Audited £m
Profit/(loss) for the period attributable to equity shareholders	21.1	(42.2)	26.4
Other comprehensive income/(expense):			
Items that will not be reclassified to the consolidated income statement:			
Actuarial gains/(losses) of defined benefit schemes	2.5	16.4	(8.4)
Change in deferred tax on actuarial gains/(losses) of defined benefit schemes	(0.7)	(5.6)	1.6
Other comprehensive income/(expense) for the period net of income tax	1.8	10.8	(6.8)
Total comprehensive income/(expense) for the period attributable to equity shareholders	22.9	(31.4)	19.6

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Retained earnings	Total
	£m	£m	£m	£m
Half year ended 30 April 2023 (Unaudited)				
Balance at 1 November 2022	12.8	74.2	796.1	883.1
Profit for the period attributable to equity shareholders	–	–	21.1	21.1
Actuarial gains of defined benefit schemes	–	–	2.5	2.5
Change in deferred tax on actuarial gains of defined benefit schemes	–	–	(0.7)	(0.7)
Total comprehensive income for the period	–	–	22.9	22.9
Transactions with shareholders:				
Equity-settled share-based payments	–	–	1.0	1.0
Deferred tax on equity-settled share-based payments	–	–	0.1	0.1
Purchase of own shares	–	–	(1.0)	(1.0)
Dividends paid	–	–	(29.5)	(29.5)
Balance at 30 April 2023	12.8	74.2	789.6	876.6

	Share capital	Share premium account	Retained earnings	Total
	£m	£m	£m	£m
Half year ended 30 April 2022 (Unaudited)				
Balance at 1 November 2021	12.8	74.2	814.6	901.6
Loss for the period attributable to equity shareholders	–	–	(42.2)	(42.2)
Actuarial gains of defined benefit schemes	–	–	16.4	16.4
Change in deferred tax on actuarial gains of defined benefit schemes	–	–	(5.6)	(5.6)
Total comprehensive expense for the period	–	–	(31.4)	(31.4)
Transactions with shareholders:				
Equity-settled share-based payments	–	–	1.2	1.2
Deferred tax on equity-settled share-based payments	–	–	(0.3)	(0.3)
Purchase of own shares	–	–	(0.4)	(0.4)
Dividends paid	–	–	(24.4)	(24.4)
Balance at 30 April 2022	12.8	74.2	759.3	846.3

	Share capital	Share premium account	Retained earnings	Total
	£m	£m	£m	£m
Year ended 31 October 2022 (Audited)				
Balance at 1 November 2021	12.8	74.2	814.6	901.6
Profit for the year attributable to equity shareholders	–	–	26.4	26.4
Actuarial losses of defined benefit schemes	–	–	(8.4)	(8.4)
Change in deferred tax on actuarial losses of defined benefit schemes	–	–	1.6	1.6
Total comprehensive income for the year	–	–	19.6	19.6
Transactions with shareholders:				
Equity-settled share-based payments	–	–	1.9	1.9
Deferred tax on equity-settled share-based payments	–	–	(0.4)	(0.4)
Purchase of own shares	–	–	(1.1)	(1.1)
Dividends paid	–	–	(38.5)	(38.5)
Balance at 31 October 2022	12.8	74.2	796.1	883.1

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 April 2023 Unaudited £m	As at 30 April 2022 Unaudited £m	As at 31 October 2022 Audited £m
ASSETS				
Non-current assets				
Intangible assets		29.0	29.0	29.0
Property, plant and equipment		2.2	1.0	0.9
Right-of-use assets		4.7	2.8	3.7
Investments in joint ventures		10.4	8.0	9.0
Financial assets at fair value through profit and loss		1.4	2.7	3.3
Deferred tax assets		4.4	5.1	4.8
Retirement benefit surplus		14.1	35.4	11.1
Trade and other receivables		14.1	32.7	35.0
		80.3	116.7	96.8
Current assets				
Inventories	10	1,108.1	1,129.6	990.1
Financial assets at fair value through profit and loss		2.7	2.1	1.3
Trade and other receivables		104.4	102.6	116.3
Current income tax receivable		3.2	17.4	1.1
Cash and cash equivalents	11	163.6	271.6	373.6
		1,382.0	1,523.3	1,482.4
Total assets		1,462.3	1,640.0	1,579.2
LIABILITIES				
Non-current liabilities				
Interest-bearing loans and borrowings	11	(97.4)	(98.3)	(97.1)
Trade and other payables		(42.4)	(50.6)	(41.8)
Lease liabilities		(3.1)	(2.0)	(2.3)
Deferred tax liabilities		(4.1)	(10.2)	(3.2)
Provisions	12	(67.9)	(82.1)	(70.8)
		(214.9)	(243.2)	(215.2)
Current liabilities				
Trade and other payables		(296.8)	(484.5)	(407.1)
Lease liabilities		(1.7)	(1.7)	(1.6)
Provisions	12	(72.3)	(64.3)	(72.2)
		(370.8)	(550.5)	(480.9)
Total liabilities		(585.7)	(793.7)	(696.1)
Net assets		876.6	846.3	883.1
EQUITY				
Share capital	15	12.8	12.8	12.8
Share premium account	15	74.2	74.2	74.2
Retained earnings		789.6	759.3	796.1
Total equity		876.6	846.3	883.1

Crest Nicholson Holdings plc Registered number 6800600. These condensed consolidated half year financial statements were approved by the Board of Directors on 8 June 2023.

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Half year ended 30 April 2023 Unaudited £m	Half year ended 30 April 2022 Unaudited £m	Full year ended 31 October 2022 Audited £m
Cash flows from operating activities			
Profit/(loss) for the period attributable to equity shareholders	21.1	(42.2)	26.4
Adjustments for:			
Depreciation on property, plant and equipment	0.2	0.3	0.4
Depreciation on right-of-use assets	1.1	0.7	1.9
Retirement benefit obligation administrative expenses	0.5	–	0.9
Net finance expense	4.7	3.9	8.1
Share-based payment expense	1.0	1.2	1.9
Share of post-tax result of joint ventures using the equity method	(2.4)	(1.9)	(2.5)
Impairment of inventories movement	2.0	(8.5)	(8.1)
Net impairment of financial assets	0.2	2.3	2.3
Income tax expense/(credit)	7.3	(10.3)	6.4
Operating profit/(loss) before changes in working capital, provisions and contribution to retirement benefit obligations	35.7	(54.5)	37.7
Decrease/(increase) in trade and other receivables	34.2	6.7	(17.0)
(Increase)/decrease in inventories	(120.0)	(83.6)	55.5
(Decrease)/increase in trade and other payables, and provisions	(114.6)	79.9	(13.4)
Contribution to retirement benefit obligations	(0.7)	(2.6)	(3.4)
Cash (used by)/generated from operations	(165.4)	(54.1)	59.4
Finance expense paid	(2.9)	(3.2)	(6.3)
Income tax paid	(8.8)	(1.4)	(1.4)
Net cash (outflow)/inflow from operating activities	(177.1)	(58.7)	51.7
Cash flows from investing activities			
Purchases of property, plant and equipment	(1.5)	(0.1)	(0.1)
Disposal of financial assets at fair value through profit and loss	0.3	0.3	0.7
Dividends received from joint ventures	–	0.9	2.4
Funding to joint ventures	(4.4)	(3.4)	(7.5)
Repayment of funding from joint ventures	3.4	7.5	18.8
Finance income received	1.1	–	0.1
Net cash (outflow)/inflow from investing activities	(1.1)	5.2	14.4
Cash flows from financing activities			
Principal elements of lease payments	(1.3)	(0.8)	(2.1)
Dividends paid	(29.5)	(24.4)	(38.5)
Purchase of own shares	(1.0)	(0.4)	(1.1)
Debt arrangement and facility fees	–	–	(1.5)
Net cash outflow from financing activities	(31.8)	(25.6)	(43.2)
Net (decrease)/increase in cash and cash equivalents	(210.0)	(79.1)	22.9
Cash and cash equivalents at the beginning of the period	373.6	350.7	350.7
Cash and cash equivalents at end of the period	163.6	271.6	373.6

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

1 BASIS OF PREPARATION

Crest Nicholson Holdings plc (the Company) is a public limited company incorporated, listed and domiciled in the UK. The address of the registered office is 500 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ. The condensed consolidated half year financial statements consolidate the results of the Company and its subsidiaries (together referred to as the Group) and include the Group's interest in jointly controlled entities.

These condensed consolidated half year financial statements for the six months ended 30 April 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority and with UK-adopted International Accounting Standard 34 'Interim financial reporting'. These condensed consolidated half year financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Group's Annual Integrated Report for the year ended 31 October 2022, which has been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

These condensed consolidated half year financial statements do not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. Statutory financial statements for the year ended 31 October 2022 were approved by the Board of Directors on 17 January 2023 and delivered to the Registrar of Companies. The report of the auditor on those accounts was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated half year financial statements are unaudited but have been reviewed by PricewaterhouseCoopers LLP, the Company's auditors in accordance with International Standard on Review Engagements (UK) 2410 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Auditing Practices Board. The auditor's review report for the period to 30 April 2023 is set out on pages 31 to 32.

Going Concern

The Directors have considered the impact of the Group's current principal risks and uncertainties to confirm the appropriateness of the going concern assumption in these condensed consolidated half year financial statements. The Directors do not consider that any material or significant changes have occurred to the risks identified and outlined in the Group's Annual Integrated Report for the year ended 31 October 2022, and as discussed in the Financial Review.

The Group benefits from a £250.0m revolving credit facility, which expires October 2026, and £100.0m of senior loan notes, which mature between 2024 and 2029. Both of these arrangements are subject to three financial covenant tests. The Group was compliant with all three tests throughout the six month period ended 30 April 2023.

At 30 April 2023 the Group had net cash of £66.2m (HY22: £173.3m). Given this strong liquidity position the Directors consider the impact of breaching one of its covenants as being the first indication that the Group could be in distress and should be the basis of assessing its going concern basis.

The base case scenario for the going concern assessment is the Group's latest forecast, which reflects current market experience and is reviewed by the Directors periodically. The Directors have then considered a severe but plausible downside scenario that stress tests whether the Group would remain compliant with its covenants as a result of some principal risks starting to crystallise:

Severe but plausible downside case

The following assumptions were applied in combination to the base case without double counting:

- An immediate reduction in new reservations to a sales per outlet week of 0.37 (HY23 SPOW was 0.54)
- An immediate 12.0% fall in forecast average selling prices

In assessing the impact of this severe but plausible downside scenario, the Directors have also assessed the extent of available mitigating actions within the Group's control which would offset the deterioration in financial performance. These mitigating actions could be enacted in good time, and are consistent with those disclosed in the Group's 2022 Annual Integrated Report.

Conclusion on going concern

In reviewing the assessment outlined above the Directors are confident that the Group has the necessary resources and mitigations available to continue trading for at least 12 months from the date of approval of the condensed consolidated half year financial statements. Accordingly, the condensed consolidated half year financial statements continue to be prepared on a going concern basis.

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023NOTES TO THE
CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

Critical accounting estimates and judgements

The preparation of the condensed consolidated half year financial statements under IFRS requires the Directors to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and related disclosures. In applying the Group's accounting policies, the key judgements that have a significant impact on the financial statements, including those involving estimates, are as follows; the judgement to present certain items as exceptional (see note 5), certain revenue policies relating to part exchange sales, the identification of performance obligations where a revenue transaction involves the sale of both land and residential units with revenue on the units subsequently recognised over time and the recognition of the defined benefit pension scheme surplus.

The Group has made a judgement to not recognise revenue on the proceeds received on the disposal of properties taken in part exchange against a new property as they are incidental to the main revenue-generating activities of the Group. As part exchange sales are deemed incidental, the income and expenses associated with part exchange properties are recognised in other operating income and other operating expenses which are presented within net administrative expenses in the condensed consolidated income statement. Income is recognised when legal title is passed to the customer. Previously the income and associated costs arising on these sales was presented net within cost of sales. Previous periods have not been restated since the net result is immaterial to the Group and there is no change to the operating profit/(loss) realised in each period.

Estimates and associated assumptions affecting the financial statements are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period if the revision affects both current and future periods.

The Directors have made estimates and assumptions in reviewing the going concern assumption as detailed above. The Directors consider the key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities are the carrying value of inventories, estimation of development profitability, valuation of the pension scheme assets and liabilities and the valuation of the combustible materials provision. These are detailed within the Group's consolidated financial statements for the year ended 31 October 2022.

Accounting policies

The principal accounting policies adopted in the condensed consolidated half year financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 October 2022 except in respect of taxation which is based on the expected effective tax rate that would be applicable to expected annual earnings and part exchange income and associated costs as disclosed within critical accounting estimates and judgements.

Adoption of new and revised standards

There are no new standards, amendments to standards and interpretations that are applicable to the Group and are mandatory for the first time for the financial year beginning 1 November 2022 which have a material impact on the Group.

Alternative performance measures

The Group has adopted various Alternative Performance Measures (APM), as presented on pages 29 to 30. These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APM, and should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

2 SEGMENTAL REPORTING

The Executive Leadership Team (ELT), as disclosed in the Group's consolidated financial statements for the year ended 31 October 2022 on page 72 is accountable to the Board and has been identified as the chief operating decision-maker for the purposes of determining the Group's operating segments. The ELT approves investment decisions, allocates group resources and performs divisional performance reviews. The Group operating segments are considered to be its divisions, each of which has its own management board. All divisions are engaged in residential-led, mixed use developments in the United Kingdom and therefore, with consideration of relevant economic indicators such as the nature of the products sold and customer base, and, having regard to the aggregation criteria in IFRS 8, the Group identifies that it has one reportable operating segment.

3 SEASONALITY

In common with the rest of the UK housebuilding industry, activity occurs throughout the year, with peaks in sale completions in spring and autumn. This creates seasonality in the Group's trading results and working capital.

4 REVENUE

	Half year ended 30 April 2023 £m	Half year ended 30 April 2022 £m	Full year ended 31 October 2022 £m
Revenue type			
Open market housing including specification upgrades	235.7	328.3	803.7
Affordable housing	42.1	19.6	76.9
Total housing	277.8	347.9	880.6
Land and commercial sales	4.9	15.5	32.0
Freehold reversions	–	0.9	1.0
Total revenue	282.7	364.3	913.6
	Half year ended 30 April 2023 £m	Half year ended 30 April 2022 £m	Full year ended 31 October 2022 £m
Timing of revenue recognition			
Revenue recognised at a point in time	242.8	342.5	842.6
Revenue recognised over time	39.9	21.8	71.0
Total revenue	282.7	364.3	913.6

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

5 EXCEPTIONAL ITEMS

Exceptional items are those which, in the opinion of the Directors, are material by size and/or non-recurring in nature and therefore require separate disclosure within the condensed consolidated income statement in order to assist the users of the financial statements to better understand the performance of the Group, which is also how the Directors internally manage the business. Where appropriate, the Directors consider that items should be considered as categories or classes of items, such as any credits/costs impacting the condensed consolidated income statement which relate to combustible materials, notwithstanding where an item may be individually immaterial. Where appropriate, a material reversal of these amounts will be reflected through exceptional items.

Exceptional items for the half year ended 30 April 2023 relate to the same category of items recognised in previous financial periods.

	Half year ended 30 April 2023 £m	Half year ended 30 April 2022 £m	Full year ended 31 October 2022 £m
Cost of sales			
Combustible materials charge	1.4	105.0	102.5
Combustible materials credit	(10.0)	–	–
Net combustible materials (credit)/charge	(8.6)	105.0	102.5
Net finance expense			
Combustible materials imputed interest	2.2	–	1.0
Share of post-tax loss of joint ventures			
Combustible materials (credit)/charge of joint ventures	(1.1)	–	1.5
Total exceptional (credit)/charge	(7.5)	105.0	105.0
Tax charge/(credit) on exceptional (credit)/charge	2.0	(22.4)	(22.4)
Total exceptional (credit)/charge after tax charge/(credit)	(5.5)	82.6	82.6

Net combustible materials (credit)/charge

As a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group has now become legally responsible for the identification and remediation of those buildings it has developed with possible life-critical fire safety defects. The Group is currently working on circa 90 buildings in various stages of design, procurement and works. The combustible materials charge represents forecast changes in build costs and in the provision discount. The Group has recovered £10.0m from third parties in the period in respect of defective design and workmanship. See note 12 for additional information.

Net finance expense

The combustible materials imputed interest reflects the unwind of the imputed interest on the provision to reflect the time value of the liability.

Share of post-tax loss of joint ventures

The combustible materials (credit)/charge of joint ventures represents the Group's share of exceptional combustibles materials (credit)/charge in its joint venture Crest Nicholson Bioregional Quintain LLP. The joint venture recognised a provision in the prior period and the current period credit represents a recovery from third parties.

Taxation

An exceptional income tax charge of £2.0m (30 April 2022: credit of £22.4m, 31 October 2022: credit of £22.4m) has been recognised in relation to the above exceptional items using the actual tax rate applicable to these items.

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

6 NET ADMINISTRATIVE EXPENSES AND OPERATING PROFIT/(LOSS)

Operating profit of £30.7m (30 April 2022: operating loss of £50.5m, 31 October 2022: £38.4m) from continuing activities is stated after (crediting)/charging:

	Half year ended 30 April 2023 £m	Half year ended 30 April 2022 £m	Full year ended 31 October 2022 £m
Administrative expenses	28.2	20.7	51.1
Other operating income	(13.7)	(20.1)	(48.9)
Other operating expenses	13.8	19.5	47.4
Net administrative expenses	<u>28.3</u>		

Other operating income and other operating expenses shown above relate to the income and associated costs arising on the sale of part exchange properties. For the half year ended 30 April 2023, both the income and associated costs of these sales has been presented within net administrative expenses in the condensed consolidated income statement. Previously the income and associated costs arising on these sales was included within cost of sales. Previous periods have not been restated since the net result is immaterial to the Group and there is no change to the operating profit/(loss) realised in each period.

7 TAXATION

The rate of taxation on profit for the half year ended 30 April 2023 is 25.7% (30 April 2022: 19.6%, 31 October 2022: 19.5%) and reflects the best estimate of the weighted average annual effective tax rate which is expected to apply to the Group for the year ending 31 October 2023. The change in the Group's effective tax rate reflects the increase in the statutory tax rate and the full year effect of the Residential Property Developer Tax. This calculation uses rates substantively enacted by 30 April 2023 as required by IAS 34 'Interim Financial Reporting'.

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

8 EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per share is calculated by dividing profit/(loss) attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period. For diluted earnings per share, the weighted average number of shares is increased by the average number of potential ordinary shares held under option during the period. This reflects the number of ordinary shares which would be purchased using the difference in value between the market value of shares and the share option exercise price. The market value of shares has been calculated using the average ordinary share price during the period. Only share options which have met their cumulative performance criteria have been included in the dilution calculation. The earnings/(loss) and weighted average number of shares used in the calculations are set out below.

	Earnings / (loss)	Weighted average number of shares	Per share amount
	£m	millions	pence
Half year ended 30 April 2023 – Total			
Basic earnings per share	21.1	256.1	8.2
Effect of share options	–	1.6	
Diluted earnings per share	<u>21.1</u>	<u>257.7</u>	8.2
Half year ended 30 April 2023 – Pre-exceptional items			
Basic earnings per share	15.6	256.1	6.1
Effect of share options	–	1.6	
Adjusted diluted earnings per share	<u>15.6</u>	<u>257.7</u>	6.1
Half year ended 30 April 2022 – Total			
Basic loss per share	(42.2)	256.5	(16.5)
Effect of share options	–	–	
Diluted loss per share	<u>(42.2)</u>	<u>256.5</u>	(16.5)
Half year ended 30 April 2022 – Pre-exceptional items			
Basic earnings per share	40.4	256.5	15.7
Effect of share options	–	0.9	
Adjusted diluted earnings per share	<u>40.4</u>	<u>257.4</u>	15.7
Full year ended 31 October 2022 – Total			
Basic earnings per share	26.4	256.4	10.3
Dilutive effect of share options	–	1.3	
Diluted earning per share	<u>26.4</u>	<u>257.7</u>	10.2
Full year ended 31 October 2022 – Pre-exceptional items			
Basic earnings per share	109.0	256.4	42.5
Dilutive effect of share options	–	1.3	
Adjusted diluted earnings per share	<u>109.0</u>	<u>257.7</u>	42.3

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS (unaudited)

9 DIVIDENDS

	Half year ended 30 April 2023 £m	Half year ended 30 April 2022 £m	Full year ended 31 October 2022 £m
Dividends recognised as distributions to equity shareholders in the period:			
Final dividend for the year ended 31 October 2022 of 11.5 pence per share (2021: 9.5 pence per share)	29.5	24.4	24.4
Interim dividend for the year ended 31 October 2022: 5.5 pence per share (2021: 4.1 pence per share)	–	–	14.1
	<u>29.5</u>	<u>24.4</u>	<u>38.5</u>

The Board approved an interim dividend of 5.5 pence per share on 8 June 2023. The interim dividend will be paid on 13 October 2023 to ordinary shareholders on the Register of Members on 22 September 2023. In accordance with IAS 10 'Events After the Reporting Period' the proposed dividend has not been included as a liability in this condensed consolidated half year financial information.

10 INVENTORIES

	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 31 October 2022 £m
Work-in-progress	1,021.9	1,056.5	942.8
Completed buildings including show homes	68.4	58.6	30.1
Part exchange inventories	17.8	14.5	17.2
	<u>1,108.1</u>	<u>1,129.6</u>	<u>990.1</u>

Total inventories are stated after a net realisable value provision of £14.6m (30 April 2022: £12.2m, 31 October 2022: £12.6m).

£3.2m NRV was charged in the period, principally related to the Group's scheme at Brightwell's Yard, Farnham. This scheme has previously been highlighted as being unprofitable. It is a complex, urban regeneration and mixed-use development scheme. During the period costs to complete on the scheme increased requiring a further NRV charge.

Of the £14.6m remaining NRV provision at 30 April 2023 it is currently forecast that around a fifth will be used in the second half of the 2023 financial year.

Movements in the NRV provision

	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 31 October 2022 £m
At beginning of the period	12.6	20.7	20.7
Pre-exceptional NRV charged in the period	3.2	1.8	9.6
Pre-exceptional NRV used in the period	(0.9)	(3.2)	(7.2)
Exceptional NRV used in the period	(0.3)	(7.1)	(10.5)
Total movement in NRV in the period	<u>2.0</u>	<u>(8.5)</u>	<u>(8.1)</u>
At end of the period	<u>14.6</u>	<u>12.2</u>	<u>12.6</u>

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11 CASH AND CASH EQUIVALENTS, INTEREST-BEARING LOANS AND BORROWINGS

	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 31 October 2022 £m
Cash and cash equivalents	163.6	271.6	373.6
Non-current interest-bearing loans and borrowings			
Senior loan notes – maturing 2024 to 2029	(100.0)	(100.0)	(100.0)
Revolving credit facility and senior loan notes issue costs	2.6	1.7	2.9
	(97.4)	(98.3)	(97.1)

The first repayment of £15.0m of senior loan notes is due in August 2024.

At 30 April 2023, the Group had undrawn revolving credit facilities of £250.0m (30 April 2022: £250.0m, 31 October 2022: £250.0m).

12 PROVISIONS

	As at 30 April 2023 £m	As at 30 April 2023 £m	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 30 April 2022 £m	As at 30 April 2022 £m	As at 31 October 2022 £m	As at 31 October 2022 £m	As at 31 October 2022 £m
	Combustible materials	Other provisions and joint ventures	Total	Combustible materials	Other provisions	Total	Combustible materials	Other provisions and joint ventures	Total
At beginning of the period	140.8	2.2	143.0	42.6	0.5	43.1	42.6	0.5	43.1
Provided in the period	1.4	–	1.4	105.0	–	105.0	102.5	0.3	102.8
Imputed interest	2.2	–	2.2	–	–	–	1.0	–	1.0
Utilised in the period	(5.2)	–	(5.2)	(1.5)	(0.2)	(1.7)	(5.3)	–	(5.3)
Released in the period	–	–	–	–	–	–	–	(0.4)	(0.4)
Funding commitment recognised	–	–	–	–	–	–	–	1.2	1.2
Funding commitment released	–	(1.2)	(1.2)	–	–	–	–	–	–
Reclassification	–	–	–	–	–	–	–	0.6	0.6
At end of the period	139.2	1.0	140.2	146.1	0.3	146.4	140.8	2.2	143.0
Of which:									
Non-current	67.6	0.3	67.9	82.1	–	82.1	70.5	0.3	70.8
Current	71.6	0.7	72.3	64.0	0.3	64.3	70.3	1.9	72.2
	139.2	1.0	140.2	146.1	0.3	146.4	140.8	2.2	143.0

Combustible materials

As a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group has now become legally responsible for the identification and remediation of those buildings it has developed with possible life-critical fire safety defects. The signing of the contract did not materially alter the provision required. The Group is currently working on circa 90 buildings in various stages of design, procurement and works.

The combustible materials provision reflects the estimated costs to complete the remediation of life-critical fire safety issues on identified buildings. The Directors have used a combination of Buildings Safety Fund (BSF) costed

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information, other external information and internal assessments as a basis for the provision, which is a best estimate at this time.

The Group recorded a further net combustible materials charge of £1.4m in the period predominantly related to changes in forecast build cost inflation over the duration of remediation, net of the change in discounting. The provision is stated after a related discount of £5.5m, which unwinds to the condensed consolidated income statement as finance expense over the expected duration of the provision using the effective interest rate method.

The provision of £139.2m represents the Group's best estimate of future costs at 30 April 2023. The Group will continue to assess the magnitude and utilisation of this provision in future reporting periods. The Group recognises that required remediation works could be subject to further inflationary pressures and cash outflows. If forecast remediation costs on buildings currently provided for are 20.0% higher than provided, the pre-tax exceptional items charge in the condensed consolidated income statement would be £27.8m higher. If further buildings are identified this could also increase the required provision, but the potential quantity of this change cannot be readily determined without further claims or investigative work.

The Group spent £5.2m in the period across several buildings requiring further investigative costs, including balcony and cladding related works. The Group expects to have completed any required remediation within a five-year period, using £71.6m of the remaining provision within one year, and the balance within one to five years. The timing of the expenditure is based on the Directors best estimates of the timing of remediating buildings and repaying the BSF incurred costs. Actual timing may differ due to delays in agreeing scope of works, obtaining licences, tendering works contracts and the BSF payment schedule differing to our forecast.

The Group is continuing to review the recoverability of costs incurred from third parties where it has a contractual right of recourse. In the period £10.0m was recovered from third parties by the Group. The Group also recognised its share of recoveries from third parties in its joint venture Crest Nicholson Bioregional Quintain LLP of £1.1m. See note 5 for condensed consolidated income statement disclosure.

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13 FINANCIAL ASSETS AND LIABILITIES

	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 31 October 2022 £m
Financial assets			
Sterling cash deposits	163.6	271.6	373.6
Trade receivables	46.2	43.8	59.1
Amounts due from joint ventures	29.4	51.0	27.1
Other receivables	16.3	5.5	29.6
Total financial assets at amortised cost	255.5	371.9	489.4
Financial assets at fair value through profit and loss	4.1	4.8	4.6
Total financial assets	259.6	376.7	494.0

Financial assets at fair value through profit and loss are held at fair value and categorised as level three within the hierarchical classification of IFRS 13 'Fair Value Measurement'. The carrying value of cash and cash equivalents, trade and other receivables and amounts due from joint ventures is a reasonable approximation of fair value which would be measured under a level 3 hierarchy.

	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 31 October 2022 £m
Financial liabilities			
Senior loan notes	100.0	100.0	100.0
Land payables on contractual terms carrying interest	16.7	57.3	29.8
Land payables on contractual terms carrying no interest	131.5	122.6	168.9
Amounts due to joint ventures	1.3	0.2	0.1
Lease liabilities	4.8	3.7	3.9
Other trade payables	46.8	40.2	41.1
Other payables	3.5	5.7	5.5
Accruals	119.4	275.5	175.7
Total financial liabilities at amortised cost	424.0	605.2	525.0

The carrying amounts of the Group's financial liabilities is deemed a reasonable approximation to their fair value.

14 (NET DEBT)/NET CASH INCLUDING LAND CREDITORS

	As at 30 April 2023 £m	As at 30 April 2022 £m	As at 31 October 2022 £m
Cash and cash equivalents	163.6	271.6	373.6
Non-current interest-bearing loans and borrowings	(97.4)	(98.3)	(97.1)
Net cash	66.2	173.3	276.5
Land payables on contractual terms carrying interest	(16.7)	(57.3)	(29.8)
Land payables on contractual terms carrying no interest	(131.5)	(122.6)	(168.9)
(Net debt)/net cash including land creditors	(82.0)	(6.6)	77.8

15 SHARE CAPITAL

	Shares issued number	Nominal value pence	Share capital £m	Share premium account £m
As at 30 April 2023, 30 April 2022 and 31 October 2022	256,920,539	5	12.8	74.2

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UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
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16 RELATED PARTY TRANSACTIONS

Transactions between fellow subsidiaries, which are related parties, are eliminated on consolidation, as well as transactions between the Group and its subsidiaries during the current and prior period.

There were no transactions between the Group and key management personnel other than remuneration during the current and prior period.

The Group pays contributions to the Crest Nicholson Group Pension and Life Assurance Scheme to improve the Scheme's funding position as determined by regular actuarial valuations.

The Company's Directors and Non-Executive Directors have associations other than with the Company. From time to time the Group may trade with organisations with which a Director or Non-Executive Director has an association. Where this occurs, it is on normal commercial terms and without the direct involvement of the Director or Non-Executive Director.

The Group had the following transactions with its joint ventures in the period:

	Half year ended 30 April 2023 £m	Half year ended 30 April 2022 £m	Full year ended 31 October 2022 £m
Interest income on joint venture funding	0.6	1.4	2.1
Project management fees received	0.8	1.0	2.0
Amounts due from joint ventures, net of expected credit losses	29.4	51.0	27.1
Amounts due to joint ventures	1.3	0.2	0.1
Funding to joint ventures	(4.4)	(3.4)	(7.5)
Repayment of funding from joint ventures	3.4	7.5	18.8
Dividends received from joint ventures	–	–	2.4

17 CONTINGENCIES AND COMMITMENTS

There are performance bonds and other engagements, including those in respect of joint venture partners, undertaken in the ordinary course of business. It is impractical to quantify the financial effect of performance bonds and other arrangements. The Directors consider the possibility of a cash outflow in settlement of performance bonds and other arrangements to be remote and therefore this does not represent a contingent liability for the Group.

In the ordinary course of business, the Group enters into certain land purchase contracts with vendors on a conditional exchange basis. The conditions must be satisfied for the Group to recognise the land asset and corresponding liabilities within the condensed consolidated statement of financial position. No land payable in respect of conditional land acquisitions has been recognised.

The Group provides for all known material legal actions, where having taken appropriate legal advice as to the likelihood of success of the actions, it is considered probable that an outflow of economic resource will be required, and the amount can be reliably measured. No material contingent liability in respect of such claims has been recognised since there are no known claims of this nature.

As a consequence of signing the Developer Remediation Contract on 13 March 2023, the Group has now become legally responsible for the identification and remediation of those buildings it has developed with possible life-critical fire safety defects. Accordingly, whilst the Group believes that most significant liabilities will have been identified through the process of building owners assessing buildings and applying for BSF funding, contingent liabilities exist where additional buildings have not yet been identified which require remediation. Due to the enduring challenges of developing a reliable estimate of these possible costs, the Group continues to not disclose an expected range.

The Group is reviewing the recoverability of costs incurred from third parties where it has a contractual right of recourse. As reflected in these interim financial results the Group has a track record of successfully obtaining such recoveries, however no contingent assets have been recognised in these condensed consolidated financial statements for such items.

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

The Group uses a number of alternative performance measures (APM) which are not defined within IFRS. The Directors use the APMs, along with IFRS measures, to assess the operational performance of the Group. Definitions and reconciliations of the financial APMs used compared to IFRS measures, are included below:

Adjusted performance metrics

Adjusted performance metrics as shown below comprise statutory metrics adjusted for the exceptional items as presented in note 5 of the condensed consolidated financial statements. In the view of the Directors, the exceptional items have a material impact to reported performance and arise from recent, unforeseen events. As such, the Directors consider these adjusted performance metrics reflect a more accurate view of its core operations and business performance.

Half year ended 30 April 2023		Statutory	Exceptional items	Adjusted
Gross profit	£m	59.2	(8.6)	50.6
Gross profit margin	%	20.9	(3.0)	17.9
Operating profit	£m	30.7	(8.6)	22.1
Operating profit margin	%	10.9	(3.1)	7.8
Net finance expense	£m	(4.7)	2.2	(2.5)
Share of post-tax profit/(loss) of joint ventures using the equity method	£m	2.4	(1.1)	1.3
Profit before tax	£m	28.4	(7.5)	20.9
Income tax (expense)/credit	£m	(7.3)	2.0	(5.3)
Profit after tax	£m	21.1	(5.5)	15.6
Basic earnings per share	Pence	8.2	(2.1)	6.1
Diluted earnings per share	Pence	8.2	(2.1)	6.1

Half year ended 30 April 2022		Statutory	Exceptional items	Adjusted
Gross (loss)/profit	£m	(27.5)	105.0	77.5
Gross (loss)/profit margin	%	(7.5)	28.8	21.3
Operating (loss)/profit	£m	(50.5)	105.0	54.5
Operating (loss)/profit margin	%	(13.9)	28.8	15.0
(Loss)/profit before tax	£m	(52.5)	105.0	52.5
Income tax credit/(expense)	£m	10.3	(22.4)	(12.1)
(Loss)/profit after tax	£m	(42.2)	82.6	40.4
Basic (loss)/earnings per share	Pence	(16.5)	32.2	15.7
Diluted (loss)/earnings per share	Pence	(16.5)	32.2	15.7

Full year ended 31 October 2022		Statutory	Exceptional items	Adjusted
Gross profit	£m	91.8	102.5	194.3
Gross profit margin	%	10.0	11.3	21.3
Operating profit	£m	38.4	102.5	140.9
Operating profit margin	%	4.2	11.2	15.4
Net finance expense	£m	(8.1)	1.0	(7.1)
Share of post-tax profit/(loss) of joint ventures using the equity method	£m	2.5	1.5	4.0
Profit before tax	£m	32.8	105.0	137.8
Income tax expense	£m	(6.4)	(22.4)	(28.8)
Profit after tax	£m	26.4	82.6	109.0
Basic earnings per share	Pence	10.3	32.2	42.5
Diluted earnings per share	Pence	10.2	32.1	42.3

CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023
ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED) (continued)

Land creditors as a percentage of net assets

The Group uses land creditors as a percentage of net assets as a core management measure to ensure that the Group is maintaining a robust financial position when entering into future land commitments. Land creditors as a percentage of net assets is calculated as land creditors divided by net assets, as presented below. Land creditors as a percentage of net assets has reduced to 16.9% from 21.3% at 30 April 2022.

		As at 30 April 2023	As at 30 April 2022	As at 31 October 2022
Land creditors	£m	148.2	179.9	198.7
Net assets	£m	876.6	846.3	883.1
Land creditors as a percentage of net assets	%	16.9	21.3	22.5

Net cash

Net cash is cash and cash-equivalents plus non-current and current interest-bearing loans and borrowings. Net cash illustrates the Group's overall liquidity position and general financial resilience. Net cash has reduced to £66.2m from £173.3m at 30 April 2022.

		As at 30 April 2023	As at 30 April 2022	As at 31 October 2022
Cash and cash equivalents	£m	163.6	271.6	373.6
Non-current interest-bearing loans and borrowings	£m	(97.4)	(98.3)	(97.1)
Net cash	£m	66.2	173.3	276.5

Return on capital employed (ROCE)

Return on capital employed equals rolling 12 month adjusted operating profit before joint ventures divided by the average of opening and closing capital employed over the same 12 months (capital employed = equity shareholders' funds plus net borrowing or less net cash).

		Half year ended 30 April 2023	Half year ended 30 April 2022	Full year ended 31 October 2022
Adjusted operating profit – rolling 12 month	£m	108.5	129.1	140.9
Average of opening and closing capital employed over same 12 months	£m	741.7	705.9	627.7
ROCE	%	14.6	18.3	22.4

		Half year ended 30 April 2023	Half year ended 30 April 2022	Half year ended 30 April 2021	Full year ended 31 October 2022	Full year ended 31 October 2021
Adjusted operating profit						
For reporting period/year	£m	22.1	54.5	40.0	140.9	114.6
Second half of the prior year where applicable	£m	86.4	74.6		n/a	
Rolling 12 month	£m	<u>108.5</u>	<u>129.1</u>		<u>140.9</u>	
		As at 30 April 2023	As at 30 April 2022	As at 30 April 2021	As at 31 October 2022	As at 31 October 2021
Capital employed	£m	£m	£m	£m	£m	£m
Equity shareholders' funds	£m	876.6	846.3	869.1	883.1	901.6
Net (cash)/net debt (note 14)	£m	(66.2)	(173.3)	(130.4)	(276.5)	(252.8)
Closing capital employed	£m	<u>810.4</u>	<u>673.0</u>	<u>738.7</u>	<u>606.6</u>	<u>648.8</u>
Average closing capital employed	£m	<u>741.7</u>	<u>705.9</u>		<u>627.7</u>	

CREST NICHOLSON HOLDINGS PLC

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023

Independent review report to Crest Nicholson Holdings plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Crest Nicholson Holdings plc's condensed consolidated interim financial statements (the "interim financial statements") in the unaudited interim results of Crest Nicholson Holdings plc for the 6 month period ended 30 April 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 April 2023;
- the Condensed Consolidated Income Statement and the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the unaudited interim results of Crest Nicholson Holdings plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the unaudited interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The unaudited interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the unaudited interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the unaudited interim results, including the interim financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

**CREST NICHOLSON HOLDINGS PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2023**

**Independent review report to Crest Nicholson Holdings plc
Report on the condensed consolidated interim financial statements (continued)**

Our responsibility is to express a conclusion on the interim financial statements in the unaudited interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
8 June 2023