



**NewRiver REIT plc**  
("NewRiver" or the "Company")

## Third Quarter Company Update

### Resilient operational metrics, expanding capital partnerships and strong balance sheet

**Allan Lockhart, Chief Executive, commented:** "During the third quarter we once again delivered consistently resilient operating metrics across leasing, rent collection and occupancy. Our portfolio, focused on providing value for money on essential goods and services to customers, is a key strength of our business as evidenced by the strong Christmas trading performance of many of the leading retailers in our portfolio such as B&M, Sainsbury's, M&S, JD Sports and Poundland. Overall, Christmas trading for retailers was at the upper end of market expectations, especially for those operating multi-channel and store-based models, reflecting the importance of a physical store network to successful retailers and that the UK consumer is perhaps more resilient than expected.

We were pleased that the quality of our asset management platform was recognised during the quarter with the appointment by M&G Real Estate to manage a portfolio of 16 retail parks and one shopping centre. Furthermore, Fitch reaffirmed our Investment Grade Credit Rating recognising NewRiver's strong balance sheet and differentiated position in the UK retail real estate market, focused on providing essential goods and services to consumers on rental terms affordable to retailers.

Our focus on resilient retail, alongside our best-in-class operating platform and the strength and flexibility of our balance sheet, means we continue to feel well positioned despite the challenging economic backdrop."

### Consistently strong portfolio metrics underpin sustainability of operational cashflows

- High level of retail occupancy increased further to 96.5% from 96.3% in September 2022 and 95.6% in March 2022
- 673,300 sq ft of new lettings and renewals agreed in FY23 to date with long-term transactions on average 2.7% ahead of ERV and 2.3% ahead of previous rent; 180,100 sq ft of new lettings and renewals completed during Q3 with long-term transactions on average 0.9% ahead of ERV and in-line with previous rent
- Average rent remains affordable at £11.58 per sq ft, with overall occupational cost affordability to improve from April 2023 when retailers will benefit from a 19% saving in business rates across our portfolio
- Rent collection for Q1-Q3 FY23 of 97%; Q4 FY23 trending in-line with prior FY23 quarters, currently at 88%
- Maintained our CDP score at "B" and maintained Gold Level compliance with EPRA Sustainability Best Practice Recommendations

### Recurring earnings enhanced through new capital light partnership

- In November 2022, NewRiver was appointed by M&G Real Estate to manage a retail portfolio including 16 retail parks and one shopping centre in the UK
- The appointment is for a term of three years and includes leasing and property management responsibilities in return for a fee calculated with reference to the rental income of the portfolio
- NewRiver is not required to commit any capital under this agreement, and the appointment is aligned with our strategic aim to use our specialist retail platform to enhance earnings in a capital light way by working in partnership with institutions and other capital providers
- This additional portfolio comprising predominately retail parks has an occupier profile aligned with NewRiver's portfolio and increases its retail parks under management to 31
- Appointment follows the expansion and extension of the Canterbury City Council asset management agreement for Whitefriars Shopping Centre and The Riverside, and the addition of The Moor, Sheffield, to the Joint Venture with BRAVO during the last financial year

### Balance sheet strength maintained and Investment Grade Credit Rating reaffirmed by Fitch Ratings

- Fully unsecured balance sheet with interest rate fixed at 3.5% on drawn debt and no maturity on drawn debt until March 2028
- Cost of debt compares to portfolio Net Initial Yield of 7.9% as at 30 September 2022, one of the highest spreads in the real estate sector
- Strength of balance sheet position recognised in December 2022 when Fitch Ratings reaffirmed our Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook, senior unsecured rating (relating to £300 million unsecured 2028 bond) at 'BBB+' and Short-Term IDR at 'F2'

## For further information

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## About NewRiver

NewRiver REIT plc ('NewRiver') is a leading Real Estate Investment Trust specialising in buying, managing and developing resilient retail assets throughout the UK.

Our £0.6 billion UK wide portfolio covers 8 million sq ft and comprises 28 community shopping centres and 15 conveniently located retail parks occupied by tenants predominately focused on essential goods and services. Our objective is to own and manage the most resilient retail portfolio in the UK, focused on retail parks, core shopping centres, and regeneration opportunities in order to deliver long term attractive recurring income returns and capital growth for our shareholders.

NewRiver has a Premium Listing on the Main Market of the London Stock Exchange (ticker: NRR). Visit [www.nrr.co.uk](http://www.nrr.co.uk) for further information.

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## Forward-looking statements

The information in this announcement may include forward-looking statements, which are based on current projections about future events. These forward-looking statements reflect the directors' beliefs and expectations and are subject to risks, uncertainties and assumptions about NewRiver REIT plc (the 'Company'), including, amongst other things, the development of its business, trends in its operating industry, returns on investment and future capital expenditure and acquisitions, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements.

None of the future projections, expectations, estimates or prospects in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. As a result, you are cautioned not to place reliance on such forward-looking statements as a prediction of actual results or otherwise. The information and opinions contained in this announcement are provided as at the date of this document and are subject to change without notice. No one undertakes to update publicly or revise any such forward looking statements. No statement in this document is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.