

NewRiver REIT plc
("NewRiver" or the "Company")
Trading Update – Resilient Performance and Strategic Progress

NewRiver is today providing a trading update for the year ended 31 March 2023 ahead of the announcement of its Full Year Results in June 2023.

- Resilient operational metrics with increased occupancy and strong leasing performance
- Asset management mandate with M&G Real Estate expanded, taking the total number of assets managed under this arrangement to 16 retail parks and two shopping centres
- Work Out portfolio exit on track with two disposals completed in Q4 equating to 23% of September 2022 Work Out portfolio by valuation
- Portfolio valuation decline of c.4.7% in H2 representing a significant outperformance versus the MSCI Monthly Index¹; continued resilience from Core Shopping Centres and Retail Parks, Regeneration assets impacted by increases in development cost assumptions
- Balance sheet strength maintained with LTV expected to remain in-line with September 2022 at c.34%, no maturity on drawn debt until 2028, no exposure to interest rate rises on drawn debt, and increased cash & cash equivalents of c.£111 million
- FY23 Underlying Funds From Operations ('UFFO') per share and EPRA Net Tangible Assets ('NTA') per share expected to be in-line with analyst consensus²

Resilient operational performance

- High, stable retail occupancy at 31 March 2023 of 96.7% (30 September 2022: 96.3%)
- Average rent remains affordable at 31 March 2023 at £11.98 per sq ft (30 September 2022 £11.58 per sq ft), with the occupational affordability for our tenants set to further improve from 1 April 2023 when reduced business rates become effective
- Rent collection for Q1-Q4 FY23 currently stands at 98% of rent demanded
- 979,200 sq ft of new lettings and renewals agreed in FY23 with long-term transactions on average 1.1% ahead of ERV, 9.7% ahead of previous rent and with a Weighted Average Lease Expiry of 8.2 years

Expanded capital partnerships

- As previously disclosed, and 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, in November 2022 NewRiver was appointed by M&G Real Estate to manage a UK portfolio of 16 retail parks and one shopping centre
- Following a successful first quarter of the mandate, and further demonstrating the growth potential embedded within our specialist retail platform, in April 2023 NewRiver was appointed by M&G Real Estate to manage an additional shopping centre located in the South East of England, taking the total number of assets managed under this arrangement to 16 retail parks and two shopping centres

Disposal target delivered

- Completed £23 million of disposals since 30 September 2022, the majority of which relates to the sale of two assets from the Work Out portfolio during Q4, meaning we have achieved our FY23 Work Out disposal target
- Work Out portfolio now represents only 11% of the NewRiver portfolio which we have targeted selling or completing turnaround strategies on by the end of FY24

Portfolio valuation outperformance

- The independent valuers have concluded their work on NewRiver's property portfolio as at 31 March 2023, valuing the portfolio at £594 million, with the reduction in H2 due to a c.4.7% reduction in capital values and £23 million of completed disposals
- Core Shopping Centres, representing 37% of the total portfolio, were broadly stable in H2 and Retail Parks, representing 28% of the total portfolio, recorded a modest c.3.5% decline due to market driven yield movement, partially offset by positive ERV growth
- The majority of the reduction in capital values was focused on the Regeneration portfolio, which has been impacted by higher estimated development costs as a result of the inflationary environment

Strong balance sheet position

- Cash & cash equivalents increased to c.£111 million at 31 March 2023 (30 September 2022: £95 million) through completed disposals and continued operational strength
- LTV at 31 March 2023 is expected to be in-line with the 34% reported as at 30 September 2022
- 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 Topped-up Net Initial Yield of 8.0% as at 31 March 2023, one of the highest spreads in the real estate sector

1. Latest available MSCI Monthly Index data covering 5 months ended 28 February 2023. Capital reduction for All Property - 16.8%, All Retail -13.1%, Shopping Centres -8.7%, Retail Parks -13.2%.
2. Current analyst consensus for 31 March 2023 UFFO is £25.0 million / 8.1 pence per share, comprising six analyst forecasts ranging from £22.5 million to £28.0 million / 7.3 pence per share to 9.1 pence per share. Current analyst consensus for 31 March 2023 EPRA NTA per share is 123 pence per share, comprising six analyst forecasts ranging from 113 pence per share to 131 pence per share.

For further information

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of the law of England and Wales by virtue of the European Union (Withdrawal) Act 2018. This announcement has been authorised for release by the Board of Directors.

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 7 million sq ft and comprises 26 community shopping centres and 14 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 for further information.

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