

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018) and has been announced in accordance with the Company's obligations under Article 17 of that Regulation. This announcement has been authorised for release by the Board.

**NewRiver REIT plc**  
 (“NewRiver” or the “Company”)  
**Capital Markets Event**

NewRiver will today host a virtual Capital Markets Event, during which the Company will provide more details regarding its resilient retail strategy and what this means for investors.

NewRiver has clear objectives, namely to:

- Own and manage the most resilient retail portfolio focused on Retail Parks, Core Shopping Centres and Regeneration
- Maintain a strong and flexible balance sheet
- Deliver stable income and capital growth
- Target 10% total accounting return

We have developed a proprietary scorecard based on four key outputs: Resilience, Stability, Repositioning and At Risk.

We have assessed our current portfolio and will actively exit our at risk “Work Out” assets by the end of FY23.

We aim for resilient Retail Parks and Core Shopping Centres to represent approximately 90% of our portfolio in the medium term.

**Allan Lockhart, Chief Executive, commented:** *“Today we are outlining where the business is positioned today and how we are transitioning it for the future.*

*Our Board is acutely aware that our shares are trading at material discount to NAV.*

*We expect that with valuations stabilising, an improving market backdrop, a significantly strengthened balance sheet, a reinstated dividend and our clear strategy to deliver attractive returns, the discount should narrow.*

*Our approach to capital allocation is clear. We remain committed to an LTV below 40% and surplus capital can be reinvested in accretive asset management, regeneration, acquiring resilient retail assets or buying back our own shares – maximising returns for shareholders.*

*It is the first time for a while that we can look forward with such confidence.”*

To accompany the Capital Markets Event NewRiver is providing the below trading update.

**Operational progress**

Rent collection figures have further improved since our Q1 update in July. Occupiers continue to make payments due under COVID deferral agreements, increasing our rent collection rate in respect of FY21, and our most recent quarter rent collection rate now exceeds 90%. This represents a material improvement compared with the same point last year.

**Rent cash collection rate by quarter**

	Q1	Q2
As at 24 September 2021	86%	91%
As at 24 September 2020	67%	67%

Recent leasing transactions continue to be completed at pricing ahead of March 2021 valuation ERVs and occupancy remains high at 97%. We have now received £2 million under our business interruption insurance policy, relating to the impact of COVID restrictions on Hawthorn’s trading, and we expect to receive up to another £2 million later this year.

In addition, we have made further progress with our disposal of non-core retail assets following the successful disposal of Hawthorn which completed in August 2021. In FY22 to date, NewRiver has either completed, exchanged or is under offer on £93 million of disposals, increased from £73 million at our Q1 update in July. These disposals will provide the capital which we can redeploy in line with our capital allocation policy. We anticipate that our disposal programme over the next five years will amount to over £290 million.

### **Indicative valuations**

The retail investment market continues to improve as we emerge from the pandemic period; transaction volumes of both shopping centres and retail parks are increasing. Furthermore, retail parks are experiencing yield compression and shopping centre yields are showing signs of stabilisation. Indicative external valuations suggest that our own portfolio is close to stabilisation and we expect a valuation decline of approximately -3% in respect of the first half of FY22. This will be a material improvement compared with the retail valuation movement in FY21H1 (-9.4%) and FY21H2 (-6.1%). We expect our Core and Regeneration shopping centre valuations to show only marginal declines, retail parks to maintain their capital growth trajectory and Work Out shopping centres to show continued decline. Our repositioning or disposal of these Work Out assets is well underway and we plan to have exited this segment by the end of FY23.

### **Debt reduction and liquidity**

Following the successful completion of the Hawthorn disposal in August, realising net aggregate proceeds of £216.1 million, we repaid £100 million of revolving credit facilities, with £70 million having already been repaid during the first quarter. As a result, our £215 million revolving credit facility is currently undrawn. In addition we have repaid our £165 million term loan, taking total debt repayment in the first half of the financial year to £335 million. The balance sheet remains fully unsecured and the reduction in drawn debt improves balance sheet efficiency, significantly reducing our annual finance costs by £7 million, and also means that the only drawn debt instrument is our £300 million bond which does not mature until 2028.

### **Capital Markets Event 2021**

NewRiver will be hosting a virtual Capital Markets presentation at 10:00 BST today, focusing on its revised retail strategy and what this means for investors. Our objectives include delivering stable income and capital growth which, supported by a best in class operating platform and unsecured balance sheet, will deliver an income-backed 10% total accounting return.

No new material disclosures will be made during the event. A live webcast will be available via the following link:

<https://secure.emincote.com/client/newriver/capitalmarketsday2021>

There will be an opportunity to submit written questions during the presentation and a video replay will be available at [www.nrr.co.uk](http://www.nrr.co.uk) after the event.

### **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 essential retail and leisure assets throughout the UK.

Our £0.7 billion portfolio covers 8 million sq ft and comprises 31 community shopping centres and 18 conveniently located retail parks. We hand-picked our assets to deliberately focus on occupiers providing essential goods and services, and avoid structurally challenged sub-sectors such as department stores, mid-market fashion and casual dining. This focus, combined with our affordable rents and desirable locations, delivers sustainable and growing returns for our shareholders,

while our active approach to asset management and inbuilt 2.5 million sq ft development pipeline provide further opportunities to extract value from our portfolio.

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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