

**NewRiver REIT plc**  
 (“NewRiver” or the “Company”)  
**Trading Update**

NewRiver is today hosting a virtual Capital Markets Event focused on its community pub business, Hawthorn Leisure, and is providing the following trading update.

The Company has continued to make strong progress in three key areas: rent collection, cash and liquidity, and disposals.

**Retail rent collection**

Our rent collection for the first and second quarters continues to improve, and in recent weeks we have signed key agreements with a number of retailers which until now represented a significant proportion of rent outstanding.

Rents in respect of the third quarter were due on 29 September, and rent that has either been collected or had alternative payments agreed for this period is already 72% ahead of where it was at the same stage in the second quarter, at 66%. This reflects an overall recovery in retail sales and the significant progress that has been made in reaching payment agreements with the Company’s occupiers.

The table below shows the current status of rent collection for the first two quarters of FY21, providing comparatives to the figures provided in previous releases.

As at	Q1 FY21			Q2 FY21	
	8 Oct 2020	14 Aug 2020	18 June 2020	8 Oct 2020	14 Aug 2020
Collected	69%	64%	52%	71%	60%
Deferred	9%	10%	17%	6%	5%
Re-gear	7%	10%	6%	7%	15%
<b>Total collected or alternative payments agreed</b>	<b>85%</b>	84%	75%	<b>84%</b>	80%
Waived	4%	1%	4%	1%	1%
Rent outstanding	11%	15%	21%	15%	19%
<b>Total (%)</b>	<b>100%</b>	100%	100%	<b>100%</b>	100%

**Disposal progress**

As we enter the second half of FY21, the Company is ahead of its strategy to dispose of £80 million to £100 million of assets this financial year, with £65.7 million of disposals either completed, exchanged or currently under offer. In aggregate these disposals represent a modest 3% discount to March 2020 valuations.

Completed disposals total £50.9 million, including the disposal announced last week of 90% of our interest in Sprucefield Retail Park, Lisburn, to our joint venture partner BRAVO Strategies III LLC (“BRAVO”).

Notwithstanding that the retail real estate capital markets were significantly impacted by COVID-19, particularly in the first quarter, the progress we have made with disposals to date reflects the liquidity and locational qualities of the Company’s portfolio. Active discussions relating to a number of further disposals are progressing, which we expect to complete in the second half of FY21.

**Cash and liquidity**

We begin the second half with £140 million of cash reserves, which is 71% higher than the position as at 31 March 2020, driven by the progress with disposals and rent collection. Both the retail and pub businesses have remained cash positive throughout lockdown and beyond. Including our £45 million of undrawn revolving credit facilities and our eligibility for £50 million of financing under the Covid Corporate Finance Facility (‘CCFF’), which the Company currently has no need or intention to draw, the Company has total available liquidity of £235 million.

**Retail portfolio**

Across our retail portfolio, 94% of occupiers by gross income are now open and trading.

We have continued to progress leasing activity in recent months. This includes the signing of two new leases with B&M at our retail parks in Beverley and Blackburn, and new leases with Burger King and Costa on two drive thru units that we developed at Waterfront Retail Park, Barry. Last month, we completed a portfolio deal with the value card and gift retailer Cardzone, which saw it take an additional six stores across our portfolio, more than doubling our rental income from this growing retailer.

Footfall has remained relatively robust across our community shopping centre portfolio. In the week prior to this announcement, commencing 28 September 2020, footfall was 131% higher than the week commencing 8 June 2020, the last week before non-essential stores were allowed to reopen, and 31% below the same week in 2019. This year-on-year performance is a 10% outperformance of the UK benchmark.

We continue to have limited exposure to the structurally challenged retail sub-sectors that have been particularly impacted by COVID-19 and recent restrictions, with no department stores in our portfolio, and minimal exposure to mid-market fashion and casual dining operators.

## **Residential development**

We have continued to progress residential conversion opportunities across our retail and community pub portfolio. In September 2020, Mid Sussex District Council approved our revised plans for the regeneration of Burgess Hill town centre, increasing the residential provision of the scheme from 142 to 172 units, and reducing the space designated for retail. We are also now under offer to sell to a housing association the 10 residential units at our combined c-store and residential development at the former site of the Sea View Inn in Poole, which reached practical completion at the end of July 2020.

## **Hawthorn Leisure**

Almost all of our community pubs in England, Scotland and Wales are now open and trading.

Our pub portfolio has outperformed the wider market since the easing of lockdown restrictions. For the 12 week period since 5 July 2020, the day pubs were allowed to open in England, like-for-like volumes in our Leased & Tenanted pubs were down only 8% compared to the same period in 2019, and like-for-like sales in our Operator Managed pubs were down 16% compared to the same period in 2019. Our trading performance compares favourably to the wider market over the same period, with data from the Coffey Peach Business Tracker reporting that pub like-for-like sales are down 18% compared to the same period last year.

Hawthorn returned to profitability within eight weeks of reopening. For the month of September 2020, Hawthorn Group EBITDA was £1.9 million, which is 90% of the Hawthorn Group EBITDA in September 2019.

The liquidity and alternative use value of pubs is evidenced by the fact that, since 1 April 2020, we have sold 19 pubs, generating £5.1 million in proceeds, and two convenience stores, generating £2.1 million.

## **Capital Markets Event 2020**

NewRiver will be hosting a virtual Capital Markets Event at 2pm until 5pm today, focused on its community pub business, Hawthorn Leisure. Details on how to register for the event and view the webcast live can be found at the following link:

[https://kvgo.com/IJLO/NewRiver\\_Capital\\_Markets\\_Event\\_2020](https://kvgo.com/IJLO/NewRiver_Capital_Markets_Event_2020)

There will be an opportunity for investors to submit written questions during the presentation. Materials from the event can be found on our website shortly after its conclusion.

## **For further information**

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This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 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 of Directors.

### **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 £1.2 billion portfolio covers 9 million sq ft and comprises 33 community shopping centres, 25 conveniently located retail parks and over 700 community pubs. 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.

LEI Number: 2138004GX1VAUMH66L31