



News Release

NewRiver completes the successful integration of Hawthorn Leisure

5 February 2019

NewRiver is pleased to announce that it has completed the integration of the Hawthorn Leisure pub and leisure business as scheduled, eight months after its acquisition on 24 May 2018. The integration includes the combining of all IT, Finance and HR systems, and means that all of NewRiver's 671 community pubs (22% of its portfolio by value) are now managed by the Hawthorn Leisure platform.

The integration will have an immediate positive impact on NewRiver's FY19 Funds From Operations, as a result of the unlocking of £2 million of the £3 million of annualised cost synergies identified by NewRiver at the time of acquisition. The unlocking of the remaining £1 million of synergies is expected to follow in FY20. Hawthorn Leisure traded well in the most recent reporting quarter, with like-for-like EBITDA per pub up 0.8% in Q3, and up 4.3% in the two weeks to 31 December 2018, and its pub operating expertise is already bringing benefits across the wider NewRiver portfolio, as demonstrated by the recent opening of The Keg & Kitchen at The Ridings shopping centre in Wakefield.

Mark Davies, Chief Financial Officer of NewRiver, continues to chair Hawthorn Leisure, with Gerry Carroll as Chief Executive. To ensure continuity for pubs transferring to the Hawthorn Leisure platform, several employees of NewRiver's former external pub management company, LT Management Services, will also be joining the Hawthorn Leisure team.

Mark Davies, Chief Financial Officer, NewRiver, said: "I am delighted that we have reached this significant milestone in our community pubs business. The integration of Hawthorn Leisure and transfer of all of our community pubs to its management platform will bring immediate benefits in terms of synergies, greater operational insight, and the sharing of expertise and best-practice throughout our entire portfolio."

Gerry Carroll, Chief Executive, Hawthorn Leisure, said: "I am very pleased to have completed this important integration, and would like to extend a warm welcome to all our new Pub Partners joining us as a result. With a strong set of shared values, and a highly passionate, experienced and hardworking team, I am confident that Hawthorn Leisure will continue to grow as a fully-integrated part of NewRiver."

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About NewRiver:

NewRiver REIT plc ('NewRiver') is a leading Real Estate Investment Trust specialising in buying, managing, developing and recycling convenience-led, community-focused retail and leisure assets throughout the UK.

Our £1.4 billion portfolio covers over 9 million sq ft and comprises 34 community shopping centres, 20 conveniently located retail parks and over 650 community pubs. Having hand-picked our assets since NewRiver was founded in 2009, we have deliberately focused on the fastest growing and most sustainable sub-sectors of the UK retail market, with grocery, convenience stores, value clothing, health

& beauty and discounters forming the core of our retail portfolio. 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 in-built 1.8 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) and is a constituent of the FTSE 250 and EPRA indices. Visit www.nrr.co.uk for further information.

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About NewRiver's community pubs:

NewRiver first invested in community pubs in 2013, with the acquisition of 202 community pubs from Marston's PLC. In April 2014 NewRiver signed a deal with The Co-operative Group ('the Co-op') to build convenience stores ('c-stores') on surplus pub land, handing over the first completed c-store to the Co-op in January 2016. In 2015, NewRiver acquired a second portfolio of 158 pubs from Punch Taverns plc.

In May 2018, NewRiver acquired Hawthorn Leisure, including its portfolio of 298 high quality community pubs and an established brand and pub management platform, and targeted scale-based synergies of at least £3 million per annum. The Hawthorn Leisure platform has enabled the further growth of NewRiver's pub portfolio, most recently through the acquisition of 76 community pubs from Star Pubs & Bars in December 2018.