

**NewRiver REIT plc First Quarter Company Update**

25 July 2019

**Good progress on our strategies to deliver Underlying FFO growth**

**Allan Lockhart, Chief Executive commented:** "We have made a good start to the year despite continued retail sector headwinds, delivering robust operational metrics, with occupancy and average rents remaining stable, footfall outperforming the benchmark, and long-term leasing deals ahead of previous passing rent and estimated rental values.

We have progressed our strategies to deliver Underlying Funds From Operations growth and to re-establish a fully covered dividend with a net neutral investment approach, recycling £27.5 million of lower-yielding assets and acquiring £30.3 million of high-yielding retail parks, with robust cashflows, in a new joint venture with BRAVO. We signed our third mandate within a year to our third-party asset-management platform, for the Nicholsons Shopping Centre in Maidenhead, which is a significant endorsement of our in-house capabilities and demonstrates the attractiveness of our scale, governance and asset management expertise to a wide range of third-party asset owners. Our pub portfolio has also continued to deliver high occupancy and robust cash returns, as it benefited from its first full quarter of the scale-based synergies secured through the integration of Hawthorn Leisure, completed in January 2019.

Looking ahead, we remain confident that our diversified portfolio, underpinned by affordable and therefore sustainable rents, and a focus on convenience, value and services, alongside our identified growth strategies, will position us well to weather the current challenges and pursue value-creating opportunities."

**Good progress with strategies to deliver Underlying FFO growth and re-establish dividend cover**

- Disposed of £27.5 million of assets at a blended net initial yield ('NIY') of 6.7% and 1.6% below book value, comprising an Asda foodstore and petrol filling station at St Elli Shopping Centre, Llanelli for £17.9 million, one shopping centre, six c-stores and three pubs; exchanged or under offer on a further £10.7 million of assets; altogether representing a blended NIY of 6.0%; on track to recycle 5% of our portfolio in FY20
- Deployed proceeds into acquisition in BRAVO JV of four retail parks: Kittybrewster Retail Park in Aberdeen, units at Kingsway East Retail Park in Dundee, Telford Retail Park in Inverness, and Wakes Retail Park on the Isle of Wight, for £60.5 million (NRR share: £30.3 million), reflecting a NIY of 9.8%
- Asset Management Agreement signed with developer Areli Real Estate for the management of Nicholsons Shopping Centre, Maidenhead; third mandate for our third-party asset management platform within a year of its launch; discussions ongoing with a number of Local Authority owners of retail assets to expand platform further

**Affordable rents and focus on convenience, value and services delivers robust operational metrics**

- Retail occupancy remained high at 95.4% (March 2019: 95.2%)
- 172,200 sq ft of leasing activity in the quarter; includes lease renewals on 29 Amazon Lockers across our community shopping centre portfolio, securing £52,000 of rent and underscoring the importance of our centres as click & collect destinations; long-term retail deals completed on terms 1.4% ahead of previous rent and 3.2% ahead of estimated rental values
- Average retail rent remained affordable at £12.58 per sq ft (March 2019: £12.52 per sq ft)
- Well-positioned portfolio proved resilient to CVAs and administrations during the quarter: 0.5% of gross income impacted by CVAs and administrations during the quarter; includes Arcadia Group exposure of 0.3% of gross income, with no reduction to rental income as a result of its CVAs
- Like-for-like footfall across our shopping centres declined -2.5%, outperforming the UK benchmark by 70 bps

**Community pub portfolio continues to deliver robust cash flows and opportunities to extract further value**

- Community pub portfolio delivered like-for-like EBITDA per pub of +5.5% in first quarter, driven by the scale-based synergies secured in FY19
- Occupancy remained high at 97.6% (March 2019: 97.9%) across our 661 community pubs
- Extracting further value through risk-controlled development: on site with the redevelopment of the Sea View Inn in Poole, Dorset to deliver a scheme comprising 10 apartments and a Co-op convenience store ('c-store')

**Performance underpinned by a fully unsecured balance sheet and disciplined capital allocation**

- Ordinary dividend for Q1 FY20 held at 5.4 pence (Q1 FY19: 5.4 pence)
- Pro forma LTV remained stable at 37% based on March 2019 valuations, within our stated guidance of less than 40%, and reflecting our net neutral investment approach

## 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, developing and recycling convenience-led, community-focused retail and leisure assets throughout the UK.

Our £1.3 billion portfolio covers over 9 million sq ft and comprises 33 community shopping centres, 23 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 inbuilt 1.9 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](http://www.nrr.co.uk) for further information.

## 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.