NEW RIVER

NewRiver REIT plc
(“NewRiver” or the “Company”)

Third Quarter Company Update

NewRiver is today providing an update in respect of its third quarter, ended 31 December 2020. The Company continues to make strong progress on rent collection, cash and liquidity, and disposals during the quarter, despite the latest lockdown restrictions.

Retail rent collection

Our rent collection for the first three quarters of the financial year continues to improve following key agreements made with retailers. Retail rent collection in respect of the fourth quarter, due on 25 December 2020, is currently tracking ahead of the levels seen at the same point in Q3. As in previous quarters, we expect the Q4 figure will continue to improve in the coming weeks.

Rent collection by quarter, at 15 January 2021

	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21
Collected	70%	82%	83%	78%
Deferred	5%	6%	5%	6%
Re-gear	5%	3%	6%	6%
Total collected or alternative payments agreed	**80%**	**91%**	**94%**	**90%**
Waived	4%	1%	3%	6%
Rent outstanding	16%	8%	3%	4%
Total	**100%**	**100%**	**100%**	**100%**

Disposal progress

We are on course to meet our target to dispose of £80 million to £100 million of assets this financial year, despite the latest lockdown restrictions, with £157.4 million of disposals either completed, exchanged or currently under offer, across all asset types. In aggregate these disposals represent a 6% discount to March 2020 valuations. This figure comprises £53.3 million of completed disposals, £8.9 million of exchanged, and £95.2 million under offer.

Cash and liquidity

At 31 December 2020, we had £138 million of cash reserves, which is 68% higher than the position as at 31 March 2020, driven by the progress with disposals and rent collection. 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 we currently have no need or intention to draw, the Company has total available liquidity of £233 million.

Retail leasing activity

In the third quarter, we continued the strong leasing momentum seen in the first half, completing 291,900 sq ft of new lettings and renewals across our retail portfolio, representing £1.2 million of annualised rent. This compares favourably to the 152,000 sq ft of new lettings and renewals signed in the same quarter last year.

Long-term deals were signed at a 6.3% premium to ERV and a -5.2% discount to previous passing rent, and included renewals signed with Argos, Marks & Spencer and GO Outdoors. Also during the quarter, Next opened one of its first collection & returns pods in the car park of Cuckoo Bridge Retail Park, Dumfries, underlining the increasing importance of retail parks to retailers’ click & collect strategies.

Retail portfolio operational performance

Reflecting our focus on essential retail, 52% of our occupiers by gross income are currently open and trading, despite the current lockdown restrictions across the UK. Eight of our top ten tenants have remained open throughout the latest lockdown.

Our retail portfolio remained well-diversified, with our top tenant, B&M, representing 2.5% of our gross income. Our average rent remained broadly stable at £11.70 per sq ft (September 2020: £11.85) and our occupancy remained high at 96.0% (September 2020: 96.2%).

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.

Hawthorn

All of our community pubs in the UK are temporarily closed due to lockdown restrictions.

Once again, our focus has been on protecting Hawthorn's financial position and supporting our pub partners throughout the closure period so we can bounce back quickly on reopening, as we demonstrated in July 2020. Our team has been engaging closely with pub partners to ensure they can access Government support schemes, particularly local support grants and the Job Retention Scheme. The goodwill generated from our engagement has been reflected in an 87% retention rate for pub partners who were tenants of Hawthorn at 31 March 2020.

Over the past nine months, our pub partners have demonstrated their resilience in challenging circumstances, and we are confident that the vast majority of our pubs will emerge from the current restrictions in a strong position. The completion of £2.7 million of non-core pub disposals since 30 September 2020 further demonstrates liquidity and confidence in the long-term prospects of community pubs as an asset class.

We have also continued to improve the quality of the portfolio with selected capex projects resumed and 86% of the portfolio invested in during the last lockdown. Aligned to this we are seeing a resurgence in demand for new convenience stores around the UK. With lots of surplus land in our pub portfolio and good road visibility locations in neighbourhoods around the country we are well placed to benefit from this.

The community and suburban location of our portfolio is well placed to benefit from consumers working from home and using their local services and facilities. This was clearly evident in the summer of 2020 when Hawthorn outperformed the UK pub sector and we believe this can be achieved again when restrictions are relaxed later this year. Our teams are currently preparing to bounce back and reopen our pubs in April 2021 and, should Government guidance align with this, or allow an earlier reopening, we are optimistic about the trading prospects of Hawthorn in the new financial year.

Fitch Ratings reaffirms NewRiver's Investment Grade Credit Rating

NewRiver remains a financially sound business with a fully unsecured balance sheet. In December 2020, Fitch Ratings reaffirmed NewRiver's Long-Term Issuer Default Rating (IDR) at 'BBB' with Stable Outlook, its senior unsecured rating at 'BBB+', and its Short-Term IDR at 'F2'. The senior unsecured rating applies to NewRiver's £300 million senior unsecured bond dated 2028.

Our capital structure is highly efficient and covenant-light, providing the Company with significant operational flexibility, a low cost of debt of 3.3%, and long-term debt maturity, with no refinancing events until August 2023.

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 amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. 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 £1.1 billion portfolio covers 9 million sq ft and comprises 33 community shopping centres, 24 conveniently located retail parks and around 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 2.6 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 for further information.

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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.