NEWRIVER

# 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 2021.

- Positive operational performance supported by improving consumer backdrop, elevated leasing activity and increasing rent collection rates
- Retail park investment market maintains growth trajectory and shopping centres seeing improved demand; disposals completed in Q3 ahead of book values
- Strengthened balance sheet position and operational performance recognised by Fitch Ratings through recently affirmed Investment Grade credit ratings

**Allan Lockhart, Chief Executive, commented**: "We have continued to deliver strong operational metrics in the third quarter, supported by a backdrop of increasing consumer spend on essential items over the Christmas period. Despite concerns of Omicron restrictions, our rent collection and leasing activity remained robust. Disposals during the quarter were aligned with our reshaping objectives and completed at strong prices which demonstrated the significant value generated by our asset management and Regeneration activity. As expected, liquidity continues to improve across the retail investment market which offers further support for a stabilisation in asset values. The affirmation of our Investment Grade Credit Rating demonstrates the progress we have made this year in strengthening our balance sheet and positioning the Company to deliver our 10% total accounting return target."

**Positive operational performance supported by strong Q3 leasing activity**

- Strongest leasing quarter so far in FY22 in terms of volume and rent secured; 289,000 sq ft of leasing activity, representing £2.5 million of annualised rent
- Q3 long term deals agreed on terms 8% ahead of valuers' ERV with Core Shopping Centre deals on terms 20% ahead of ERV; long term leases agreed in FY22 to date on average 10% ahead of ERV
- High level of leasing activity has contributed to increased occupancy of 96.3% (September 2021: 95.8%)
- Average retail rent remains affordable at £11.66 per sq ft (September 2021: £11.51 per sq ft)

**Rent collection continues to increase as retailer confidence grows**

- Rent collection rates for every quarter continue to increase as retailer trading improves
- Q4 FY22 rent collection currently stands at 84%, ahead of equivalent point for Q1-Q3 FY22 (on average 77%) and last year (Q4 FY21 was 70%)
- Q1-Q3 FY22 rent collection improving and we are still collecting rental arrears in respect of FY21 (cash collected rate up 4% since FY21 results to 90%)

**Recent disposals completed ahead of book value; Work Out asset disposal programme on track**

- £25.1 million of disposals completed during Q3 at a 5% premium to September 2021 valuations; £32.7 million disposals completed in FY22 to date
- Completed disposals in Q3 include two Work Out Shopping Centres, a segment we remain on track to exit by the end of FY23, a Regeneration Shopping Centre in Penge (sold at 35% premium to March 2021 valuation) and Poole Retail Park (held within our BRAVO capital partnership and sold at 7% premium to latest valuation)
- Disposals currently exchanged and under offer represent a further £44.5 million, on average in-line with September 2021 valuations, taking total disposals completed, exchanged or under offer to £77.2 million
- Exchanged conditional contracts for disposal of Regeneration Shopping Centre in Cowley, Oxford, for gross proceeds of £38.8 million (including escrow); disposal expected to complete in the first quarter of 2022
- Four further Work Out Shopping Centres either on the market or undergoing preparation for sale

**Strengthened balance sheet position recognised by Fitch Ratings and continued progress on ESG**

- In October 2021 completed balance sheet transformation by agreeing one-year extension on undrawn £125 million Revolving Credit Facility ('RCF') to August 2024
- Weighted average debt maturity improved to 5.0 years as at 31 December 2021 and no maturity on drawn debt until March 2028
- Strength of balance sheet position recognised in December 2021 when Fitch Ratings reaffirmed our Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook, senior unsecured rating (relating to £300 million unsecured 2028 bond) at 'BBB+' and Short-Term IDR at 'F2'
- During the quarter we continued to make good progress on our ESG objectives, improving our CDP score to a "B" from a "C" and achieving Gold Level compliance with EPRA Sustainability Best Practice Recommendations

**Cash rent collection by quarter**

| | Q1 | Q2 | Q3 | Q4 |
|---|---:|---:|---:|---:|
| As at 17 January 2022 (FY22) | 90% | 95% | 94% | 84% |
| As at 15 January 2021 (FY21) | 78% | 83% | 82% | 70% |

**For further information**

**NewRiver REIT plc** **+44 (0)20 3328 5800**
Allan Lockhart (Chief Executive)
Will Hobman (Chief Financial Officer)
Emily Meara (Head of Investor Relations)

**Finsbury Glover Hering** **+44 (0)20 7251 3801**
Gordon Simpson
James Thompson

**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 29 community shopping centres and 17 conveniently located retail parks. We have hand-picked our portfolio to focus on occupiers providing essential goods and services and to support the development of thriving communities across the UK, while deliberately avoiding structurally challenged sub-sectors such as department stores and mid-market fashion. Our objective is to own and manage the most resilient retail portfolio in the UK, focused on retail parks, core shopping centres, and regeneration opportunities in order to deliver stable income and capital growth to our investors.

NewRiver has a Premium Listing on the Main Market of the London Stock Exchange (ticker: NRR). Visit www.nrr.co.uk for further information.

LEI Number: 2138004GX1VAUMH66L31

**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.