



NewRiver REIT PLC

Unaudited results for the six
months ended 30 September
2023

23 November 2023

Balance sheet strength underpins growth opportunities

Allan Lockhart, Chief Executive commented: “During the first half we have continued to deliver the positive operational momentum which has been building consistently over the last 2 years.

Our occupational market today is in the best position it has been for five years. As a result, we have seen active demand for space which has led to our occupancy increasing to almost 98%, the highest level we have recorded since NewRiver was founded in 2009 and a tenant retention rate at lease expiry or break of 98%. Importantly our leasing transactions were positive versus ERV and previous passing rent. Our operations are supported by the strength of our balance sheet position, with an LTV of 29.5%, £138 million of cash available, a newly extended Revolving Credit Facility and no refinancing requirement until 2028.

For some time now, we have deliberately built up our cash position in anticipation of securing the right opportunities to deliver compelling returns and, encouragingly, growth opportunities are now starting to emerge. In the meantime, so that our shareholders receive benefit as we wait to deploy, we have taken the decision to temporarily increase our dividend payout, resulting in a comfortably covered first half dividend of 3.4 pence per share.”

Financial Position Strengthened Further

- Completed the disposal of the Napier Joint Venture which generated an IRR of 16% since acquisition
- LTV of 29.5% vs 33.9% at 31 March 23
- Cash increased to £138.0m vs £111.3m at 31 March 23
- Interest cover increased to 5.2x vs 4.3x at 31 March 23 and 3.9x at 30 September 22
- Net debt to EBITDA further improved to 4.4x vs 4.9x at 31 March 23 and 5.1x at 30 September 22
- Refinanced £100m undrawn Revolving Credit Facility to extend maturity to November 2026 at reduced cost
- Fully unsecured balance sheet with interest rate fixed at 3.5% on drawn debt and no maturity on drawn debt until 2028

Resilient Underlying Financials

- UFFO of £12.3m, slightly ahead of £12.2m in H2 FY23 and reduced from £13.6m in HY23 due to disposals completed in the last 12 months and Covid related credits recognised in HY23
- UFFO per share of 4.0 pence vs 3.9 pence per share in H2 FY23 and 4.4 pence per share in HY23
- Dividend temporarily topped-up to 85% payout / 118% covered pending capital deployment; dividend of 3.4 pence per share vs 3.2 pence per share in H2 FY23 and 3.5 pence per share in HY23
- Portfolio valued at £553m, delivering a total return of 1.7% vs MSCI All Retail of 0.3%
- IFRS loss after tax of £2.6m due to 2.0% valuation decline vs profit of £4.1m in HY23
- EPRA NTA per share down 3.3% to 117 pence vs 121 pence at 31 March 23 due to the modest decline in portfolio valuation
- HY24 Total Accounting Return of -0.7% vs -5.7% in H2 FY23 and +1.0% in HY23

Continued Operational and Strategic Delivery

- Rent collection stable at 98% vs 98% in FY23
- Occupancy increased to 97.7% vs 31 March 2023 position of 96.7% - highest occupancy level since the Company was founded in 2009
- 361,800 sq ft of leasing transactions; long-term transactions +11.0% vs previous rent and +3.9% vs ERV
- Retention rate improved to 98% on lease expiry or break vs 92% at 31 March 2023
- Asset management fee income from Capital Partnerships increased by £0.5m or 71% vs HY23, with the key driver being the mandate from M&G Real Estate which started in Q4 FY23
- Major regeneration planning application submitted in Grays
- On track with Work Out disposal programme; of the four assets identified for disposal by the end of FY24, one asset is under offer and one has exchanged
- GRESB score improved to 72 from 70 and maintained Gold Level for EPRA Sustainability Best Practice Recommendations

Results summary

Performance	Note	HY24 Unaudited	H2 FY23 Unaudited	HY23 Unaudited
Underlying Funds From Operations ('UFFO')	(1)	£12.3m	£12.2m	£13.6m
UFFO per share	(1)	4.0p	3.9p	4.4p
Net Property Income		£23.0m	£24.8m	£25.7m
Ordinary dividend		3.4p	3.2p	3.5p
Ordinary dividend cover	(2)	118%	125%	125%
IFRS (Loss) / Profit after taxation		£(2.6)m	£(20.9)m	£4.1m
IFRS Basic EPS		(0.8)p	(6.7)p	1.3p
Interest cover	(3)	5.2x	4.3x	3.9x
Total Accounting Return	(4)	(0.7)%	(5.7)%	+1.0%
GRESB Score	(5)	72	70	70

Balance Sheet	Note	30 September 2023	31 March 2023	30 September 2022
IFRS Net Assets		£367.7m	£378.6m	£409.5m
EPRA NTA per share	(6)	117p	121p	132p
Balance Sheet (proportionally consolidated)	(7)	30 September 2023	31 March 2023	30 September 2022
Properties at valuation		£553.1m	£593.6m	£643.2m
Net debt		£163.1m	£201.3m	£217.1m
Principal value of gross debt	(8)	£304.0m	£316.0m	£316.0m
Cash		£138.0m	£111.3m	£95.1m
Net debt: EBITDA		4.4x	4.9x	5.1x
Weighted average cost of debt – drawn only	(9)	3.5%	3.5%	3.5%
Weighted average debt maturity – drawn only	(9)	4.4 years	4.7 years	5.2 years
Loan to value	(10)	29.5%	33.9%	33.8%

- (1) Underlying Funds From Operations ('UFFO') is a Company measure of operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense as set out in Note 11 to the Financial Statements and in the Finance Review. UFFO is used by the Company as the basis for ordinary dividend policy and cover
- (2) Ordinary dividend cover is calculated with reference to UFFO
- (3) Interest cover is tested at corporate level and is calculated by comparing actual net property income received versus net cash interest payable on a 12 month look-back basis
- (4) Total Accounting Return is the EPRA NTA per share movement during the period, plus dividends paid in the period, divided by EPRA NTA per share at the start of the period
- (5) GRESB is the leading sustainability benchmark for the global real estate sector, and its annual assessment scores participating companies out of 100
- (6) EPRA Net Tangible Assets ('NTA') is based on IFRS net assets excluding the mark to market on derivatives and debt instruments, deferred taxation on revaluations and diluting for the effect of those shares potentially issuable under employee share schemes, see Note 11 to the Financial Statements
- (7) Proportionally consolidated means Group and share of JVs & associates
- (8) Principal value of gross debt being £300.0 million of Group and £4.0 million share of JVs & associates (31 March 2023 and 30 September 2022: £300.0 million of Group and £16.0 million share of JVs & associates)
- (9) Weighted average cost of debt and weighted average debt maturity on drawn debt only (including share of JV & associate drawn debt)
- (10) Is the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments

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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.

Results presentation

The results presentation will be held at 10.30am today, 23 November 2023, at DL/78, 78 Charlotte Street, London, W1T 4QS.

A live audio webcast of the presentation will be available at:

<https://secure.emincote.com/client/newriver/HY24>

A recording of this webcast will be available on the same link after the presentation, and on the Company's website (www.nrr.co.uk) later in the day.

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 environment, 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.

Chief Executive's Review

Our operational performance in the first half of the financial year has been excellent with our occupancy increasing to 98%, the highest position since NewRiver was founded in 2009, a leasing retention rate of 98% and another reporting period of leasing ERV outperformance and rent secured above the previous passing rent.

Our consistently strong operational performance is reflective of our portfolio positioning, focused on essential goods and services offering consumers value for money, and the quality of our asset management platform. It is also a result of the retail occupational market being in its best position for at least five years.

Whilst UK real estate capital markets continue to be disrupted by increased interest rates, we continue to outperform our MSCI benchmark due to the stability of our rental cashflows, our portfolio yield premium to the 10 year Gilt and the average capital size of our assets being more aligned with the liquidity in the market. Our portfolio delivered a modest like-for-like valuation movement of -2.0% with the negative movement concentrated in our Regeneration asset in Bexleyheath. Importantly, our Core Shopping Centres and Retail Parks delivered valuation growth of 0.7% and 0.2% respectively. As a result of the valuation movement, our EPRA Net Tangible Assets (NTA) per share at the half year was 117 pence versus 121 pence at 31 March 2023.

Our balance sheet remains in great shape with cash increasing during the period to £138.0 million generated by excellent rent collection, tight control on capital and administration expenditure and the disposal of the Napier Joint Venture. As a result, LTV reduced during the period to 29.5%, the lowest rate since 2018. Post period end, we were delighted that NewRiver has retained the confidence of our key banking partners with the refinancing of our £100 million Revolving Credit Facility until November 2026, at a lower annual cost.

Our key focus is to deliver attractive shareholder returns and, given that we have significant available cash and liquidity to deploy, a growing capital partnership business and a core portfolio that has returned to rental growth, we are well positioned to deliver future earnings growth. For some time we have been patient, increasing our cash position in anticipation of opportunities that will deliver double digit IRRs through direct investment and asset management and we are now starting to see those opportunities emerge.

Strong Financial Performance & Fully Covered Dividend

Our UFFO in HY24 was £12.3 million which represents a modest increase from H2 FY23 albeit lower than HY23 due to asset disposals, Covid insurance claim and the release of Covid rent and service charge provisioning during that period. Reduction in net property income from HY23 has been partially offset by a reduction in administration expenses of 4%, a 71% increase in asset management fees and a 28% decrease in net finance costs due to the increase in cash interest earned on our cash holdings. Like-for-like net rental income was stable during the period.

We have declared a half year dividend of 3.4 pence per share, 118% covered by UFFO per share of 4.0 pence. We have flexed upwards from the 3.2 pence per share per our dividend policy by paying out 100% of the cash interest received on our cash holdings during the half because we recognise that our shareholders' patience should be rewarded while we await the compelling investment opportunities we expect to materialise in the near-term. Our intention would be to temporarily top up the dividend at the full year too, subject to deployment progress in H2.

As a result of a stable UFFO, a tight control on capital expenditure and completed disposals, our cash position increased from £111.3 million at 31 March 2023 to £138.0 million at 30 September 2023. Our balance sheet is in great shape with an LTV of 29.5% at the half year, the lowest it has been for five years. Equally important is balance sheet gearing which for us is 43.5%, Net debt to EBITDA is reduced further to 4.4x, one of the lowest in the real estate sector, and interest cover has increased to 5.2x, one of the highest in the real estate sector.

Valuation Outperformance

UK real estate markets continue to be impacted by increased interest rates with all sectors experiencing re-pricing over the past twelve months, especially low yielding sectors. Throughout this period, retail real estate has been one of MSCI's best performing total return sectors due to greater stability in capital values given its existing yield premium and higher contribution from income.

Our portfolio valuation, which recorded a modest -2.0% like-for-like movement, has outperformed MSCI All Retail and MSCI All Property on income and capital returns over the six month period leading to a +140bps and +220bps total return outperformance. Over a twelve month period, this increases to +900bps and +1,330bps. As at 30 September 2023 our portfolio equivalent yield was 8.8%, +200bps higher than MSCI All Retail and +450bps higher than the UK 10-year Gilt.

Our portfolio yield premium remains an important factor in insulating our capital return performance from the impact of rising interest rates. Across the portfolio, both equivalent yields and ERVs remained stable.

Pleasingly, our Core Shopping Centre portfolio, representing 40% of our total portfolio, delivered a like-for-like valuation movement for HY24 of +0.7%. Taking account of our consistently higher income returns, we have significantly outperformed MSCI Shopping Centres on a total return basis by +440bps.

Our Retail Park portfolio, representing 25% of our total portfolio, recorded a like-for-like valuation movement of +0.2% and outperformed the MSCI on a total return basis by +150 bps.

The overall portfolio valuation movement was concentrated at our South-East London Shopping Centre and Retail Park in Bexleyheath which forms the largest component of our Regeneration portfolio. It has been impacted by inflation through higher estimated construction and finance costs and, more recently, the slowdown in the housing market.

The Work Out portfolio which only accounts for 11% of our total portfolio recorded a like-for-like valuation movement of only -£1.0 million (-1.5%), a significant improvement on the previous period.

Resilient Operational Performance

Operationally, we saw good performance during the first half in terms of leasing volume and pricing. That, together with our high retention rate when it comes to lease expiry or lease break, has resulted in an increase in our occupancy to 98% (FY23: 97%), the highest level we have recorded since NewRiver was founded in 2009. Rent collection is back to pre-Covid levels and car park and commercialisation net income all improved during the half.

In total we completed 361,800 sq ft of leasing transactions during the period, securing £3.4 million of annualised income. Our long-term leasing transactions which represented 73% of the total rent secured were transacted at rents 3.9% above valuer's ERV. Furthermore, 62% of the annualised long-term rent secured was in our Core Shopping Centre portfolio exceeding valuer's ERV by +7.7% and 25% within the Retail Park portfolio at -1.6% versus valuer's ERV although most transactions were aligned with the valuer's ERV.

Whilst rent secured within our Regeneration portfolio was down -3.8% versus valuer's ERV, it was +14.8% ahead of the previous passing rent and therefore accretive to rental cashflows. It is also reflective of our ongoing strategy to ensure greater lease flexibility to support our vacant possession strategy. The Work Out portfolio leasing activity was on terms -1.4% versus valuer's ERV, however, this only represents a small proportion of the total portfolio long-term rent secured.

For total portfolio leasing events in HY24, the rents achieved had a positive Compound Annual Growth Rate (CAGR) versus the previous passing rent of +0.9% over the average previous lease period of 12.2 years. Over the past three and half years, which totals £17.9 million of annualised rent, this is only -0.2% based on an average previous lease period of 10.3 years. Taking into account the significant disruption the retail sector has faced over the last 10 years from the growth of online retailing and Covid-19, this clearly demonstrates the underlying resilience in our rental cashflows.

Overall, our long-term leasing transactions had a weighted average lease expiry (WALE) of 8.0 years, in-line with FY23, with Retail Parks at 11.2 years and Core Shopping Centres at 6.6 years. In terms of occupier incentives for long-term leasing transactions, the average rent free period was just 3.7 months with many occupiers receiving no rent free period.

The demand for space that we saw in our portfolio during the year remained broadly based with 69% of the space leased to Discount, Value Fashion, Grocery, Home, Books & Stationery, Health & Beauty and F&B.

Well Positioned Portfolio

As at 30 September 2023, our Core Shopping Centre portfolio represented 40% of our total portfolio value and comprised 14 assets located in the centre of local communities providing a range of essential goods and services with an occupancy of 98% and leasing retention rate of 99%. The consistent occupational demand is reflected in the positive leasing performance during the period with long-term deals transacted +7.7% ahead of ERV and +7.8% ahead of the previous passing rent. Over the past three and half years, we have completed £7.0 million of long-term leasing transactions which compared to the previous passing rent, delivered a CAGR of only -0.4% per annum over the average previous lease period of 10.6 years. Our Core Shopping Centres delivered a total return of 5.6%, outperforming the MSCI Shopping Centres Index, which recorded a 1.1% total return, by +440 basis points. Over a twelve month period, the total return outperformance is +1,430bps.

As at 30 September 2023, Retail Parks accounted for 25% of our portfolio, totalling 12 assets with an average lot size of £14.9 million. We have continued to see strong occupational and investor demand for our Retail Parks which are

predominately located adjacent to major supermarkets, benefit from free surface car parking and are supportive of retailers' omnichannel strategies. Occupancy stands at 98%, the leasing retention rate is at 100% and whilst leasing transactions were completed marginally below valuer's ERV at -1.6%, the majority of transactions were aligned with valuer's ERV. Over the last three and a half years, we have completed long-term leasing transactions totalling £5.1 million of annualised rent across our Retail Parks which versus the previous passing rent equates to a positive CAGR of +0.7% per annum over the average previous lease period of 12.5 years. Our Retail Parks delivered a total return of 2.9%, outperforming the MSCI Retail Warehouse Index by +150bps, which recorded a 1.4% total return. Over a twelve month period, the total return outperformance is +1,120bps.

We have three Regeneration assets, representing 23% of the total portfolio value, and where we have planning consent for 187 residential units, over 850 residential units at the planning application stage and a further 350 residential units in the masterplan stage for phase one. None of these projects will be built-out by NewRiver as our intention is to deliver value either through sale or by partnering with residential developers, once planning consents are secured. Whilst we advance our regeneration proposals, we have maintained a high occupancy at 98% whilst at the same time building flexibility into the leases to deliver future vacant possession. As such, the leasing deals completed within our Regeneration portfolio were transacted at -3.8% below valuer's ERV. Our Regeneration portfolio underperformed relative to MSCI Shopping Centres by -650bps and this was entirely concentrated in Bexleyheath where the valuer assumed 50bps equivalent yield expansion to reflect a reduction in the residential hope value. Post period end, we have formally submitted our planning application in Grays, Thurrock.

Our Work Out portfolio represents 11% of our portfolio and comprises nine assets which we intend to dispose of or complete turnaround strategies on. Since our FY23 results, we have exchanged on the disposal of one shopping centre, with a further shopping centre under offer. The remaining two sales are to be completed by the end of FY24. We are making good progress on those assets subject to a turnaround strategy, the largest being our Work Out asset in Cardiff City centre where we are close to signing a major letting to a multi entertainment operator. In the interim, occupancy and retention rates for our Work Out assets remain high at 96% and 97% respectively and leasing transactions completed during the period were transacted at a modest -1.4% below valuer's ERV. In respect of capital and total returns, our Work Out portfolio has outperformed the MSCI Shopping Centres Index by +80bps and +180bps respectively.

Growing Capital Partnerships

Capital Partnerships are an important component of our strategy to deliver earnings growth in a capital light way. The mandate with M&G real estate has been expanded since we were appointed in Q4 FY23 to include a further shopping centre and a further retail park. The benefit of that mandate is now seen in our UFFO with asset management fee income up 71% versus HY23.

Currently, we have three key Capital Partnerships: in the public sector with Canterbury City Council; in the private equity sector with BRAVO; and now in the institutional sector with M&G Real Estate. Combined, we asset manage 18 retail parks and five shopping centres with a total value of more than £750 million and annualised rent of over £60 million.

The expansion and breadth of our Capital Partnerships is a clear recognition of the need for a best-in-class platform to extract performance in the highly operational retail sector. We believe that we have a significant opportunity to deliver further earnings growth through our Capital Partnership activities and we are currently actively seeking a new long-term partner to operate in the retail park sector, to enable us to co-invest to generate rental income and asset management fees.

Committed progress to ESG

We take our role as the custodians of assets within the community very seriously and part of that responsibility is helping to protect the long-term sustainability of the environment that our assets sit within, and we are pleased to report good progress in the delivery of our committed ESG Strategy. Key highlights in the first half include a 36% and 25% reduction in gas and electricity consumption respectively across the areas of our portfolio for which we have direct control. We have also continued to use renewable energy across the portfolio and have maintained our zero waste to landfill policy.

Our operational control portfolio is fully compliant with current MEES legislation and, assuming the Government does not defer the 2027 target date for C ratings, we remain on target to achieve compliance in 2027.

Our various ESG activities continue to be recognised by industry benchmarks. Most recently, this includes achieving our 2023 target GRESB score of 72/100 for the "Standing Portfolio" Benchmark. What is pleasing is that GRESB ranked NewRiver 1st out of 1,013 European real estate companies for management which means that NewRiver is performing particularly well at implementing comprehensive risk management, stakeholder engagement and governance (leadership,

policies and reporting) processes. Finally we retained our EPRA Gold sBPR award in recognition of excellence in the transparency and comparability of our environmental, social and governance disclosures.

In terms of our social impact, we were pleased to have been recognised by The Sunday Times as one of the UK's best employers.

Board succession planning

The Board and the Nomination Committee recognise the importance of a managed approach to Board succession planning. Cognisant of the tenures of some of our longest serving directors, NewRiver today announces that it has embarked on a search process for a new Chair. Margaret Ford, Non-Executive Chair of the Company, is entering her seventh year as a Non-Executive Director of the Company and has proposed to the Board that she will step down from her role once a successor has been appointed, ensuring a smooth handover of responsibilities. Alastair Miller, the Company's Senior Independent Director, is leading this process with the appointment of an Executive Search firm to undertake the search to find Margaret's successor. It is expected that this process will be completed before the Company's next Annual General Meeting in July 2024. The Company will make a further announcement on the progress of this process in due course.

Outlook

Through the decisive actions we have taken over the last few years and with our clear and focused strategy that is delivering, NewRiver is today in a great position. We have much more to achieve but we are confident in our ability to deliver consistent, attractive returns for our shareholders.

This will be achieved through a laser focus on delivering future rental growth on a consistent basis, the prospects for which are encouraging. How we deploy our available capital will be a key factor in driving future growth and we are determined to do so wisely. Finally, we are excited with the growth potential of our capital partnerships to deliver increasing earnings in a capital light way.

Our long held view of the importance of income returns today serves us well. The portfolio is performing well, supported by a highly experienced and motivated team underpinned by arguably one of the strongest balance sheets in the listed real estate sector and so we are confident, while remaining alert to the wider macro risks, of our prospects as we move into 2024.

Portfolio Review

Highlights

Portfolio Metrics as at 30 September 2023

- Occupancy: 97.7% (FY23: 96.7%)
- Retention Rate: 98% (FY23: 92%)
- Rent Collection: 98% (FY23: 98%)
- Affordable Average Rent: £11.85 per sq ft (FY23: £11.98 per sq ft)
- Gross to Net Rent Ratio: 87% (FY23: 88%)
- Leasing Volume: 361,800 sq ft (HY23: 493,200 sq ft)
- Leasing Activity: +3.9% ahead of valuer ERV (HY23 +3.0%)
- Average CAGR FY21-HY24: -0.2% on 10.3yr average previous lease period
- Total Return of 1.7% outperforming the MSCI All Retail by +140bps over 6 months
- Portfolio NIY of 7.9%, +190bps versus the MSCI All Retail at 6.0%
- Expanding Capital Partnerships across public, private equity and institutional sectors

Our portfolio continues to deliver resilient operational metrics, supported by underlying strength in the retail occupational markets due to the importance of the physical store network and sustained consumer spending. Occupancy continues to improve, increasing by 1.0% to 97.7% (FY23 96.7%), net rental income was slightly down at -0.5% on a like-for-like basis, and rent collection remains at normalised levels at 98% (FY23: 98%).

As at 30 September 2023	Occupancy	Retention Rate	Rent Collection	Affordable Average Rent		Gross to Net Rent Ratio	Leasing Volume	Leasing Activity	Average CAGR FY21-HY24	
				(£ psf)	(Ave. pa)				(%)	(Average Lease Length)
	(%)	(%)	(%)			(%)	(sq ft)	% vs valuer ERV	(%)	
Retail Parks	97.7%	100%	99%	£11.97	£123,000	97%	48,000	-1.6%	0.7%	12.5
Shopping Centres – Core	98.3%	99%	98%	£13.37	£40,000	94%	110,600	7.7%	-0.4%	10.6
Shopping Centres – Regen	98.4%	100%	100%	£12.77	£70,000	87%	68,100	-3.8%	-0.6%	9.2
Shopping Centres – Work Out	95.9%	97%	94%	£8.97	£23,000	61%	121,300	-1.4%	-0.4%	6.7
Total¹	97.7%	98%	98%	£11.85	£45,000	87%	361,800	3.9%	-0.2%	10.3

1. Total includes Other representing 1% of total portfolio by value

Overall, we completed on a total of 361,800 sq ft of leasing transactions securing £3.4 million of annualised income. Long-term leasing transactions accounted for 73% of the total rent secured at rents +3.9% above valuer's ERVs and +11.0% against the previous passing rent.

Long-term leasing activity for the period was concentrated within the Core Shopping Centre Portfolio, accounting for 62% of long-term rent secured on the total portfolio, transacting at +7.7% above valuer's ERV and +7.8% above previous passing rent. A further 25% of long-term letting activity was within the Retail Parks Portfolio at -1.6% versus valuer's ERV overall, with the majority of deals aligned, and +24.1% above the previous passing rent. We continue to experience excellent occupational demand across these portfolios given their convenient locations at the heart of their local communities.

Whilst leasing activity within the Regeneration Portfolio were on terms below valuer's ERV at -3.8%, it only accounted for 5% of long-term rent secured and was +14.8% above the previous passing rent. The focus on the Regeneration Portfolio is to realise capital receipts in the short term. Burgess Hill is under offer to an active South coast developer and an outline planning application has been submitted on Grays with a decision expected in early FY25, at which point this significant residential scheme will be marketed for sale. At Bexleyheath, we continue to work collaboratively with the Council to draw up plans for a high density scheme on surplus car parking which offers a significant value-creation opportunity.

Rent secured within our Work Out Portfolio was marginally below valuer's ERV at -1.4% and -4.5% versus the previous passing rent, however, this leasing activity only represents a small proportion of the long-term rent secured. We intend to dispose of or complete turnaround strategies on assets within the Work Out Portfolio, which accounts for only 11% of the total portfolio, with disposals and turnaround strategies on 64% by asset value due to complete in the next few months.

We currently have £5.2 million of the Work Out assets under offer/exchanged and £35.1 million where the turnaround strategy is near complete whereafter the assets will be transferred to the Core Portfolio. The remaining assets, which account for only 4% of the total NewRiver portfolio, are well progressed on their turnaround strategy or in active discussions on a disposal.

For total portfolio lease events in HY24, the rents achieved had a positive CAGR versus the previous passing rent of +0.9% over the average previous lease period of 12.2 years. Over the past three and half years, this is only -0.2% based on an average previous lease period of 10.3 years, illustrating the limited annualised rental decline. For Retail Parks the CAGR is positive at +0.7% and given our Retail Parks have limited availability of space, with occupancy at 98%, this should deliver further rental growth going forward.

Overall, our long-term leasing transactions had a weighted average lease expiry (WALE) of 8.0 years, in-line with FY23 at 8.2 years and a significant improvement over the 6.4 years in FY22. In terms of tenant incentives, due to the continued competitive tension in the occupational market, for long-term leasing transactions the average rent free period is just 3.7 months, slightly up on FY23 at 2.8 months, with many occupiers receiving no rent free period.

The demand for space that we saw in our portfolio during the period was broadly based with 69% of the space leased to Discount, Value Fashion, Grocery, Home, Books & Stationery, Health & Beauty and F&B.

Car park and commercialisation net income continues its recovery from the pandemic, increasing +7.3% in HY24 compared to HY23. Overall, net income is now back up to 85% against pre-pandemic levels.

Our portfolio valuation at £553.1 million, represents a capital return outperformance against the MSCI All Property and All Retail indices of +40bps and +20bps respectively with a like-for-like valuation movement of -2.0% for the 6 months to September 2023.

We experienced valuation growth within both the Core Shopping Centre and Retail Parks Portfolios meaning we have now seen within these segments three consecutive reporting periods of stable valuations. The decline was centred on the Regeneration Portfolio which accounted for 98% of the portfolio movement, due to the impact on residential viability at Bexleyheath, our South-East London Shopping Centre and Retail Park, as a result of the wider macro environment.

The majority of assets within the portfolio experienced minimal movement. Out of the 43 assets within the portfolio, only two assets had a valuation movement of greater than £1m, underpinning the underlying resilience of our portfolio.

We continue to have success within Capital Partnerships. Since securing the high-quality mandate from M&G Real Estate in Q4 FY23 to asset manage a large retail portfolio, we have added a significant south-east Shopping Centre and a Retail Park to the appointment including development management services. The portfolio currently comprises 17 retail parks and two shopping centres. Within our BRAVO joint venture, we have completed the final disposals within the Napier Joint Venture with the total sale receipt from Napier 26% higher than the price paid, crystallising the returns contributing to the financial promote.

In Canterbury where we are the asset manager for the City Council on two shopping centres that they own, we have been appointed as development manager in relation to the construction works involved in relocating the Council offices to the shopping centre.

Our key partnerships across the public, private equity and institutional sectors illustrate the importance of specialist retail partners in a highly operational sector and endorsement of the quality of our asset management platform.

Valuation

As at 30 September 2023, our portfolio was valued at £553.1 million (31 March 2023: £593.6 million). Movements in the 6 months to 30 September 2023 were the disposal of two Retail Park assets (£31.3 million) and a -2.0% like-for-like valuation movement. This shows an outperformance relative to the MSCI Monthly All Retail Index which recorded a -2.5% decrease over a like-for-like period.

The Core Shopping Centre Portfolio, which accounts for 40% of the portfolio, delivered capital growth of 0.7% driven by modest equivalent yield compression of -0.1% although our equivalent yield remains high at 9.3% whilst income and ERVs remained stable. Over a like-for-like period the MSCI Shopping Centres Index recorded negative capital growth of -2.4%.

The Retail Park Portfolio, which represents 25% of the portfolio, also saw capital growth at 0.2% driven by +1.7% ERV growth with yields stable, outperforming the MSCI Retail Warehouse benchmark which recorded a negative growth of -1.6%.

The overall portfolio valuation movement was concentrated in the Regeneration portfolio with a movement of -7.9% which accounts for 98% of the overall portfolio movement. This is reflective of the high assumed construction and finance costs impacting the underlying residential value in the near-term at our South-East London Shopping Centre and Retail Park at Bexleyheath.

The Work Out portfolio, which now only accounts for 11% of the portfolio experienced a marginal valuation decline of -1.5% due to a -3.2% ERV movement.

As at 30 September 2023		Portfolio Weighting	Valuation Movement	Topped-up NIY	NEY	LFL NEY Movement	LFL ERV Movement
	(£m)	(%)	(%)	(%)	(%)	(%)	(%)
Shopping Centres – Core	221.8	40%	0.7%	9.5%	9.3%	-0.1%	-0.1%
Retail Parks	135.7	25%	0.2%	6.8%	7.1%	0.0%	1.7%
Shopping Centres – Regen	129.2	23%	-7.9%	6.0%	7.3%	0.5%	-0.4%
Total excl. Work Out / Other	486.7	88%	-1.9%	7.9%	8.1%	0.1%	0.3%
Shopping Centres – Work Out and Other¹	66.4	12%	-2.8%	8.1%	13.3%	-0.3%	-3.8%
Total	553.1	100%	-2.0%	7.9%	8.8%	0.1%	-0.3%

1. Total includes Other representing a value of £3.8m

The portfolio Net Initial Yield now stands at 7.9%, and has a Net Equivalent Yield of 8.8%, c.200bps higher than the MSCI All Retail benchmark at 6.0% and 6.8% respectively and continues to represent significant headroom above the 10 year Government Gilt rate. The existing yield premium has meant our valuation performance has been far more insulated from the impact of rising interest rates over the past 12 months compared to the wider real estate sector.

As set out in the table below, our portfolio continues to outperform the MSCI All Retail, Shopping Centre and Retail Warehouse benchmarks on a Total, Income and Capital Return for the 6 month period, save for our Shopping Centre capital return which aligned with the market. Over 6 month, 12 month, 3 and 5 year periods Shopping Centres and Retail Parks have continued to outperform their respective MSCI Total Return benchmark.

6 months to 30 September 2023	Total Return	Capital Growth	Income Return
NRR Portfolio	1.7%	-2.3%	4.1%
MSCI All Retail Benchmark	0.3%	-2.5%	2.9%
Relative performance	+140bps	+20bps	+110bps

	Shopping Centres	Retail Parks
Total Return: 6 months to 30 September 2023		
NewRiver	1.5%	2.9%
MSCI Benchmark	1.1%	1.4%
Relative Performance	+40bps	+150bps
Total Return: 12 months to 30 September 2023		
NewRiver	0.4%	3.7%
MSCI Benchmark	-4.1%	-7.5%
Relative Performance	+450bps	+1,120bps
Total Return: Annualised 3 years to 30 September 2023		
NewRiver	0.9%	11.2%
MSCI Benchmark	-5.4%	7.8%
Relative Performance	+630bps	+330bps
Total Return: Annualised 5 years to 30 September 2023		

NewRiver	-3.4%	4.9%
MSCI Benchmark	-10.5%	0.0%
Relative Performance	+710bps	+490bps

Core Shopping Centres

- Portfolio weighting: 40%
- No. assets: 14
- NIY 9.5% versus MSCI Shopping Centre NIY of 7.6%
- Average value: £19.2 million
- Key occupiers: Primark, Superdrug, M&S, Poundland, Boots, Next
- Occupancy: 98.3%
- Retention rate: 99%
- Rent collection: 98%
- Affordable average rent: £13.37 per sq ft / £40,500 per annum
- Gross to Net Rent Ratio: 94%
- Leasing volume: 110,600 sq ft
- Leasing activity: 7.7% ahead of valuer ERV
- Average CAGR FY21-HY24: -0.4% on 10.6yr average previous lease period
- Total Return 5.6% outperforming the MSCI Shopping Centres by +440 basis points

As at 30 September 2023, our Core Shopping Centre portfolio represented 40% of our total portfolio, and comprised 14 core community shopping centres with an occupancy of 98%. Our Core Shopping Centres are located in the heart of their local communities, accessed via short travel times, and play a key role to the local social and economic prosperity providing a range of essential goods and services to local people.

Selected highlights include:

Newtownabbey, Abbey Centre: At our centre in Belfast, totalling 320,000 sq ft and anchored by Primark, Next and Dunnes, we recently added a new service based anchor to the centre, upsizing Danske Bank to a new flagship store on a 10 year term increasing the rent payable by +59%. In addition, we have recently completed works to create a new external unit for Greggs, having agreed a 10 year lease and as part of the works refurbishing the entrance to improve the access from the surface level car park. The new lettings will produce an additional annualised net income of +£110,000 with total capex to be incurred of £865,000.

Hastings, Priory Meadow: At our dominant south-east Shopping Centre in the heart of Hastings town centre, anchored by Primark and M&S, Black Sheep Coffee have taken one of the last remaining vacancies on a new 20 year lease at £60,000 per annum, aligned with valuer's ERV. Occupiers continue to benefit from a strong trading performance at the scheme as reflected at lease renewal with H&M renewing on terms +11.4% above valuer's ERV and +23.1% above the previous passing rent. Within the period, we have also completed renewals with EE, Schuh and Boots at rents aligned with valuer's ERV.

Skegness, The Hildreds: This is the retail centre of a vibrant seaside town, anchored by Home Bargains and Sports Direct, benefitting from surface level car parking and a mixture of national and independent retailers. Having recently completed the upside of JD Sports, there have been new lettings to Shoezone, O2 and an independent mobile repair retailer in addition to a renewal with Cardzone. Overall, the lettings are aligned with valuer's ERV and will produce an additional annualised net income of +£22,000.

Bridlington, The Promenades: The only shopping centre within this popular coastal town with a strong offering of discount, food and fashion occupiers, anchored by Poundland, Sports Direct and Heron Foods. We completed a new letting at a previously vacant unit to Shoezone on a new 5 year lease, at a rent +1.2% ahead of valuer's ERV.

Retail Parks

- Portfolio weighting: 25%
- No. assets: 12
- NIY: 6.8% versus MSCI Retail Warehouse NIY of 6.3%
- Average value: £14.9 million
- Key occupiers: B&M, TK Maxx, Halfords, Aldi
- Occupancy: 97.7%
- Retention rate: 100%

- Rent collection: 99%
- Affordable average rent: £11.97 per sq ft / £123,000 per annum
- Gross to Net Rent Ratio: 97%
- Leasing volume: 48,000 sq ft
- Leasing activity: -1.6% below valuer ERV
- Average CAGR FY21-HY24: 0.7% on 12.5yr average previous lease period
- Total Return 2.9% outperforming the MSCI Retail Warehouse by +150 basis points

As at 30 September 2023, Retail Parks accounted for 25% of the total portfolio, totalling 12 assets following the final sales within the Napier Joint Venture. At 98% occupancy and a retention rate of 100% the portfolio has consistently outperformed with several asset management initiatives completed over the past 6 months.

Selected highlights include:

Barrow-in-Furness, Hollywood Retail & Leisure Park: This retail park provides the key retail and leisure offer to the town benefiting from a line-up including Vue cinema, the only cinema within the catchment, along with Aldi, TK Maxx, Currys, Dunelm, McDonald's and KFC. We have strengthened this offer with the introduction of CVS Vets on a 10 year term and Smyths Toys on a 15 year term at rents of £60,000 and £150,000 per annum respectively, both in line with valuer's ERV.

Cardiff, Valegate Retail Park: This 94,000 sq ft discount-led park, adjacent to a high performing M&S and Tesco Extra stores, has shown the continued demand for supermarket anchored retail parks to a variety of occupiers. We have now completed on the 27,000 sq ft letting to Poundland on a 10 year term and 10,000 sq ft letting to Boulders, an indoor climbing centre, on a 15 year term at rents aligned with valuer's ERVs.

Dewsbury, Rishworth Centre: At this 99,000 sq ft retail park anchored by Sainsbury's and Aldi, we have exercised the landlord break on the Poundstretcher unit and have exchanged an agreement for lease with Pure Gym on terms substantially above the previous passing rent. On completion, the park will be fully let with Pure Gym joining Aldi, Shoezone, Iceland, Halfords, Matalan and Pets at Home on the park.

Dumfries, Cuckoo Bridge Retail Park: Demand from existing and new occupiers at this supermarket, DIY and discount anchored park remains strong. We have completed the lease with Food Warehouse for a new 12,500 sq ft foodstore which is open for trade, renewed the lease with Dunelm on a 20,000 sq ft store and we are currently under offer on the last remaining vacancy at the park.

Lisburn, Sprucefield Retail Park: We have successfully received planning permission for three new drive-thru/restaurant units on surplus land adjacent to the retail park and exchanged on agreement for leases with Starbucks and Nando's and are in advanced negotiations with a third operator. Works have started on site with completion due in Summer 2024. This park benefits from its accessibility, located just off the M1 connecting Belfast to Dublin, and broad tenant mix with anchors Sainsbury's and B&Q sitting alongside The Range, Argos, Next and B&M.

Regeneration

- Portfolio weighting: 23%
- No. assets: 3
- NIY: 6.0% versus MSCI Shopping Centre NIY of 7.6%
- Average value: £43.1 million
- Key occupiers: Sainsbury's, M&S, Boots, H&M, WH Smith
- Occupancy: 98.4%
- Retention rate: 100%
- Rent collection: 100%
- Affordable average rent: £12.77 per sq ft / £70,000 per annum
- Leasing volume: 68,100 sq ft
- Leasing activity: -3.8% behind valuer ERV
- Average CAGR FY21-HY24: -0.6% on 9.2yr average previous lease period
- Total Return -5.4% underperforming the MSCI Shopping Centres by -650 basis points

We have three regeneration assets, representing 23% of the total portfolio value where the strategy is to deliver capital growth through redeveloping surplus retail space predominantly for residential.

Grays, Grays Shopping Centre: The centre is located just 35 minutes from central London by train and we have submitted a planning application to redevelop the shopping centre for a high-density residential-led redevelopment of up to 850+ homes.

Bexleyheath, Broadway Shopping Centre: This Greater London asset, comprising a shopping centre and a retail park, presents a significant opportunity to generate capital growth through maintaining the existing dominant retail core whilst delivering new residential development across this 11 acre site. We are continuing to work collaboratively with the Council to draw up plans for the redevelopment of Broadway Square, predominately on surplus car parking.

Burgess Hill, The Martlets: This site, which is located in a prominent and affluent south-east location, currently benefits from a planning consent for a mixed-use development including residential units, a food store, hotel and expansion of the car park. The site is currently under offer to a residential developer.

Work Out

- Portfolio weighting: 11%
- No. assets: 9
- NIY: 8.2% versus MSCI Shopping Centre NIY of 7.6%
- Average value: £7.0 million
- Key occupiers: Poundland, Iceland, Home Bargains, Tesco
- Occupancy: 96.1%
- Retention rate: 97%
- Rent collection: 94%
- Affordable average rent: £8.97 per sq ft / £23,000 per annum
- Gross to Net Rent Ratio: 61%
- Leasing volume: 121,200 sq ft
- Leasing activity: -1.4% below valuer ERV
- Average CAGR FY21-HY24: -0.4% on 6.7yr average previous lease period
- Total Return 2.9% outperforming the MSCI Shopping Centres by +180 basis points

Our Work Out portfolio makes up 11% of our portfolio and comprises nine assets which we intend to dispose of or complete turnaround strategies. Our intention is still to be fully out of the Work Out portfolio by the end of FY24.

The key turnaround strategies include:

Cardiff, Capitol Shopping Centre: We have made significant progress on the wholesale re-positioning of this asset, which accounts for 31% of the total Work Out portfolio, and we are currently in advanced legals on an agreement for lease with a leading national competitive and social leisure operator. On completion, they will occupy over 100,000 sq ft which represents the majority of the centre's floor area, boosting the annualised net income in excess of £1 million per annum and is expected to be the catalyst for the Food & Beverage lettings on the remainder of the centre. The Capitol Shopping Centre sits alongside the Council's major upgrade to the wider area which will improve the infrastructure and public realm, including reinstating a stretch of canal next to the Centre's entrance.

Paisley, The Piazza: This centre has been revitalised by renewed occupier interest, creating a long-term sustainable retail centre. We have introduced JD Sports to the tenant line-up and completed a new letting to Bon Marche in the former M&Co unit. The centre has benefited considerably from the planned redevelopment of the neighbouring shopping centre in the catchment, removing surplus supply and the proposed upsize of Poundland stands to further improve the centre's standing within the town.

Kilmarnock, Burns Mall: We are working collaboratively with the Council on plans to demolish the former BHS to create a surface car park to be let to the Council on a long-term lease and upsize key occupiers within the centre. We are confident that the removal of surplus retail, improvement in public realm and accessibility will revitalise the centre. The works are to be part funded by the Council.

Wallsend, The Forum: This turnaround strategy is near complete with a new medical centre recently completed on surplus car park space, sitting alongside Aldi and Burger King which we developed in 2016. The final stage centres on removing a small element of surplus retail space and making public realm improvements. This will improve the connectivity between the Aldi store, the health centre and the retail centre whilst facilitating potential development opportunities on the surplus car park for residential.

Capital Partnerships

As well as managing assets on our own balance sheet, we also actively manage assets on behalf of our capital partners by leveraging our market leading asset management platform across three sectors: private equity, institutional investors and local authorities.

Capital Partnerships are an important part of our business, delivering earnings growth in a capital light way through asset management fees, a share of rent and the potential to receive financial promotes. We currently asset manage 18 retail parks and five shopping centres across 5 million sq ft with an asset value in excess of £750 million.

The expansion and breadth of our Capital Partnerships is a clear indication of the need for specialist retail partners with a best-in-class asset management platform to enhance performance in the highly operational retail sector.

Our three Capital Partnerships are:

Local Authorities: with Canterbury City Council across two shopping centres in Canterbury. Key highlights:

- We have completed 10 long-term leasing transactions across 55,300 sq ft, securing £1.1 million of rent
- In our role as development manager, we have started on site with Canterbury City Council's new office headquarters. The new offices are being re-purposed from surplus retail accommodation within Whitefriars Shopping Centre, and we expect to hand over the completed offices in July 2024

Private Equity Sector: with BRAVO on one retail park and one shopping centre in Sheffield. Key highlights:

- At The Moor, Sheffield, in addition to improving the income profile, we have generated significant capital receipts on non-core elements of the retail estate. This includes selling a vacant site to Lidl, a low yielding car park, an office long leasehold interest and most recently we have marketed for sale a prime Build to Rent development site
- At Sprucefield Retail Park, Northern Ireland we have received planning consent for three drive-thru units across 9,800 sq ft with terms agreed with operators on each unit. This follows the sale, subject to planning consent, of surplus land to Lidl. In addition, re-gear terms with Sainsbury's are progressing well

Institutional Sector: with M&G Real Estate across 17 retail parks and two shopping centres. Key highlights:

- Following our appointment in Q4 FY23, the mandate was expanded to include an additional South-East shopping centre and a retail park
- We have completed 8 long-term leasing transactions across 31,200 sq ft, securing £0.8 million of rent

Finance review

During the first half, we have been successful in further improving our already strong financial position, and we ended the period with £138.0 million of cash holdings, Net debt to EBITDA reduced to 4.4x, Interest Cover increased to 5.2x and LTV reduced to 29.5%, its lowest level since March 2018. Demonstrating the strong support we have from our key banking relationships, we were delighted that post balance sheet we extended the maturity of our undrawn £100 million Revolving Credit Facility to November 2026, with two one-year extension options (subject to lender consent) taking maturity to November 2028 at a lower annual cost.

We have been increasing our cash position in anticipation of securing opportunities that will deliver compelling returns and encouragingly in recent months we have seen that such opportunities are now starting to emerge which gives us confidence that our patient and disciplined approach to capital deployment will be rewarded. Given that the majority of our cash holdings are on deposit earning a blended return in excess of 5%, we have taken the decision to temporarily increase our dividend payout in the first half so that our shareholders receive benefit as we wait to deploy. Therefore, 100% of the interest income we received in the first half will be distributed as dividend, resulting in a fully covered first half dividend of 3.4 pence per share. This represents a payout of 85%, compared to our usual payout of 80%, and is comfortably 118% covered by Underlying Funds From Operations ('UFFO'). Our intention would be to temporarily top up the dividend at the full year too, subject to deployment progress in H2.

UFFO for the six months ended 30 September 2023 was £12.3 million, a modest increase when compared to the UFFO reported for the second half of FY23 of £12.2 million. UFFO has reduced when compared to the £13.6 million reported for the first half of FY23, due to £54.1 million of completed disposals over the last 12 months and one-off Covid related credits received in the first half of the prior year. Importantly, UFFO for the six months ended 30 September 2023 includes £1.2 million of asset management fee income, an increase of £0.5 million when compared to the first half of the prior year, reflecting the progress we have made over the last 12 months in our key strategic priority to grow our Capital Partnerships.

Taking account of £31.3 million of disposals completed during the first half and the modest valuation movement of -2.0%, our portfolio was valued on a proportionally consolidated basis at £553.1 million as at 30 September 2023, compared to £593.6 million as at 31 March 2023. The modest portfolio valuation decline is reflected in the reduction in EPRA Net Tangible Assets per share from 121 pence at 31 March 2023 to 117 pence at 30 September 2023. We delivered a total accounting return of -0.7%, compared to -5.7% in the second half of the prior year and +1.0% in the first half of the prior year.

Key performance measures

The Group financial statements are prepared under IFRS, where the Group's interests in joint ventures are shown as a single line item on the income statement and balance sheet. Management reviews the performance of the business principally on a proportionally consolidated basis which includes the Group's share of joint ventures on a line-by-line basis. The Group's financial key performance indicators are presented on this basis.

In addition to information contained in the Group financial statements, Alternative Performance Measures ('APMs'), being financial measures that are not specified under IFRS, are also used by management to assess the Group's performance. These include a number of the financial statistics included on Page 2 of this document. These APMs include a number of European Public Real Estate Association ('EPRA') measures, prepared in accordance with the EPRA Best Practice Recommendations reporting framework, which are summarised in the 'Alternative Performance Measures' section at the end of this document. We report these measures because management considers them to improve the transparency and relevance of our published results as well as the comparability with other listed European real estate companies. Definitions for APMs are included in the glossary and the most directly comparable IFRS measure is also identified. The measures used in the review below are all APMs presented on a proportionally consolidated basis unless otherwise stated.

The APM on which management places most focus, reflecting the Company's commitment to driving income returns, is UFFO. UFFO measures the Company's operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense. We consider this metric to be the most appropriate for measuring the underlying performance of the business as it is familiar to non-property investors, and better reflects the Company's generation of profits. It is for this reason that UFFO is used to measure dividend cover.

The relevant sections of this Finance Review contain supporting information, including reconciliations to the financial statements and IFRS measures. The 'Alternative Performance Measures' section also provides references to where reconciliations can be found between APMs and IFRS measures.

Underlying Funds From Operations

The following table reconciles IFRS (loss) / profit after taxation to UFFO, which is the Company's measure of underlying operational profits.

Reconciliation of (loss) / profit after taxation to UFFO

	30 September 2023 £m	30 September 2022 £m
(Loss) / profit for the period after taxation	(2.6)	4.1
<i>Adjustments</i>		
Revaluation of property	11.6	10.3
Revaluation of joint ventures investment properties	-	(1.9)
(Profit) / loss on disposal of investment properties	(0.1)	0.6
Changes in fair value of financial instruments	(0.1)	(0.6)
Loss on disposal of joint venture	2.3	-
EPRA Earnings	11.1	12.5
Forward looking element of IFRS 9	0.4	-
Head office relocation costs	-	0.5
Share-based payments charge	0.8	0.6
Underlying Funds From Operations	12.3	13.6

Underlying Funds From Operations is presented on a proportionally consolidated basis in the following table.

UNDERLYING FUNDS FROM OPERATIONS	30 September 2023				30 September 2022
	Group £m	JVs & Associates £m	Adjustments ¹ £m	Proportionally consolidated £m	Proportionally consolidated £m
Revenue	33.2	1.2	-	34.4	37.7
Property operating expenses	(11.7)	(0.1)	0.4	(11.4)	(12.0)
Net property income	21.5	1.1	0.4	23.0	25.7
Administrative expenses	(6.0)	(0.1)	0.8	(5.3)	(5.5)
Other income	0.4	-	-	0.4	1.4
Operating profit	15.9	1.0	1.2	18.1	21.6
Net finance costs	(5.3)	(0.3)	(0.1)	(5.7)	(7.9)
Taxation	-	(0.1)	-	(0.1)	(0.1)
Underlying Funds From Operations	10.6	0.6	1.1	12.3	13.6
UFFO per share (pence)				4.0	4.4
Ordinary dividend per share (pence)				3.4	3.5
Ordinary dividend cover				118%	125%
Admin cost ratio				14.8%	14.7%
Weighted average # shares (m)				311.3	309.0

1. Adjustments to Group and JV & Associates figures to remove non-cash and non-recurring items, principally forward looking element of IFRS 9 £(0.4) million, share-based payment charge £(0.8) million and revaluation of derivatives £0.1 million

Net property income

Analysis of net property income (£m)

Net property income for the six months ended 30 September 2022	25.7
Net disposals	(1.9)
Net property income re-based	23.8
Rent and service charge provisions	(1.2)
NRI Core, Retail Parks & Other	0.2
NRI Regeneration	0.2
NRI Work Out	(0.5)
Like-for-like net rental income	(0.1)
Asset management fees	0.5
Net property income for the six months ended 30 September 2023	23.0

On a proportionally consolidated basis, net property income was £23.0 million during the six months to 30 September 2023, compared to £25.7 million for the six months ended 30 September 2022, predominantly due to the impact of £23.0 million of disposals completed in FY23 and the disposal of the Napier Joint Venture at the end of Q1 FY24, which together reduced net property income by £1.9 million.

Rent and service charge provisions benefit reduced by £1.2 million, predominantly due to the release of rent and service charge provisions in the first half of the prior year which was not repeated in the current period. During FY22 and FY23 we had significant success in continuing to collect Covid era rent arrears which had been substantially provided against during the pandemic, resulting in credits to the income statement in FY22 and FY23. Rent collection for Covid era rent arrears was finalised during FY23 and as such, we saw no further benefit from provision releases in the second half of last year, and we have seen no further benefit in the first half of this year. In terms of underlying trend, rent collection for the first half of FY24 was 98%, in-line with collection rates in FY23.

Like-for-like net rental income reduced modestly by £0.1 million or 0.5% during the six months ended 30 September 2023. Encouragingly, our Core Shopping Centres and Retail Parks have contributed to an increase in net rental income of £0.2 million in the period, and the assets in our Regeneration portfolio have also contributed a £0.2 million increase. Like-for-like net rental income in our Work Out portfolio declined by £0.5 million, but as previously disclosed we intend to dispose of or complete turnaround strategies on these assets by the end of FY24.

Asset management fees generated from our Capital Partnerships increased by £0.5 million from £0.7 million in the six months ended 30 September 2022 to £1.2 million in the six months ended 30 September 2023, predominantly due to a full half of income from the asset management mandate signed with M&G Real Estate in Q4 FY23. The scope of this mandate has already expanded, with an additional shopping centre added in April 2023 and an additional retail park in November 2023, increasing the number of assets managed to 17 retail parks and two shopping centres.

Administrative expenses

Against a challenging inflationary backdrop, administrative expenses fell by a further 4% to £5.3 million during the six months ended 30 September 2023, from £5.5 million in the six months ended 30 September 2022. It is also worth noting that in the six months ended 30 September 2021, immediately prior to the launch of our administrative cost reduction initiatives, administrative expenses were £6.0 million and so the current period figure of £5.3 million represents a 12% reduction versus this baseline.

The reduction during the period was a result of our dedication to keeping our administrative expenses at a low level as we continue to target savings each period. Although increasingly challenging due to continued inflationary pressures, our aim is to keep managing and where possible reducing administrative expenses throughout this financial year and beyond.

Other income

Other income recognised during the six months ended 30 September 2023 of £0.4 million compared to £1.4 million during the six months ended 30 September 2022. The income in the prior period related to the settlement of an income disruption insurance claim relating to our car park income during the first Covid lockdown between March and June 2020. We stated in our FY23 results that a more modest claim relating to our commercialisation and turnover rent income during the same Covid period remained ongoing, and during the first half we have settled the commercialisation element of the claim, which contributed £0.4 million in the current period.

Net finance costs

Net finance costs were £5.7 million in the six months ended 30 September 2023, compared to £7.9 million in the six months ended 30 September 2022 due predominantly to interest income. We are currently holding cash reserves of £138.0 million, the majority of which we are holding on deposit generating a return of over 5%, which generated £2.3 million of income during the period, increased from £0.2 million in the six months ended 30 September 2022 due to an increase in cash holdings and interest rates over the last 12 months.

Taxation

As a REIT we are exempt from UK corporation tax in respect of our qualifying UK property rental income and gains arising from direct and indirect disposals of exempt property assets. The majority of the Group's income is therefore tax free as a result of its REIT status, albeit this exemption does not extend to other sources of income such as interest or asset management fees.

Dividends

Under our dividend policy, we declare dividends equivalent to 80% of UFFO twice annually at the Company's half and full year results, calculated with reference to the most recently completed six-month period.

The Company is a member of the REIT regime whereby profits from its UK property rental business are tax exempt. The REIT regime only applies to certain property-related profits and has several criteria which have to be met, including that at least 90% of our profit from the property rental business must be paid as dividends. We intend to continue as a REIT for the foreseeable future, and therefore our policy allows the final dividend to be "topped-up", including where required to ensure REIT compliance, such that the payout in any financial year may be higher than our base policy position of 80% of UFFO.

Pending deployment of the significant cash holdings we currently have available, we have taken the decision to top-up the half year dividend, so that we are paying out 100% rather than 80% of the interest income earned on our cash holdings

during the half. This is a temporary flex of the policy only, due to the current size of our cash holdings, which we are confident we will be able to deploy into attractive opportunities to grow the portfolio and UFFO. This increases the dividend by 0.2 pence per share and means that the Board has declared a dividend in respect of the six months ended 30 September 2023 of 3.4 pence per share, which is an 85% payout / 118% cover of UFFO of 4.0 pence per share. The dividend will be paid on 16 January 2024. The ex-dividend date will be 7 December 2023 with an associated record date of 8 December 2023. The dividend will be payable as a REIT Property Income Distribution (PID). Our intention would be to temporarily top up the dividend at the full year too, subject to deployment progress in H2.

Balance sheet

EPRA net tangible assets ('EPRA NTA') include a number of adjustments to the IFRS reported net assets and both measures are presented below on a proportionally consolidated basis.

	As at 30 September 2023			As at 31 March 2023
	Group £m	JVs & Associates £m	Proportionally consolidated £m	Proportionally consolidated £m
Properties at valuation ¹	543.2	9.9	553.1	593.6
Right of use asset	76.5	-	76.5	76.7
Investment in JVs & associates	5.7	(5.7)	-	-
Other non-current assets	0.3	-	0.3	1.9
Cash	137.3	0.7	138.0	111.3
Other current assets	10.3	0.4	10.7	15.9
Total assets	773.3	5.3	778.6	799.4
Other current liabilities	(31.9)	(0.5)	(32.4)	(30.6)
Lease liability	(76.5)	-	(76.5)	(76.7)
Borrowings ²	(297.2)	(3.9)	(301.1)	(312.6)
Other non-current liabilities	-	(0.9)	(0.9)	(0.9)
Total liabilities	(405.6)	(5.3)	(410.9)	(420.8)
IFRS net assets	367.7	-	367.7	378.6
EPRA adjustments:				
Deferred tax			0.9	0.9
Fair value financial instruments			(0.1)	(0.6)
EPRA NTA			368.5	378.9
EPRA NTA per share			117p	121p
IFRS net assets per share			117p	122p
LTV			29.5%	33.9%

1. See Note 13 for a reconciliation between Properties at valuation and categorisation per Consolidated balance sheet

2. Principal value of gross debt, less unamortised fees

Net assets

As at 30 September 2023, IFRS net assets were £367.7 million, reducing from £378.6 million at 31 March 2023 primarily due to the modest 2.0% like-for-like decrease in our portfolio valuation, which reflected an outperformance versus both the MSCI All Property (-2.7%) and All Retail (-2.5)% indices.

EPRA NTA is calculated by adjusting net assets to reflect the potential impact of dilutive ordinary shares, and to remove the fair value of any derivatives, deferred tax and goodwill held on the balance sheet. These adjustments are made with the aim of improving comparability with other European real estate companies. For the same reason noted above when discussing IFRS net assets, EPRA NTA decreased by 2.7% to £368.5 million from £378.9 million at 31 March 2023. EPRA NTA per share decreased to 117 pence from 121 pence at 31 March 2023 for the same reason.

Properties at valuation

Properties at valuation decreased by £40.5 million from £593.6 million as at 31 March 2023 to £553.1 million as at 30 September 2023. The principal reason for the decrease was the £31.3 million disposal of our Napier Joint Venture with BRAVO. The remainder of the decrease reflects the modest portfolio valuation decline explained above of 2.0%.

Debt & financing

	Proportionally consolidated		
	30 September 2023	31 March 2023	30 September 2022
Weighted average cost of debt – drawn only ¹	3.5%	3.5%	3.5%
Weighted average debt maturity – drawn only ¹	4.4 yrs	4.7 yrs	5.2 yrs
Weighted average debt maturity – total ²	4.1 yrs	3.8 yrs	4.3 yrs

1. Weighted average cost of debt and weighted average debt maturity on drawn debt only

2. Weighted average debt maturity on total debt. Figures at 31 March 2023 and 30 September 2022 include £125 million undrawn RCF. Figure at 30 September 2023 includes new £100 million undrawn RCF which was agreed post period end

Proportionally consolidated	30 September 2023	31 March 2023	30 September 2022
	£m	£m	£m
Cash	138.0	111.3	95.1
Principal value of gross debt	(304.0)	(316.0)	(316.0)
Net debt ¹	(163.1)	(201.3)	(217.1)
<i>Drawn RCF</i>	-	-	-
<i>Total liquidity²</i>	238.0	236.3	220.1
<i>Gross debt repaid / (drawn) in the period / year</i>	12.0	(2.0)	(2.0)
<i>Loan to Value</i>	29.5%	33.9%	33.8%

1. Including unamortised arrangement fees

2. Cash and undrawn RCF. Positions at 31 March 2023 and 30 September 2022 include £125 million undrawn RCF. Position at 30 September 2023 includes new £100 million undrawn RCF which was agreed post period end

Our weighted average cost of debt remains stable at 3.5% and our weighted average debt maturity has reduced from 4.7 years to 4.4 years. Both cost of debt and weighted average debt maturity are now closely aligned to our unsecured corporate bond because this now accounts for £300 million of our £304 million of drawn debt following the repayment of our share (£12 million) of the secured bilateral facility in the Napier Joint Venture on its disposal during the period.

Following the period end, in November 2023 we successfully refinanced the Revolving Credit Facility with all four banks involved in the previous facility (Barclays Bank PLC, HSBC UK Bank plc, National Westminster Bank plc and Santander UK plc) demonstrating their continued support for NewRiver by continuing to support the refinanced facility. The new facility is for £100 million, with a £50 million accordion available subject to lender approval (previous facility £125 million with a £50 million accordion), and the maturity has been extended from August 2024 to November 2026 with options to extend the facility by two additional one-year terms (to November 2028), subject to lender approval. In addition, the annual cost of holding the RCF has also reduced, as a result in a reduction in both the headline margin and quantum. Although the RCF is currently undrawn, maintaining the RCF ensures we continue to benefit from access to valuable additional liquidity and at the same time by reducing the size and margin of the RCF, we have been able to do so at a reduced overall cost.

Financial policies

We have five financial policies in total, including LTV and Interest cover which also appear as debt covenants on our unsecured RCF and our bond. These form a key component of our financial risk management strategy which remains as important as ever given the macro-economic climate. For the period ended 30 September 2023, we were in compliance with all of our financial policies.

Measure	Financial policy	Proportionally consolidated		
		30 September 2023	31 March 2023	30 September 2022
Loan to value	Guidance <40% Policy <50%	29.5%	33.9%	33.8%
		Group		
		30 September 2023	31 March 2023	30 September 2022
Balance sheet gearing	<100%	43.5%	49.7%	49.8%
		Proportionally consolidated		
		HY24	FY23	HY23
Net debt: EBITDA	<10x	4.4x	4.9x	5.1x
Interest cover ¹	>2.0x	5.2x	4.3x	3.9x
Ordinary dividend cover ²	>100%	118%	125%	125%

- 12 month look-back calculation, consistent with debt covenant
- Calculated with reference to UFFO

We have seen improvements across all four of our debt related financial policies during the period ended 30 September 2023. Following the disposal of our Napier Joint Venture with BRAVO, LTV reduced from 33.9% as at 31 March 2023 to 29.5% as at 30 September 2023, well within our guidance of <40%. Balance sheet gearing also reduced from 49.7% as at 31 March 2023 to 43.5% as at 30 September 2023. Net debt: EBITDA, has continued to improve, reducing by 0.5x to 4.4x from our position of 4.9x as at 31 March 2023. Given the current interest rate environment, we are pleased that our interest cover has increased significantly to 5.2x as at 30 September 2023 from 4.3x as at 31 March 2023, primarily due to the interest received on the cash reserves we are holding on deposit.

The Board has declared a dividend of 3.4 pence per share, which represents 85% of UFFO and so is comfortably fully covered, in-line with our financial policy.

Additional guidelines

Alongside our financial policies we have a number of additional guidelines used by management to analyse operational and financial risk, which we disclose in the following table:

	Guideline	30 September 2023
Single retailer concentration	<5% of gross income	3.5% (Poundland)
Development expenditure	<10% of GAV	<1%
Risk-controlled development	>70% pre-let or pre-sold on committed	N/A, no developments on site

Conclusion

We have produced another strong set of financial results in a challenging operating environment, underpinned by the consistency of our portfolio's underlying cashflows. Encouragingly, we have generated growth from our Capital Partnerships which we have earmarked for further growth, and seen continued improvement across all of our key financial metrics.

Pleasingly we have started to see evidence of the type of compelling return investment opportunities we have been anticipating and we are now in a position to deploy capital selectively and decisively when the right opportunities arise, while still maintaining a conservative position.

Looking forward, we remain confident in our ability to deliver our medium term target of a consistent 10% total accounting return.

Will Hobman
Chief Financial Officer

Notes to Editors

About NewRiver

NewRiver REIT plc ('NewRiver') is a leading Real Estate Investment Trust specialising in buying, managing and developing resilient retail assets throughout the UK.

Our £0.6 billion UK wide portfolio covers 7 million sq ft and comprises 26 community shopping centres and 12 conveniently located retail parks occupied by tenants predominately focused on essential goods and services. 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 long-term attractive recurring income returns and capital growth for our shareholders.

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

Principal risks and uncertainties

Managing our risks and opportunities

Risk is inherent in all businesses and effective risk management enables us to manage both the threats and the opportunities associated with our strategy and the operation of our business model. The Board has ultimate responsibility for the risk management and internal controls framework of the Company and continually reviews and monitors the principal risks and uncertainties which could have a material effect on the Group's results. The Board considered the principal risks and uncertainties disclosed in the Annual report for the year ended 31 March 2023 and do not consider that they have changed significantly since that date. A summary of the principal risks and uncertainties are set out below. The full disclosure of these risks, including our approach to their mitigation is set out in the Principal risks and uncertainties section of the Annual Report 2023 on pages 88 to 94. Any changes to the Principal risks and uncertainties since the Annual Report are also included below.

External Risks

<p>1. Macroeconomic</p> <p>Gross Risk: Medium to high impact risk with a high probability.</p>	<p>Economic conditions in the UK and changes to fiscal and monetary policy may impact market activity, demand for investment assets, the operations of our occupiers or the spending habits of the UK population.</p>
<p>2. Political and regulatory</p> <p>Gross risk: Medium to high impact risk with a high probability.</p>	<p>Changes in UK Government policy, the adverse effects of Brexit on our tenants, or the impact of political uncertainty on consumers' retail and leisure spend.</p>
<p>3. Catastrophic external event</p> <p>Gross risk: High impact risk with a medium to high probability.</p>	<p>An external event such as civil unrest or a civil emergency including a large-scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets.</p>
<p>4a. Climate change strategy</p> <p>Gross risk: Medium to high impact risk with a medium to high probability.</p>	<p>A failure to implement appropriate climate risk management measures, comply with evolving regulations or meet our ESG targets could impact the operation and value of our assets, leading to a risk of asset obsolescence, reputational damage and erosion of investor value.</p>
<p>4b. Climate change impacts on our assets</p> <p>Gross risk: Medium to high impact risk with a medium probability.</p>	<p>Adverse impacts from environmental incidents such as extreme weather or flooding could impact the operation of our assets. A failure to implement appropriate climate risk management measures at our assets could lead to erosion of investor value and increases in insurance premiums.</p> <p>Following a recent flooding incident which impacted our asset in Hastings the probability of this risk has been increased to medium.</p>
<p>5. Changes in technology and consumer habits and demographics</p>	<p>Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets.</p>

Gross risk: Low to medium impact risk with a high probability .	
6. Cyber security Gross risk: Medium to high impact risk with a high probability .	A cyber attack could result in the Group being unable to use its IT systems and/or losing data. This could delay reporting and divert management time. This risk could be increased due to many employees working from home during the pandemic.

Operational risks

7. People Gross risk: Medium impact risk with a medium probability .	The inability to attract, retain and develop our people and ensure we have the right skills in place could prevent us from implementing our strategy.
8. Financing Gross risk: Medium impact risk with a medium probability .	If gearing levels become higher than our risk appetite or lead to breaches in bank covenants this would impact our ability to implement our strategy. The business could also struggle to obtain funding or face increased interest rates as a result of macroeconomic factors.
9. Asset management Gross risk: Medium to high impact risk with a medium probability .	The performance of our assets may not meet with the expectations outlined in their business plans, impacting financial performance and the ability to implement our strategies.
10. Development Gross risk: Medium impact risk with a medium to high probability .	Delays, increased costs and other challenges could impact our ability to pursue our development pipeline and therefore our ability to profitably recycle development sites and achieve returns on development.
11. Acquisition Gross risk: Medium impact risk with a medium probability .	The performance of asset and corporate acquisitions might not meet with our expectations and assumptions, impacting our revenue and profitability.
12. Disposal Gross risk: Medium impact risk with a medium to high probability .	We may face difficulty in disposing of assets or realising their fair value, thereby impacting profitability and our ability to reduce debt levels or make further acquisitions.

Directors' Responsibility Statement

The Directors confirm that these condensed consolidated interim financial statements have been prepared with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 namely:

- (a) An indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim set of financial statements; and
- (b) Material related-party transactions in the first six months of the financial year and any material changes in the related-party transactions described in the last Annual Report

On the behalf of the Board

Allan Lockhart
Chief Executive

Will Hobman
Chief Financial Officer

23 November 2023

Copies of this announcement are available on the Company's website at www.nrr.co.uk and can be requested from the Company's registered office at 89 Whitfield Street, London, W1T 4DE.

Independent review report to NewRiver REIT plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed NewRiver REIT plc's condensed consolidated interim financial statements (the "interim financial statements") in the unaudited half year results of NewRiver REIT plc for the 6 month period ended 30 September 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 30 September 2023;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements

The interim financial statements included in the unaudited half year results of NewRiver REIT plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the unaudited half year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The unaudited half year results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the unaudited half year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the unaudited half year results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the unaudited half year results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
23 November 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Unaudited	Six months ended 30 September 2023			Six months ended 30 September 2022			
	Notes	Operating and financing £m	Fair value adjustments £m	Total £m	Operating and financing £m	Fair value adjustments £m	Total £m
Revenue	4	33.2	–	33.2	35.5	–	35.5
Property operating expenses*	5	(11.7)	–	(11.7)	(11.8)	–	(11.8)
Net property income		21.5	–	21.5	23.7	–	23.7
Administrative expenses	6	(6.0)	–	(6.0)	(6.6)	–	(6.6)
Other income	7	0.4	–	0.4	1.4	–	1.4
Share of profit from joint ventures	14	0.5	–	0.5	1.9	1.5	3.4
Share of profit from associates	15	0.1	–	0.1	0.2	0.4	0.6
Net property valuation movement	13	–	(11.6)	(11.6)	–	(10.3)	(10.3)
Loss on disposal of a joint venture	8	(2.3)	–	(2.3)	–	–	–
Profit / (loss) on disposal of investment properties	9	0.1	–	0.1	(0.6)	–	(0.6)
Operating profit		14.3	(11.6)	2.7	20.0	(8.4)	11.6
Finance income	10	2.3	–	2.3	0.2	–	0.2
Finance costs	10	(7.6)	–	(7.6)	(7.7)	–	(7.7)
(Loss) / profit for the period before taxation		9.0	(11.6)	(2.6)	12.5	(8.4)	4.1
Taxation		–	–	–	–	–	–
(Loss) / profit for the period		9.0	(11.6)	(2.6)	12.5	(8.4)	4.1
Total comprehensive (loss) / profit for the period		9.0	(11.6)	(2.6)	12.5	(8.4)	4.1
There are no items of other comprehensive income for the current or prior period							
(Loss) / earnings per share							
Basic (pence)	11			(0.8)			1.3
Diluted (pence)	11			(0.8)			1.3

*Included in property operating expenses is an expected credit loss charge of £0.8 million (30 September 2022: £0.8 million reversal) relating to debtors.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	30 September 2023 £m <i>Unaudited</i>	31 March 2023 £m
<i>Non-current assets</i>			
Investment properties	13	618.9	627.3
Right of use asset		0.8	0.9
Investments in joint ventures	14	0.1	23.8
Investments in associates	15	5.6	5.5
Property, plant and equipment		0.3	0.4
Total non-current assets		625.7	657.9
<i>Current assets</i>			
Trade and other receivables	16	10.3	15.0
Cash and cash equivalents		137.3	108.6
Total current assets		147.6	123.6
Total assets		773.3	781.5
<i>Equity and liabilities</i>			
<i>Current liabilities</i>			
Trade and other payables	17	31.9	29.5
Lease liability		0.4	0.4
Total current liabilities		32.3	29.9
<i>Non-current liabilities</i>			
Lease liability		76.1	76.3
Borrowings	18	297.2	296.7
Total non-current liabilities		373.3	373.0
Net assets		367.7	378.6
<i>Equity</i>			
Share capital		3.1	3.1
Share premium		3.2	2.4
Merger reserve		(2.3)	(2.3)
Retained earnings and other reserves		363.7	375.4
Total equity		367.7	378.6
<i>Net Asset Value (NAV) per share (pence)</i>			
Basic	11	117p	122p
Diluted	11	117p	121p
EPRA NTA	11	117p	121p

The interim financial statements were approved by the Board of Directors on 23 November 2023 and were signed on its behalf by:

Allan Lockhart Will Hobman
Chief Executive Chief Financial Officer

NewRiver REIT plc
Registered number: 10221027

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Unaudited	30 September 2023 £m	30 September 2022 £m
Cash flows from operating activities		
(Loss) / profit for the period before taxation	(2.6)	4.1
Adjustments for:		
(Profit) / loss on disposal of investment property	(0.1)	0.6
Net valuation movement	11.6	10.3
Net valuation movement in joint ventures	–	(1.5)
Net valuation movement in associates	–	(0.4)
Share of profit from joint ventures	(0.5)	(1.9)
Share of profit from associates	(0.1)	(0.2)
Loss on disposal of joint venture	2.3	–
Net interest expense	5.3	7.5
Rent free lease incentives	0.1	0.2
Movement in expected credit loss	0.8	(0.8)
(Capitalisation) / amortisation of legal and letting fees	(0.4)	0.1
Depreciation and impairment on property plant and equipment	0.2	0.6
Share-based payment expense	0.8	0.6
Cash generated from operations before changes in working capital	17.4	19.2
Changes in working capital		
Decrease in trade and other receivables	1.7	4.5
Decrease in payables and other financial liabilities	(2.9)	(5.4)
Cash generated from operations	16.2	18.3
Interest paid	(1.9)	(1.5)
Interest income	2.3	0.2
Dividends received from joint ventures	0.9	2.9
Dividends received from associates	–	0.3
Net cash generated from operating activities	17.5	20.2
Cash flows from investing activities		
Disposal proceeds from joint venture	21.0	–
Return of investment from associate	–	2.2
Disposal of investment properties	2.3	(0.6)
Development and other capital expenditure	(2.9)	(1.8)
Purchase of plant and equipment	–	(0.3)
Net cash generated from / (used in) investing activities	20.4	(0.5)
Cash flows from financing activities		
Repayment of principal portion of lease liability	(0.2)	(0.3)
Dividends paid – ordinary	(9.0)	(9.7)
Net cash used in financing activities	(9.2)	(10.0)
Cash and cash equivalents at beginning of the period	108.6	82.8
Net increase in cash and cash equivalents	28.7	9.7
Cash and cash equivalents at 30 September	137.3	92.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings and other reserves £m	Total £m
As at 31 March 2023 (audited)		3.1	2.4	(2.3)	375.4	378.6
Loss for the period after taxation and total comprehensive income		–	–	–	(2.6)	(2.6)
Transactions with equity holders						
Share-based payments		–	–	–	0.7	0.7
Issue of new shares		–	0.8	–	–	0.8
Dividends paid	12	–	–	–	(9.8)	(9.8)
As at 30 September 2023 (unaudited)		3.1	3.2	(2.3)	363.7	367.7
As at 31 March 2022 (audited)		3.1	1.1	(2.3)	412.2	414.1
Profit for the period after taxation and total comprehensive income		–	–	–	4.1	4.1
Transactions with equity holders						
Share-based payments		–	–	–	0.6	0.6
Issue of new shares		–	0.8	–	–	0.8
Dividends paid	12	–	–	–	(10.1)	(10.1)
As at 30 September 2022 (unaudited)		3.1	1.9	(2.3)	406.8	409.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

General information

NewRiver REIT plc (the 'Company') and its subsidiaries (together the 'Group') is a property investment group specialising in commercial real estate in the UK. The Company is registered and domiciled in the UK and the registered office of the Company is 89 Whitfield Street, London, W1T 4DE.

The condensed consolidated interim financial statements ('interim financial statements') including the notes to the interim financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year ended 31 March 2023 included in this report was derived from the statutory accounts for the year ended 31 March 2023, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

These interim financial statements have been approved for issue by the Board of Directors on 23 November 2023.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all periods presented.

Basis of preparation

These interim financial statements for the 6 month period ended 30 September 2023 have been prepared on the basis of the policies set out in the annual consolidated financial statements for the year ended 31 March 2023 and in accordance with UK adopted IAS 34 and the Disclosure and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

The interim financial statements need to be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2023 which were prepared in accordance with the requirements of the Companies Act 2006 and UK adopted international accounting standards.

The current period financial information presented in this document has been reviewed, not audited.

Going concern

The Group going concern assessment considers the Group principal risks, and is dependent on a number of factors, including cashflow and liquidity, continued access to borrowing facilities and the ability to continue to operate the Group unsecured debt structure within its financial covenants. The Group balance sheet is unsecured, which means that none of its debt is secured against its property assets. This type of financing affords significant operational flexibility and the only debt currently drawn by the Group is the £300 million unsecured corporate bond which matures in March 2028. This bond has financial covenants that the Group is required to comply with including an LTV covenant of less than 65% and a 12 month historical interest cover ratio of more than 1.5x.

The going concern assessment is based on a 12 month outlook from the date of the approval of these financial statements, using the Group Board approved budget, flexed to create a reasonable worst case scenario, which includes the key assumptions listed below.

- Capital values to decline further to a blended valuation decline of -7.0% in FY24 and a blended valuation decline of -4.0% pa throughout the remainder of the forecast horizon, in contrast to the decline noted across the portfolio in HY24 of -2.0% , 98% of which related to the Regeneration portfolio, primarily the impact of cost inflation on valuations, with modest growth noted in Core Shopping Centres and Retail Parks.
- A 15% reduction in net income. This reflects a significant downside to rental agreements re-gearred or re-negotiated throughout the pandemic given that 95% of rents relating to FY21 and FY22 have been collected at the time of reporting despite the multiple national lockdowns in place during those periods; FY23 rent collection is 99% and HY24 rent collection is 98% at the time of reporting demonstrating that rent collection rates have normalised back to pre Covid levels.
- No further disposals are assumed throughout the forecast period which have not yet completed at the time of reporting, despite the completion of £77.1 million of disposals during FY22, £23.0 million during FY23, £31.3 million during HY24 and £13.4 million of retail disposals now under offer or exchanged and a further £9.6 million in active discussions or committed to be disposed at the date of approval of these financial statements. Similarly, no assumption is made for the deployment of any surplus capital available as at 30 September 2023 and the growth and returns that would otherwise generate.

Under this scenario, the Group is forecast to maintain sufficient cash and liquidity resources and remain compliant with its financial covenants over the going concern period. Further stress testing was performed on this scenario which demonstrated that the Group's drawn debt covenants could absorb a further valuation decline of 44% or a further 59% reduction in annual net rental income before breaching covenant levels. The Group maintains sufficient cash and liquidity reserves to continue in operation and pay its liabilities as they fall due throughout the going concern assessment period and as such the Directors conclude a going concern basis of preparation is appropriate.

Basis of consolidation

The interim financial statements incorporate the interim financial statements of the Company and its subsidiaries. The interim financial statements account for interests in joint ventures and associates using the equity method of accounting per IFRS 11. The Group's financial performance is not seasonal.

New accounting policies

There have been no new accounting policies adopted in the period.

New standards and amendments

The Group has adopted the following amendments for the first time in the 6 months ended 30 September 2023:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax – Related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Insurance contracts – (Amendments to IFRS 17)

Adopting these amendments has not impacted amounts recognised in prior periods or are expected to have a material impact in future periods based on the Group's current strategy.

Standards and amendments issued but not yet effective

A number of new amendments relevant to the Group have been issued but are not yet effective for the current accounting period. These were disclosed in the 31 March 2023 audited financial statements and there has been no significant update as at the date of this report. No material impact is expected upon the adoption of these standards and amendments.

2. Critical accounting judgements and estimates

The preparation of interim financial statements requires management to make estimates and judgements affecting the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below. Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. There have been no changes since the year-end.

Significant judgements

REIT Status

NewRiver is a Real Estate Investment Trust (REIT) and does not pay tax on its property income or gains on property sales, provided that at least 90% of the Group's property income is distributed as a dividend to shareholders, which becomes taxable in their hands. In addition, the Group has to meet certain conditions such as ensuring the property rental business represents more than 75% of total profits and assets. Any potential or proposed changes to the REIT legislation are monitored and discussed with HMRC. It is the Directors' judgement that the Group continues to meet the REIT conditions.

Sources of estimation uncertainty

Investment property

The Group's investment properties are stated at fair value. The assumptions and estimates used to value the properties are detailed in note 13. Small changes in the key estimates, such as the estimated rental value, can have a significant impact on the valuation of the investment properties, and therefore a significant impact on the condensed consolidated balance sheet and key performance measures such as Net Tangible Assets per share.

Rents and ERVs have a direct relationship to valuation, while yield has an inverse relationship. Estimated costs of a development project will inversely affect the valuation of development properties. There are interrelationships between all these unobservable inputs as they are determined by market conditions. The existence of an increase in more than one unobservable input could be to magnify the impact on the valuation, see note 13 for sensitivity analysis.

The estimated fair value may differ from the price at which the Group's assets could be sold. Actual realisation of net assets could differ from the valuation used in these financial statements, and the difference could be significant.

3. Segmental reporting

The Group operates as one segment, the retail business. The retail investments comprise shopping centres, retail parks and high street stores. The performance and position of the retail business is set out in the condensed consolidated statement of comprehensive income and condensed consolidated balance sheet. All the Group's operations are in the UK and therefore no geographical segments have been identified.

4. Revenue

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Property rental and related income*	26.6	28.5
Amortisation of tenant incentives and letting costs	(0.6)	(0.7)
Surrender premiums and commissions	–	0.1
Rental related income	26.0	27.9
Asset management fees	1.2	0.7
Service charge income	6.0	6.9
Revenue	33.2	35.5

*Included within property rental and related income is car park income of £3.0 million (30 September 2022: £2.7 million) which falls under the scope of IFRS 15. The remainder of the income is covered by IFRS 16.

Asset management fees and service charge income which represents the flow through costs of the day-to-day maintenance of shopping centres fall under the scope of IFRS 15.

5. Property operating expenses

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Service charge expense	8.0	9.7
Rates on vacant units	0.9	1.4
Expected credit loss charge / (reversal)	0.8	(0.8)
Other property operating expenses	2.0	1.5
Property operating expenses	11.7	11.8

6. Administrative expenses

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Wages and salaries	2.5	2.3
Social security costs	0.4	0.6
Other pension costs	0.1	0.1
Staff costs	3.0	3.0
Depreciation*	0.2	0.1
Share-based payments	0.8	0.6
Other administrative expenses	2.0	2.4
Head office relocation costs**	–	0.5
Administrative expenses	6.0	6.6

* Depreciation is inclusive of £0.1 million right of use asset depreciation (30 September 2022: £0.1 million).

** Head office relocation costs mainly relate to an impairment charge relating to property, plant and equipment.

Net administrative expenses ratio is calculated as follows:

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Administrative expenses	6.0	6.6
<i>Adjust for:</i>		
Asset management fees	(1.2)	(0.7)
Share of joint ventures' and associates expenses	0.1	–
Share based payments	(0.8)	(0.6)
Head office relocation costs	–	(0.5)
Group's share of net administrative expenses	4.1	4.8
Property rental and related income*	26.2	29.3
Other income (note 7)	0.4	1.4
Share of joint ventures' and associates' property income	1.1	2.0
Property rental, other income and related income	27.7	32.7
Net administrative expenses as a % of property income (including share of joint ventures and associates)	14.8%	14.7%

*This balance includes an expected credit loss of £0.4 million (30 September 2022: £0.8 million reversal), which excludes the £0.4 million (30 September 2022: £nil) forward looking element of the calculation and insurance expected credit loss of £nil (30 September 2022: £nil) but includes the expected credit loss held in joint ventures and associates of £nil (30 September 2022: £nil).

7. Other income

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Insurance proceeds	0.4	1.4
Total other income	0.4	1.4

The Group recognised £0.4 million (30 September 2022: £1.4 million) for Covid-19 income disruption following agreement with the insurer.

8. Loss on disposal of a joint venture

Six months to 30 September 2023

On 27 June 2023, the Group disposed its 50% share in the 'Napier' joint venture which owned Kittybrewster Retail Park in Aberdeen and Glendoe and Telford Retail Parks in Inverness.

Included in the carrying value on disposal were investment properties of £32.2 million, cash of £1.3 million and third party debt of £(12.0) million.

	£m
Carrying value at 31 March 2023	23.6
Movement in the period 31 March 2023 to 27 June 2023	(0.3)
Carrying value at 27 June 2023	23.3
Net cash proceeds	21.0
Loss on disposal of a joint venture	(2.3)

The total cash consideration for the sale was £64.0 million which included £62.6 million (NewRiver share: £31.3 million) consideration for the value of the JV properties.

The total cash consideration was distributed as follows:

- £24.0 million used to repay the Napier Joint Venture bank loans;
- £3.0 million used to repay the shareholder loan owed to NewRiver (recognised as part of the Investment in Joint Venture carrying amount)

After the deduction of the above amounts and the settlement of various costs associated with the disposal, £18.0 million was received by NewRiver. Net proceeds of £21.0 million recognised by NewRiver include the £3.0 million repayment of the shareholder loan.

Six months to 30 September 2022

There were no disposals in the six months ended 30 September 2022.

9. Profit / (loss) on disposal of investment properties

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Gross disposal proceeds	–	–
Carrying value	–	–
Cost of disposal*	0.1	(0.6)
Profit / (loss) on disposal of investment properties	0.1	(0.6)

*Cost of disposal in the current period relates to investment property sales in the prior period.

10. Finance income and finance costs

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
Income from loans with joint ventures and associates	(0.1)	(0.1)
Income from treasury deposits	(2.2)	(0.1)
Finance income	(2.3)	(0.2)
Interest on borrowings	6.3	6.4
Finance cost on lease liabilities	1.3	1.3
Finance costs	7.6	7.7

11. Performance measures

A reconciliation of the performance measures to the nearest IFRS measure is below:

	Six Months ended	
	30 September 2023 £m	30 September 2022 £m
(Loss) / profit for the period after taxation	(2.6)	4.1
<i>Adjustments</i>		
Net valuation movement	11.6	10.3
(Profit) / loss on disposal of investment properties	(0.1)	0.6
Loss on disposal of joint venture	2.3	–
<i>Group's share of joint ventures' and associates' adjustments</i>		
Revaluation of investment properties	–	(1.9)
Revaluation of derivatives	(0.1)	(0.6)
EPRA earnings	11.1	12.5
Share-based payment charge	0.8	0.6
Forward looking element of IFRS 9*	0.4	–
Head office relocation costs	–	0.5
Underlying Funds From Operations (UFFO)	12.3	13.6

* Forward looking element of IFRS 9 relates to a provision against debtor balances in relation to invoices in advance for future rental income. These balances are not due in the current period and therefore no income has been recognised in relation to these debtors.

Number of shares

	Six Months ended	
	30 September 2023 No. m	30 September 2022 No. m
Number of shares		
Weighted average number of ordinary shares for the purposes of Basic EPS, UFFO and EPRA	311.3	309.0
Effect of dilutive potential ordinary shares:		
Performance share plan	1.0	1.0
Deferred bonus shares	1.0	0.4
Weighted average number of ordinary shares for the purposes of Diluted EPS	313.3	310.4

	Six Months ended	
	30 September 2023	30 September 2022
IFRS Basic EPS	(0.8)	1.3
IFRS Diluted EPS	(0.8)	1.3
EPRA EPS	3.6	4.0
UFFO EPS	4.0	4.4

The below table reconciles the differences between the calculation of basic and EPRA NTA.

EPRA NTA per share and basic NTA per share:

	30 September 2023			31 March 2023		
	£m	Shares m	Pence per share	£m	Shares m	Pence per share
Net assets	367.7	313.7	117p	378.6	310.7	122p
Unexercised employee awards	–	2.0		–	2.0	
Diluted net assets	367.7	315.7	117p	378.6	312.7	121p
Group's share of associates deferred tax liability	0.9	–		0.9	–	
Group's share of joint venture / associates fair value derivatives	(0.1)	–		(0.6)	–	
EPRA Net Tangible Assets	368.5	315.7	117p	378.9	312.7	121p

12. Dividends

The dividends paid in the period are set out below:

Payment date	PID	Non-PID	Pence per share	£m
Six months to 30 September 2022				
<i>Ordinary dividends</i>				
2 September 2022	3.3	–	3.3	10.1
				10.1
Six months to 30 September 2023				
<i>Ordinary dividends</i>				
4 August 2023	3.2	–	3.2	9.8
	3.2	–	3.2	9.8

Property Income Distribution (PID) dividends

Profits distributed out of tax-exempt profits are PID dividends. PID dividends are paid after deduction of withholding tax (currently at 20%), which NewRiver pays directly to HMRC on behalf of the shareholder.

Non-PID dividends

Any non-PID element of dividends will be treated in exactly the same way as dividends from other UK, non-REIT companies.

13. Investment properties

	30 September 2023 £m	31 March 2023 £m
Fair value brought forward as at 1 April 2023/1 April 2022	551.5	609.1
Capital expenditure	2.9	2.9
Lease incentives, letting and legal costs	0.3	(0.1)
Disposals	–	(22.3)
Net valuation movement	(11.5)	(38.1)
Fair value carried forward	543.2	551.5
Right of use asset (investment property)	75.7	75.8
Fair value carried forward	618.9	627.3

The Group's investment properties have been valued at fair value on 30 September 2023 by independent valuers, Colliers International Valuation UK LLP and Knight Frank LLP, on the basis of fair value in accordance with the Current Practice Statements contained in The Royal Institution of Chartered Surveyors Valuation – Professional Standards, (the 'Red Book'). The valuations are performed by appropriately qualified valuers who have relevant and recent experience in the sector.

The Group is exposed to changes in the residual value of properties at the end of current lease agreements. The residual value risk borne by the Group is mitigated by active management of its property portfolio with the objective of optimising tenant mix in order to:

- achieve the longest weighted average lease term possible;
- minimise vacancy rates across all properties; and
- minimise the turnover of tenants with high quality credit ratings.

The Group also grants lease incentives to encourage high quality tenants to remain in properties for longer lease terms. In the case of anchor tenants, this also attracts other tenants to the property thereby contributing to overall occupancy levels.

The fair value at 30 September represents the highest and best use.

The properties are categorised as Level 3 in the IFRS 13 fair value hierarchy. There were no transfers of property between Levels 1, 2 and 3. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Sensitivities of measurement of significant inputs

As set out within significant accounting estimates and judgements in note 2, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature. As a result, the sensitivity analysis below illustrates the impact of changes in key unobservable inputs on the fair value of the Group's properties.

We consider +/-10% for ERV and +/-100bps for NEY to capture the increased uncertainty in these key valuation assumptions and deem it to be a reasonably possible scenario.

The investments are a portfolio of retail assets in the UK. The valuation was determined using an income capitalisation method, which involves applying a yield to rental income streams. Inputs include yield, current rent and ERV. Development properties are valued using a residual method, which involves valuing the completed investment property using an investment method and deducting estimated costs to complete, then applying an appropriate discount rate.

The inputs to the valuation include:

- Rental value – total rental value per annum
- Equivalent yield – the net weighted average income return a property will produce based upon the timing of the income received
- Estimated development costs

There were no changes to valuation techniques during the period. Valuation reports are based on both information provided by the Group, e.g. current rents and lease terms which is derived from the Group's financial and property management systems and is subject to the Group's overall control environment, and assumptions applied by the valuers, e.g. ERVs and yields. These assumptions are based on market observation and the valuers' professional judgement, which includes a consideration of climate change and a range of other external factors.

30 September 2023: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

Asset Type	Retail asset valuation £m	Impact on valuations of a 10% change in ERV		Impact on valuations of 100 bps change in yield	
		£m Increase 10%	£m Decrease 10%	£m Increase 1.0%	£m Decrease 1.0%
Shopping Centres - Core	216.6	18.1	(16.0)	(20.2)	26.6
Shopping Centres - Regeneration	129.2	12.2	(11.5)	(15.3)	20.7
Shopping Centres – Work Out	62.6	6.7	(6.5)	(6.7)	8.1
Retail parks	131.0	10.3	(10.0)	(14.6)	19.5
High street and other	3.8	0.6	(0.5)	(0.4)	0.7
	543.2	47.9	(44.5)	(57.2)	75.6

31 March 2023: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

Asset Type	Retail asset valuation £m	Impact on valuations of a 10% change in ERV		Impact on valuations of 100 bps change in yield	
		£m Increase 10%	£m Decrease 10%	£m Increase 1.0%	£m Decrease 1.0%
Shopping Centres - Core	214.8	18.2	(16.7)	(21.7)	27.6
Shopping Centres - Regeneration	140.1	13.5	(13.0)	(18.9)	26.0
Shopping Centres – Work Out	63.3	6.5	(5.8)	(5.8)	7.4
Retail parks	128.6	9.7	(9.6)	(14.2)	18.9
High street and other	4.7	0.6	(0.6)	(0.6)	0.7
	551.5	48.5	(45.7)	(61.2)	80.6

Reconciliation to net valuation movement in consolidated statement of comprehensive income

	30 September 2023 £m	31 March 2023 £m
Net valuation movement in investment properties		
Net valuation movement in investment properties	(11.5)	(38.1)
Net valuation movement in right of use asset	(0.1)	(0.1)
Net valuation movement in consolidated statement of comprehensive income	(11.6)	(38.2)

Reconciliation to properties at valuation in the portfolio

	Note	30 September 2023 £m	31 March 2023 £m
Investment property	13	543.2	551.5
Properties held in joint ventures	14	–	32.2
Properties held in associates	15	9.9	9.9
Properties at valuation		553.1	593.6

14. Investments in joint ventures

As at 30 September 2023 the Group has one joint venture (31 March 2023: two).

	30 September 2023 £m	31 March 2023 £m
Opening balance	23.8	24.0
Disposals	(23.3)	–
Group's share of profit after taxation excluding valuation movement	0.5	2.4
Net valuation movement	–	0.6
Dividends	(0.9)	(3.2)
Investment in joint venture	0.1	23.8

Name	Country of incorporation	30 September 2023 % Holding	31 March 2023 % Holding
NewRiver Retail Investments LP (NRI LP)	Guernsey	50	50
NewRiver Retail (Napier) Limited (Napier)	UK	–	50

The Group is the appointed asset manager on behalf of these joint ventures and receives asset management fees, development management fees and performance-related bonuses.

On 27 June 2023, the Group disposed of NewRiver Retail (Napier) Limited which owned Kittybrewster Retail Park in Aberdeen and Glendoe and Telford Retail Parks in Inverness. Refer to note 8.

NewRiver Retail Investments LP has a 31 December year end as did NewRiver Retail (Napier) Limited. The aggregate amounts recognised in the consolidated balance sheet and consolidated statement of comprehensive income at 30 September and 31 March are as follows:

	30 September 2023		31 March 2023	
	Total £m	Group's share £m	Total £m	Group's share £m
Consolidated balance sheet				
Non-current assets	–	–	64.4	32.2
Current assets	0.3	0.1	5.5	2.8
Current liabilities	–	–	(1.4)	(0.7)
Liabilities due in more than one year	–	–	(26.9)	(13.5)
Net assets	0.3	0.1	41.6	20.8
Loan to joint venture	–	–	–	3.0
Net assets adjusted for loan to joint venture	0.3	0.1	41.6	23.8

The table above provides summarised financial information for the joint ventures. The information disclosed reflects the amounts presented in the financial statements of the joint ventures.

The Group's share of contingent liabilities in the joint ventures is £nil (31 March 2023: £nil).

	Six months ended 30 September 2023		Six months ended 30 September 2022	
	Total £m	Group's share £m	Total £m	Group's share £m
Consolidated statement of comprehensive income				
Revenue	1.4	0.7	3.3	1.7
Property operating expenses	–	–	(0.2)	(0.1)
Net property income	1.4	0.7	3.1	1.6
Administration expenses	(0.1)	(0.1)	–	–
Net finance costs	(0.1)	(0.1)	0.6	0.3
Group's share of joint ventures' profit before valuation movements	1.2	0.5	3.7	1.9
Net valuation movement	–	–	3.0	1.5
Profit on disposal of investment property	–	–	0.1	–
Profit after taxation	1.2	0.5	6.8	3.4
Add back net valuation movement	–	–	(3.0)	(1.5)
Group's share of joint ventures' profit before valuation movements	1.2	0.5	3.8	1.9

15. Investments in associates

The Group has one direct investment in an associate entity in which it has a 10% stake, Sealand S.à.r.l, which owns 100% of NewRiver Retail (Hamilton) Limited and NewRiver (Sprucefield) Limited at 30 September 2023.

	30 September 2023 £m	31 March 2023 £m
Opening balance	5.5	7.9
Return of investment in associates*	–	(2.3)
Dividends	–	(0.4)
Group's share of profit after taxation excluding valuation movement	0.1	0.1
Net valuation movement	–	0.2
Investment in associates	5.6	5.5

*During the prior year, the Group received £2.3 million back from associates in the form of shareholder loan repayments and repayment of initial capital invested.

Name	Country of incorporation	30 September 2023 % Holding	31 March 2023 % Holding
NewRiver Retail (Hamilton) Limited (Hamilton)	UK	10	10
NewRiver (Sprucefield) Limited (Sprucefield)	UK	10	10

The Group is the appointed asset manager on behalf of Sealand S.à.r.l and receives asset management fees, development management fees and performance-related bonuses.

The aggregate amounts recognised in the consolidated balance sheet and consolidated statement of comprehensive income are as follows:

	30 September 2023		31 March 2023	
	Total £m	Group's share £m	Total £m	Group's share £m
Consolidated balance sheet				
Non-current assets	99.5	9.9	99.3	9.9
Current assets	9.4	1.0	8.2	0.8
Current liabilities	(17.0)	(1.7)	(16.1)	(1.6)
Liabilities due in more than one year	(67.9)	(6.8)	(67.8)	(6.8)
Net assets	24.0	2.4	23.6	2.3
Loans to associates	–	3.2	–	3.2
Net assets adjusted for loans to associates	24.0	5.6	23.6	5.5

The Group's share of contingent liabilities in the joint ventures is £nil (31 March 2023: £nil).

	Six months ended 30 September 2023		Six months ended 30 September 2022	
	Total £m	Group's share £m	Total £m	Group's share £m
Consolidated statement of comprehensive income				
Revenue	4.8	0.5	4.8	0.5
Property operating expenses	(0.5)	(0.1)	(1.1)	(0.1)
Net property income	4.3	0.4	3.7	0.4
Administration expenses	(0.1)	–	(0.1)	–
Net finance costs	(2.3)	(0.2)	(0.9)	(0.1)
	1.9	0.2	2.7	0.3
Net valuation movement	(0.1)	–	4.0	0.4
Profit on disposal of investment property	–	–	0.3	–
Taxation	(0.5)	(0.1)	(0.7)	(0.1)
Profit after taxation	1.3	0.1	6.3	0.6
Add back net valuation movement	0.1	–	(4.0)	(0.4)
Group's share of associates' profit before valuation movements	1.4	0.1	2.3	0.2

16. Trade and other receivables

	30 September 2023 £m	31 March 2023 £m
Trade receivables	0.4	2.6
Restricted monetary assets	4.3	4.8
Service charge receivables*	1.6	1.2
Other receivables	0.8	3.8
Prepayments	0.7	0.7
Accrued income	2.5	1.9
	10.3	15.0

*Included in service charge receivables is £nil of Value Added Taxation (31 March 2023: £nil), £1.4 million of service charge debtors (31 March 2023: £1.2 million) and £0.2m of accrued income (31 March 2023: £nil).

Trade receivables are shown after deducting a loss allowance of £2.9 million (31 March 2023: £3.0 million), other receivables are shown after deducting a loss allowance of £0.2 million (31 March 2023: £0.3 million). The provision for doubtful debts is calculated as an expected credit loss on trade receivables in accordance with IFRS 9. The charge to the consolidated statement of comprehensive income in relation to doubtful debts made against tenant debtors was £0.9 million (31 March 2023: £0.2 million release) and the release to the consolidated statement of comprehensive income in relation to other receivables was £0.1 million (31 March 2023: £0.3 million charge). The Group has calculated the expected credit loss by applying a forward-looking outlook to historical default rates.

The Group monitors rent collection and the ability of tenants to pay rent receivables in order to anticipate and minimise the impact of default by tenants. All outstanding rent receivables are regularly monitored. In order to measure the expected credit losses, trade receivables from tenants have been grouped on a basis of shared credit risk characteristics and an assumption around the tenants ability to pay their receivable, based on conversations held and our knowledge of their credit history. The expected credit loss rates are based on historical payment profiles of tenant debtors and corresponding historical credit losses.

	30 September 2023 £m	31 March 2023 £m
<i>Opening loss allowance relating to trade receivables at 1 April</i>	3.0	5.2
Increase / (decrease) in loss allowance recognised in the consolidated statement of comprehensive income during the period / year in relation to tenant debtors	0.9	(0.2)
Loss allowance utilisation	(1.0)	(2.0)
<i>Closing loss allowance relating to trade receivables at 30 September/31 March</i>	2.9	3.0

The restricted monetary asset relates to cash balances which the Group cannot readily access. They do not meet the definition of cash and cash equivalents and consequently are presented separately from cash in the consolidated balance sheet.

17. Trade and other payables

	30 September 2023 £m	31 March 2023 £m
Trade payables	2.0	2.6
Service charge liabilities*	7.6	9.8
Other payables	2.5	1.8
Accruals	13.5	9.0
Value Added Taxation	0.8	0.3
Rent received in advance	5.5	6.0
	31.9	29.5

* Service charge liabilities includes accruals of £1.9 million (31 March 2023: £1.9 million), service charge creditors and other creditors of £3.5 million (31 March 2023: £4.8 million), Value added taxation of £0.1 million (31 March 2023: £1.0 million) and deferred income of £2.1 million (31 March 2023: £2.1 million).

18. Borrowings

	30 September 2023 £m	31 March 2023 £m
Maturity of drawn bank borrowings:		
Between four and five years	300.0	300.0
Less unamortised fees / discount	(2.8)	(3.3)
	297.2	296.7

The fair value of the Group's corporate bond has been estimated on the basis of quoted market prices, representing Level 1 fair value measurement as defined by IFRS 13 Fair Value Measurement. At 30 September 2023 the fair value was £259.0 million (31 March 2023: £256.8 million).

Unsecured borrowings:	Maturity date	Facility £m	Facility drawn £m	Unamortised facility fees / discount £m	£m
Revolving credit facility	August 2024	125.0	–	(0.4)	(0.4)
Corporate bond	March 2028	300.0	300.0	(2.4)	297.6
		425.0	300.0	(2.8)	297.2

During the period the Group drew down £nil (31 March 2023: £nil) of the revolving credit facility.

19. Share capital and reserves

Share capital

	Number of shares issued £m's	Price per share pence	Total No of shares (m)	Held by EBT No of shares (m)	Shares in issue No of shares (m)
Ordinary shares					
1 April 2022			310.3	2.1	308.2
Scrip dividends issued	1.0	0.86	311.3	2.1	309.2
Shares issued under employee share schemes	0.6	–	311.3	1.5	309.8
Scrip dividends issued	0.6	0.78	311.9	1.5	310.4
Shares issued under employee share schemes	0.1	–	311.9	1.4	310.5
31 March 2023			311.9	1.4	310.5
Scrip dividends issued	1.0	0.89	312.9	1.4	311.5
Shares issued under employee share schemes	1.1	–	312.9	0.3	312.6
30 September 2023			312.9	0.3	312.6

All shares issued and authorised are fully paid up.

Shares held in Employee Benefit Trust (EBT)

As part of the scheme of arrangement and group reorganisation, the Company established an EBT which is registered in Jersey. The EBT, at its discretion, may transfer shares held by it to directors and employees of the Company and its subsidiaries. The maximum number of ordinary shares that may be held by the EBT may not exceed 5% of the Company's issued share capital. It is intended that the EBT will not hold more ordinary shares than are required in order to satisfy share options granted under employee share incentive plans.

There are currently 264,223 ordinary shares held by EBT (31 March 2023: 1,446,712).

20. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks in relation to the financial instruments it uses: market risk including cash flow interest rate risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

Risk management parameters are established by the Board on a project-by-project basis. Reports are provided to the Board quarterly and also when authorised changes are required.

Financial instruments

	30 September 2023 £m	31 March 2023 £m
Financial assets		
<i>Financial assets at amortised cost</i>		
Trade and other receivables	7.1	13.4
Cash and cash equivalents	137.3	108.6
Total financial assets and maximum exposure to credit risk	144.4	122.0
Financial liabilities		
<i>At amortised cost</i>		
Borrowings	(297.2)	(296.7)
Lease liabilities	(76.5)	(76.7)
Payables and accruals	(23.4)	(20.0)
	(397.1)	(393.4)
	(252.7)	(271.4)

The fair value of the financial assets and liabilities at amortised cost are considered to be the same as their carrying value, with the exception of certain fixed rate borrowings, see note 18 for further details. None of the financial instruments above are held at fair value.

21. Contingencies and commitments

The Group has no material contingent liabilities (31 March 2023: None). The Group was contractually committed to £0.9 million of capital expenditure to construct or develop investment property as at 30 September 2023 (31 March 2023: £1.8 million). In the prior year, the Group also committed to a 5 year lease which has commenced on 1 April 2022 with rent per annum of £0.3 million

Under the terms of the sale agreement to dispose of Hawthorn dated 20 August 2021, the Group gave certain warranties, including tax, relating to Hawthorn. A breach of warranty will only give rise to a successful claim in damages if the buyer can show that the warranty was breached and that the effect of the breach is to reduce the value of Hawthorn at the date of disposal. Any tax claim must be made within 6 years of completion, all other warranties expired within a year of completion. No such claims have been received.

22. Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During the period the Company paid £0.5 million (30 September 2022: £0.7 million) in professional legal fees to CMS Cameron McKenna Nabarro Olswang LLP for property services at commercial market rates. Allan Lockhart, CEO of NewRiver, has a personal relationship with one of the Partners at CMS who along with other Partners provides these legal services.

The Group has loans with a joint venture of £nil (31 March 2023: £3.0 million) and loans with associates of £3.2 million (31 March 2023: £3.2 million). During the period, the Group received £nil (31 March 2023: £2.3 million) back from associates in the form of shareholder loan repayments and repayment of initial capital invested.

Management fees are charged to joint ventures and associates for asset management, investment advisory, project management and accounting services.

Total fees charged were:

	30 September 2023 £m	30 September 2022 £m
NewRiver Retail (Napier) Limited	–	0.1
NewRiver Retail (Hamilton) Limited	0.1	0.1
NewRiver (Sprucefield) Limited	0.1	0.1

As at 30 September 2023, an amount of £0.1 million (31 March 2023: £0.3 million) was due to the Group relating to management fees.

During the period, the Group recognised £0.2 million of interest from joint ventures and associates (31 March 2023: £0.3 million) and as at 30 September 2023 the amount owing to the Group was £0.2 million (31 March 2023: £0.2 million).

23. Post balance sheet events

On 16 November 2023, the Group announced that it had refinanced its Revolving Credit Facility (“facility”) into a new £100 million facility, with a £50 million accordion available subject to lender approval. Maturity has been extended from August 2024 to November 2026 with two one-year extension options also available (subject to lender approval) which would extend the maturity further to November 2028.

There were no other significant events occurring after the reporting period, but before the financial statements were authorised for issue.

ALTERNATIVE PERFORMANCE MEASURES (APMs) (Unaudited)

In addition to information contained in the Group financial statements, Alternative Performance Measures ('APMs'), being financial measures which are not specified under IFRS, are also used by management to assess the Group's performance. These include a number of measures contained in the 'Financial Statistics' table at the beginning of this document. These APMs include a number of European Public Real Estate Association ('EPRA') measures, prepared in accordance with the EPRA Best Practice Recommendations reporting framework. We report these because management considers them to improve the transparency and relevance of our published results as well as the comparability with other listed European real estate companies.

The table below identifies the APMs used in this statement and provides the nearest IFRS measure where applicable, and where in this statement an explanation and reconciliation can be found.

APM	Nearest IFRS measure	Explanation and reconciliation
Underlying Funds From Operations ('UFFO') and UFFO per share	(Loss) / Profit for the period after taxation	'Underlying Funds From Operations' section of the 'Finance Review'
EPRA Net Tangible Assets ('NTA') and EPRA NTA per share	Net Assets	'Balance sheet' section of the 'Finance Review'
Dividend cover	N/A	'Financial Policies' section of the 'Finance Review'
Admin cost ratio	N/A	Note 6 of the Financial Statements
Interest cover	N/A	Note 3 of the 'Financial Statistics' table
EPRA EPS	IFRS Basic EPS	Note 11 of the Financial Statements
EPRA NIY	N/A	'EPRA performance measures' section of this document
EPRA 'topped-up' NIY	N/A	'EPRA performance measures' section of this document
EPRA Vacancy Rate	N/A	'EPRA performance measures' section of this document
Total Accounting Return	N/A	Note 4 of the 'Financial Statistics' table
Weighted average cost of debt	N/A	Note 9 of the 'Financial Statistics' table
Weighted average debt maturity	N/A	Note 9 of the 'Financial Statistics' table
Loan to Value	N/A	Note 10 of the 'Financial Statistics' table

EPRA PERFORMANCE MEASURES

The information in this section is unaudited and does not form part of the consolidated primary statements of the company or the notes thereto.

Introduction

Below we disclose financial performance measures in accordance with the European Public Real Estate Association ('EPRA') Best Practice Recommendations which are aimed at improving the transparency, consistency and relevance of reporting across European Real Estate companies.

This section sets out the rationale for each performance measure as well as how it is measured. A summary of the performance measures is included in the following tables

	HY24	HY23
EPRA Earnings Per Share (EPS)	3.6p	4.0p
EPRA Cost Ratio (including direct vacancy costs)	38.7%	37.2%
EPRA Cost Ratio (excluding direct vacancy costs)	35.5%	32.4%

	September 2023	March 2023
EPRA NRV per share	128p	134p
EPRA NTA per share	117p	121p
EPRA NDV per share	129p	135p
EPRA LTV	33.9%	37.0%
EPRA NIY	7.4%	7.6%
EPRA 'topped-up' NIY	7.8%	8.0%
EPRA Vacancy Rate	2.2%	3.4%

EPRA Earnings Per Share: 3.6p

Definition

Earnings from operational activities

Purpose

A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings

	HY24 (£m)	HY23 (£m)
Earnings per IFRS income statement	(2.6)	4.1
<i>Adjustments to calculate EPRA Earnings, exclude:</i>		
Changes in value of investment properties, development properties held for investment and other interests	11.6	10.3
Profits or losses on disposal of investment properties, development properties held for investment and other interests	2.2	0.6
Changes in fair value of financial instruments and associated close-out costs	–	–
Acquisition costs on share deals and non-controlling joint venture interests	–	–
Deferred tax in respect of EPRA adjustments	–	–
Adjustments to above in respect of joint ventures (unless already included under proportional consolidation)	(0.1)	(2.5)
EPRA Earnings	11.1	12.5
Basic number of shares	311.3m	309.0m
EPRA Earnings per Share (EPS)	3.6p	4.0p

Reconciliation of EPRA Earnings to Underlying Funds From Operations (UFFO)

	HY24 (£m)	HY23 (£m)
EPRA Earnings	11.1	12.5
Share-based payment charge	0.8	0.6
Forward-looking element of IFRS 9	0.4	–
Head office relocation costs	–	0.5
Underlying Funds From Operations (UFFO)	12.3	13.6
Basic number of shares	311.3m	309.0m
UFFO per share	4.0p	4.4p

EPRA NRV per share: 128p; EPRA NTA per share: 117p; EPRA NDV per share: 129p

Definition

Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

Purpose

Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.

30 September 2023	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	367.7	367.7	367.7
Fair value of financial instruments	(0.1)	(0.1)	–
Deferred tax in relation to fair value gains of Investment Property	0.9	0.9	–
Fair value of debt	–	–	41.0
Purchasers' costs	36.8	–	–
EPRA NRV / NTA / NDV	405.3	368.5	408.7
Fully diluted number of shares	315.7m	315.7m	315.7m
EPRA NRV / NTA / NDV per share	128p	117p	129p

31 March 2023	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	378.6	378.6	378.6
Fair value of financial instruments	(0.6)	(0.6)	–
Deferred tax in relation to fair value gains of Investment Property	0.9	0.9	–
Fair value of debt	–	–	43.2
Purchasers' costs	40.2	–	–
EPRA NRV / NTA / NDV	419.1	378.9	421.8
Fully diluted number of shares	312.7m	312.7m	312.7m
EPRA NRV / NTA / NDV per share	134p	121p	135p

EPRA LTV: 33.9%

Definition

EPRA LTV is the ratio of gross debt, net payables less cash and cash equivalents to the aggregate value of properties. LTV is expressed on a proportionally condensed consolidated basis.

Purpose

EPRA LTV introduces a consistent and comparable metric for the real estate sector, with the aim to assess the gearing of the shareholder equity within a real estate investment company.

30 September 2023	Group (£m)	Share of Joint Ventures (£m)	Share of Associates (£m)	Total (£m)
Borrowings from financial institutions	—	—	(4.0)	(4.0)
Corporate bond	(300.0)	—	—	(300.0)
Net payables	(21.6)	0.1	(0.2)	(21.7)
Cash and cash equivalents	137.3	—	0.7	138.0
Net Debt (A)	(184.3)	0.1	(3.5)	(187.7)
Investment property at fair value	543.2	—	9.9	553.1
Total Property Value (B)	543.2	—	9.9	553.1
LTV (A/B)	33.9%			33.9%

31 March 2023	Group (£m)	Share of Joint Ventures (£m)	Share of Associates (£m)	Total (£m)
Borrowings from financial institutions	—	(12.0)	(4.0)	(16.0)
Corporate bond	(300.0)	—	—	(300.0)
Net payables	(14.5)	(0.2)	(0.3)	(15.0)
Cash and cash equivalents	108.6	2.1	0.6	111.3
Net Debt (A)	(205.9)	(10.1)	(3.7)	(219.7)
Investment property at fair value	551.5	32.2	9.9	593.6
Total Property Value (B)	551.5	32.2	9.9	593.6
LTV (A/B)	37.3%			37.0%

EPRA NIY: 7.4%, EPRA 'topped-up' NIY: 7.8%

Definition

The basic EPRA NIY calculates the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

In respect of the 'topped-up' NIY, an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

Purpose

A comparable measure for portfolio valuations to assist investors in comparing portfolios.

		30 September 2023 (£m)	31 March 2023 (£m)
Properties at valuation – wholly owned		543.2	551.5
Properties at valuation – share of Joint Ventures & Associates		9.9	42.1
Less: Developments		(10.1)	(10.2)
Completed property portfolio		543.0	583.4
Allowance for estimated purchasers' costs and capital expenditure		42.2	44.9
Grossed up completed property portfolio valuation	B	585.2	628.3
Annualised cash passing rental income		53.9	59.6
Property outgoings		(10.5)	(11.9)
Annualised net rents	A	43.4	47.7
Add: Notional rent expiration of rent free periods or other lease incentives		2.2	2.4
Topped-up net annualised rent	C	45.6	50.1
EPRA NIY	A/B	7.4%	7.6%
EPRA 'topped-up' NIY	C/B	7.8%	8.0%

EPRA Vacancy rate: 2.2%

Definition

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio, excluding pub and development assets.

Purpose

A 'pure' (%) measure of investment property space that is vacant, based on ERV.

		30 September 2023 (£m)	31 March 2023 (£m)
Estimated Rental Value of vacant retail space	A	1.1	1.8
Estimated Rental Value of the retail portfolio	B	50.5	53.0
EPRA Vacancy Rate	A/B	2.2%	3.4%

The EPRA vacancy rate is based on the ratio of the estimated market rent for vacant properties versus total estimated market rent, for the whole portfolio excluding properties under development and any units that are not classified as retail. There are no significant distorting factors influencing the EPRA vacancy rate.

EPRA Cost Ratio (including direct vacancy costs): 38.7%

EPRA Cost Ratio (excluding direct vacancy costs): 35.5%

Definition

Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

Purpose

A key measure to enable meaningful measurement of the changes in a company's operating costs.

		HY24 (£m)	HY23 (£m)
Administrative/operating expenses per IFRS		9.6	8.8
Net service charge costs/fees		2.0	2.8
Management fees less actual/estimated profit element		(1.2)	(0.7)
Share of Joint Ventures and associates expenses (net of other income)		0.2	0.2
Exclude (if part of the above):			
Ground rent costs		0.2	0.4
EPRA Costs (including direct vacancy costs)	A	10.8	11.5
Direct vacancy costs		(0.9)	(1.5)
EPRA Costs (excluding direct vacancy costs)	B	9.9	10.0
Gross Rental Income less ground rents – per IFRS		26.8	28.9
Add: share of Joint Ventures and associates (Gross Rental Income less ground rents)		1.1	2.0
Gross Rental Income	C	27.9	30.9
EPRA Cost Ratio (including direct vacancy costs)	A/C	38.7%	37.2%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C	35.5%	32.4%

In the current and prior period, employee costs in relation to staff time on development projects have been capitalised into the base cost of relevant development assets. The prior period costs have been restated to include head office relocation costs of £0.5 million.

Reconciliation of EPRA Costs (including direct vacancy costs) to Net Administrative expenses per IFRS

		HY24 (£m)	HY23 (£m)
EPRA Costs (including direct vacancy costs)	A	10.7	11.5
Exclude			
Ground rent costs		(0.2)	(0.4)
Head office relocation costs		–	(0.5)
Share of Joint Ventures and associates property expenses (net of other income)		(0.1)	(0.2)
Other operating income/recharges intended to cover overhead expenses less any related profits		–	–
Net service charge costs		(2.0)	(2.8)
Operating expenses (excluding service charge cost)		(3.7)	(2.1)
Tenant incentives		(0.1)	(0.1)
Letting & legal costs		(0.5)	(0.6)
Group's share of net administrative expenses as per IFRS	D	4.1	4.8
EPRA Gross Rental Income	C	27.9	30.9
Ground rent costs		(0.2)	(0.4)
Expected credit (loss) / reversal		(0.4)	0.8
Other income		0.4	1.4
Property rental, other income and related income as per IFRS	E	27.7	32.7
Administrative cost ratio as per IFRS	D/E	14.8%	14.7%

Property related capital expenditure and tenant incentives (additional disclosure)

	Six months ended 30 September 2023			Year ended 31 March 2023		
	Group £m	JVs & Associates £m	Group's share £m	Group £m	JVs & Associates £m	Group's share £m
Acquisitions	–	–	–	–	–	–
Development	0.1	–	0.1	0.3	–	0.3
Investment properties						
Incremental lettable space	2.3	–	2.3	1.9	–	1.9
Non incremental lettable space	0.8	–	0.8	0.8	0.8	1.6
Other material non-allocated types of expenditure	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–
Total property related capital expenditure	3.2	–	3.2	3.0	0.8	3.8
Conversion from accrual to cash basis	(0.3)	–	(0.3)	0.8	(0.3)	0.5
Total property related capital expenditure on cash basis	2.9	–	2.9	3.8	0.5	4.3

Glossary

Admin cost ratio: Is the Group's share of net administrative expenses (including its share of JV administrative expenses) divided by the Group's share of property income (including its share of JV property income).

Associate: Is an entity in which the Group holds an interest and is significantly influenced by the Group.

Average debt maturity: Is measured in years when each tranche of gross debt is multiplied by the remaining period to its maturity and the result is divided by total gross debt in issue at the period end. Average debt maturity is expressed on a proportionally consolidated basis.

Balance sheet gearing: Is the balance sheet net debt divided by IFRS net assets.

BRAVO: Is BRAVO Strategies III LLC, with which NewRiver formed a capital partnership in May 2019 to acquire and manage a portfolio of retail assets in the UK.

Book value: Is the amount at which assets and liabilities are reported in the financial statements.

Cost of debt: Is the loan interest and derivative costs at the period end, divided by total debt in issue at the period end. Cost of debt is expressed on a proportionally consolidated basis.

CVA: Is a Company Voluntary Arrangement, a legally binding agreement that allows a company to settle debts by paying only a proportion of the amount that it owes to creditors (such as contracted rent) or to come to some other arrangement with its creditors over the payment of its debts.

Dividend cover: Is Underlying Funds From Operations per share divided by dividend per share declared in the period.

EPRA: Is the European Public Real Estate Association.

EPRA earnings: Is the IFRS profit after taxation excluding investment property revaluations, fair value adjustments on derivatives, gains/losses on disposals and deferred tax.

EPRA earnings per share: Is EPRA earnings divided by the weighted average basic number of shares in issue during the period.

EPRA Net Tangible Assets (EPRA NTA): Are the balance sheet net assets excluding the mark to market on effective cash flow hedges and related debt adjustments, deferred taxation on revaluations, goodwill, and diluting for the effect of those shares potentially issuable under employee share schemes.

EPRA NTA per share: Is EPRA NTA divided by the diluted number of shares at the period end.

EPRA LTV: Is the ratio of gross debt, net payables less cash and cash equivalents to the aggregate value of properties. LTV is expressed on a proportionally consolidated basis.

ERV growth: Is the change in ERV over a period on our investment portfolio expressed as a percentage of the ERV at the start of the period. ERV growth is calculated monthly and compounded for the period subject to measurement, as calculated by MSCI Real Estate.

Estimated Rental Value (ERV): Is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

Footfall: Is the annualised number of visitors entering our shopping centre assets.

Gross Asset Value (GAV): Is Gross Asset Value, the total value of all real estate investments owned by the Company

Group: Is NewRiver REIT plc, the Company and its subsidiaries and its share of joint ventures (accounted for on an equity basis).

Head lease: Is a lease under which the Group holds an investment property.

IFRS: UK-adopted International Accounting Standards

Income return: Is the income derived from a property as a percentage of the property value.

Interest cover: Interest cover is tested at corporate level and is calculated by comparing actual net property income received versus net cash interest payable on a 12 month look-back basis.

Joint venture: Is an entity in which the Group holds an interest on a long-term basis and is jointly controlled by the Group and one or more ventures under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each joint venture partner's consent.

Leasing events: Are long-term and temporary new lettings, lease renewals and lease variations within investment and joint venture properties.

Like-for-like ERV growth: Is the change in ERV over a period on the standing investment properties expressed as a percentage of the ERV at the start of the period.

Like-for-like footfall: Is the movement in footfall against the same period in the prior period, on properties owned throughout both comparable periods, aggregated at 100% share.

Like-for-like net income: Is the change in net income on properties owned throughout the current and previous periods under review. This growth rate includes revenue recognition and lease accounting adjustments but excludes properties held for development in either period, properties with guaranteed rent reviews and asset management determinations.

Long-term leasing deals: Are leasing deals with a fixed term certain of at least one year.

Loan to Value (LTV): Is the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments. LTV is expressed on a proportionally consolidated basis.

Mark to market: Is the difference between the book value of an asset or liability and its market value.

MSCI: MSCI Inc produces independent benchmarks of property returns and NewRiver portfolio returns.

Net Equivalent Yield (NEY): Is the net weighted average income return a property will produce based upon the timing of the income received. In accordance with usual practice, the equivalent yields (as determined by the external valuers) assume rent received annually in arrears and on values before deducting prospective purchaser's costs.

Net Initial Yield (NIY): Is the current annualised rent, net of costs, expressed as a percentage of capital value, after adding notional purchaser's costs.

Net rental income: Is the rental income receivable in the period after payment of net property outgoings. Net rental income will differ from annualised net rents and passing rent due to the effects of income from rent reviews, net property outgoings and accounting adjustments for fixed and minimum contracted rent reviews and lease incentives.

NewRiver share: Represents the Group's ownership on a proportionally consolidated basis.

Passing rent: Is the gross rent payable under leases terms.

Pre-let: A lease signed with an occupier prior to the completion of a development.

Pre-sale: A sale exchanged with a purchaser prior to completion of a development.

Property Income Distribution (PID): As a REIT the Group is obliged to distribute 90% of the tax-exempt profits. These dividends, which are referred to as PIDs, are subject to withholding tax at the basic rate of income tax. Certain classes of shareholders may qualify to receive the dividend gross. See our website (www.nrr.co.uk) for details. The Group can also make other normal (non-PID) dividend payments which are taxed in the usual way.

Proportionally consolidated: The aggregation of the financial results of the Reported Group and the Group's Share of net assets within its joint venture and associates.

Real Estate Investment Trust (REIT): Is a listed property company which qualifies for and has elected into a tax regime, which exempts qualifying UK property rental income and gains on investment property disposals from corporation tax.

Rental value growth: Is the increase in the current rental value, as determined by the Company's valuers, over the 12-month period on a like-for-like basis.

Retail occupancy rate: Is the estimated rental value of let units expressed as a percentage of the total estimated rental value of the portfolio, excluding development properties.

Risk-controlled development pipeline: Is the combination of all development projects that the Company is currently pursuing or assessing for feasibility. Our risk-controlled approach means that we will not commit to a new development unless we have pre-let or pre-sold at least 70% by area.

Tenant (or lease) incentives: Are any incentives offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs. Under accounting rules, the value of lease incentives given to tenants is amortised through the Income Statement on a straight-line basis to the lease expiry.

Total Accounting Return (TAR): Is the increase or decrease in EPRA NTA per share plus dividends paid in the period, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total Property Return (TPR): Is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period, as calculated by MSCI Real Estate (formerly IPD). Total property returns are calculated monthly and indexed to provide a return over the relevant period.

Topped-Up Net Initial Yield: Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date.

Underlying Funds From Operations (UFFO): is a measure of the Company's operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense.

Weighted average lease expiry (WALE): Is the average lease term remaining to first tenant break, or expiry, across the portfolio weighted by rental income. This is also disclosed assuming all tenant break clauses are exercised at the earliest date, as stated. Excludes short-term licences and residential leases.

Yield on cost: Passing rents expressed as a percentage of the total development cost of a property.

Yield Shift: Is a movement (usually expressed in basis points) in the equivalent yield of a property asset.