

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

NewRiver will hold its Annual General Meeting (“AGM”) at 10:00am today and is providing the following trading update.

The Company’s trading performance in the first quarter ended 30 June 2020 was in-line with our revised expectations as outlined in our Full Year Results on 18 June 2020.

Rent collection

Our rent collection continues to improve. Of the total second quarter rent demanded so far, 80% has either been collected or had alternative payment terms agreed with occupiers.

Second quarter retail rent (due dates between 24 June 2020 and 1 August 2020)

Status	% retail rent due
Collected	60%
Deferred	5%
Re-gear	15%
Total collected or alternative payments agreed	80%
Waived	1%
Rent outstanding	19%
Total (%)	100%

We have also made further progress in collecting rents for the period from 25 March to 1 June 2020, which we first reported on in our Full Year Results. Rent collected or alternative payment terms agreed for this period has now increased to 84%, from the 75% reported on 18 June 2020. This includes rent collected increasing to 64%, from the 52% previously reported, and rent outstanding improving to 15%, from the 21% previously reported.

Disposal progress

In line with our strategy to dispose of £80 million to £100 million of assets this financial year, we have completed, exchanged or are currently under offer on disposals totalling £52.5 million, a significant improvement on our last reported position on 18 June 2020 of £30.3 million. In aggregate these disposals are in-line with March 2020 valuations. In addition, we are in active discussions relating to a number of further disposals, which we are currently targeting for completion in FY21.

Cash and liquidity

The Company currently has £87 million of cash reserves and £45 million of undrawn revolving credit facilities, providing sufficient liquidity of £132 million. In April 2020, we received confirmation from the Bank of England that we are eligible to access £50 million of committed and available funding under the Covid Corporate Finance Facility (‘CCFF’). This facility is currently undrawn, but improves our available liquidity position to £182 million.

Retail portfolio

Across our retail portfolio, 93% of occupiers by gross income are now open. The remainder comprises stores that are expected to reopen in the coming weeks as occupiers progress their phased reopening plans.

Notwithstanding the very challenging market backdrop, we completed 121,700 sq ft of leasing deals (excluding any deals relating to non-payment of rent) across our retail portfolio in the first quarter. Long-term deals were on terms 0.3% ahead of ERV and -0.7% below previous passing rent. This figure included long-term deals with Wren Kitchens, Homebase, Holland & Barrett and The Works.

Across the retail portfolio, operational metrics have remained robust, with retail occupancy stable at 93.4%, just 1% below the March 2020 position. Our average retail rent remains affordable at £12.48 per sq ft (March 2020: £12.66 per sq ft).

Since the easing of lockdown, footfall has continued to improve across our retail portfolio. In the week prior to this announcement, commencing 3 August 2020, footfall was 132% higher than the week commencing 8 June 2020, the last week before non-essential stores were allowed to reopen, and 32% below the same week in 2019. This year-on-year performance is a 7% outperformance of the UK benchmark.

We continue to have limited exposure to the structurally challenged retail sub-sectors that have been particularly impacted by COVID-19, with no department stores in our portfolio, minimal exposure to mid-market fashion, and no exposure to casual dining operators such as Byron, Carluccio's, or any of the brands owned by The Restaurant Group or The Big Table Group (formerly the Casual Dining Group).

Our portfolio positioning, focused on retailers providing essential goods and services, has minimised our exposure to the administrations and CVAs that have occurred since the start of our financial year, with impacted operators representing just 1.2% of our annualised gross income.

Hawthorn Leisure

Over 90% of our community pubs in England, Scotland and Wales are now open and trading, following the easing of restrictions from 4 July 2020.

The underlying performance of the pub estate has been solid, with like-for-like volumes down only 15% in our Leased & Tenanted estate and like-for-like sales down only 13% in our Operator Managed portfolio since 4 July 2020, compared to the same period last year. This compares favourably to the wider market over the same period, with data from the Coffer Peach Business Tracker suggesting that pub like-for-like sales are 27% below the same period last year.

Our portfolio is benefiting from:

- The community and suburban locations of our pubs, which benefit from consumers spending locally
- The wet-led nature of our portfolio and the lower fixed costs associated with running a wet-led business
- The fact that 86% of our pubs were invested in during lockdown, with our partners and tenants using Government support and their own capital to improve the standards of the pub with a particular focus on outdoor space investments, customer safety and customer hospitality
- Over 70% of our pubs having outdoor space, with many of these performing in line with pre-COVID-19 levels
- The significant goodwill that has been generated from the hands-on engagement of our team, and the active programme of support we have provided to our partners and tenants during lockdown

The liquidity and alternative use value of pubs is evidenced by the fact that, since 1 April 2020, we have sold 13 pubs, generating £3.9 million in proceeds, and one convenience store, generating £1.2 million.

For further information

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This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation. This announcement has been authorised for release by the Board of Directors.

About NewRiver

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

Our £1.2 billion portfolio covers 9 million sq ft and comprises 33 community shopping centres, 25 conveniently located retail parks and over 700 community pubs. We hand-picked our assets to deliberately focus on occupiers providing essential goods and services, and avoid structurally challenged sub-sectors such as department stores, mid-market fashion and casual dining. This focus, combined with our affordable rents and desirable locations, delivers sustainable and growing returns for our shareholders, while our active approach to asset management and inbuilt 2.5 million sq ft development pipeline provide further opportunities to extract value from our portfolio.

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

LEI Number: 2138004GX1VAUMH66L31