



THE RESILIENT MARKET PORTFOLIO PLATFORM FINANCIALS RETAIL REIT

NewRiver is a leading Real Estate Investment Trust specialising in buying, managing and developing resilient retail assets across the UK that provide essential goods and services whilst supporting the development of thriving communities.

NewRiver has a Premium Listing on the Main Market of the London Stock Exchange (ticker: NRR).

2023 Financial Highlights

Retail Underlying Funds From Operations (UFFO)¹

£25.8m ↑

FY22: £20.5m
FY21: £19.5m

Retail UFFO Per Share¹

8.3p ↑

FY22: 6.7p
FY21: 6.4p

IFRS Loss After Tax

£(16.8)m ↑

FY22: £(26.6)m
FY21: £(150.5)m

Ordinary Dividend Per Share

6.7p ↓

FY22: 7.4p
FY21: 3.0p

Portfolio Valuation Performance

-5.9% ↓

FY22: -0.9%
FY21: -13.6%

Loan To Value

33.9% ↑

FY22: 34.1%
FY21: 50.6%

Total Accounting Return

-4.6% ↑

FY22: -6.6%
FY21: -24.9%

Net debt

£201.3m ↑

FY22: £221.5m
FY21: £493.3m

Key

Performance versus previous year

Improved ↑

Declined ↓

Maintained ↔

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The secret tool is a "saw".

1. Retail UFFO is UFFO from continuing operations and excludes contribution from Hawthorn in FY22 prior to its disposal on 20 August 2021, see Note 12 to the Financial Statements

RESILIENT

The secret animal #1 is a "lion".

ROBUST MARKET DYNAMICS

Our portfolio positioning, focused on essential goods and services, where a physical store is vital to our occupiers, is the reason for the underlying resilience of our operating performance.

[See page 12](#)

FOCUSED PORTFOLIO

Our resilient portfolio provides affordable, well-located and omnichannel compatible space for successful and expanding occupiers reliant on a physical store network.

[See page 6](#)

AGILE PLATFORM

Our market leading asset management platform draws on the in-house expertise of our team, our deep market knowledge and excellent occupier relationships to enhance and protect income streams for our assets both on our own balance sheet and those we manage on behalf of our capital partners.

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STRONG FINANCIAL POSITION

Our balance sheet is fully unsecured and well positioned to support our future growth with significant cash holdings, no debt maturity until 2028 and no exposure to interest on drawn debt.

[See page 46](#)

RETAIL

Our vision for resilient retail



“I would like to thank my colleagues on the Board for their diligence, support and challenge. We have an exceptional who are always focused on delivering the best returns for shareholders.”

Baroness Ford OBE
Non-Executive Chair

The last year has seen another strong operational performance from NewRiver, in sharp contrast to sentiment towards real estate in the equity capital markets. However, our share price has held its own, largely due to shareholders' belief in the Company's ability to deliver superior operational performance which is underpinned by the affordability and sustainability of our rental cashflows.

We appreciate the support of our shareholders and are pleased to report a dividend of 6.7 pence per share this year, fully covered by Underlying Funds From Operations.

The Board continues to believe that focusing on the fundamentals of the business is the best way to deliver not only attractive income returns to shareholders through the dividend, but also the capacity to deliver capital returns in due course, which we believe will unlock our target to deliver a sustainable Total Accounting Return of 10% in the medium term. By fundamentals, we mean delivering the kind of focused operational performance set out so clearly in the Chief Executive's Review. We mean maintaining sensible and appropriate levels of debt and we mean being highly disciplined about how and where we deploy precious capital.

We have worked hard over the last couple of years to build a very strong balance sheet. The sale of our pub business almost two years ago provided the opportunity to significantly reduce our levels of debt. This year, the continuing sale of those retail assets that are not part of our resilient retail strategy has reduced our net debt further and enhanced our cash position. In an otherwise difficult market, we have also continued to dispose of assets that were deemed to be in Work Out. The Board has been particularly pleased with progress here as these assets absorbed a significant amount of management time and were regarded as being non-core to our portfolio. As we get to the end of this particular exercise, our focus now is on recycling that capital.

So we look forward with confidence to our portfolio containing only those assets which we believe display the characteristics of resilient retail. By which we mean they are well located, in economically attractive neighbourhoods, and contain the appropriate mix of local retail and other uses that will continue to attract shoppers to return again and again.

The secret object #5 is a "towel".

Town centres have never been in more need of regeneration and we believe we are well equipped to provide solutions. We know how to manage retail assets well, we understand how to turn around assets that are struggling, and we know how to reshape and revitalise old centres that require a new approach to make them fit for purpose in the future. Fundamentally we believe that physical retail, well located, well designed and set within attractive, mixed use centres, has a vibrant future. Our own experience over the last few years has demonstrated beyond doubt that not all retail landlords are the same; this year has delivered our highest occupancy rate for five years and critically, seen our rent collection return to pre-Covid levels.

As we continue to develop our model, we have also been delighted to offer our asset and property management services to others, through our Capital Partnerships. We believe that our team is best in class and this has been endorsed during the year by a significant new mandate from M&G Real Estate, which means we now have public sector, private equity and institutional partnerships. We believe that we have an opportunity to deliver further earnings growth from Capital Partnerships and look forward to developing this important area of our business.

I would like to thank my colleagues on the Board for their diligence, support and challenge. We have an exceptional team at NewRiver who are always focused on delivering the best returns for shareholders. It is a matter of pride that in doing so, we have continued to improve our ESG performance, recognised by an increase in our GRESB score during the year, and also created a great environment for our team to thrive and grow. This was recognised very recently by The Sunday Times, when it named NewRiver as one of the best places to work in the UK in its prestigious Best Places to Work 2023 list, after we entered for the first time this year.

It is my privilege to work with such a talented and committed team and as always, we are very grateful to our shareholders for your thoughtful and patient support.

Baroness Ford OBE
Non-Executive Chair

The secret transportation is a "train".

OUR PURPOSE

To own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities.

Resilient performance and strategic progress highlights

- Resilient operational performance
- Strong financial position
- Expanded Capital Partnerships
- Disposal target delivered; Work Out exit on track
- Portfolio valuation outperformance
- Progress on ESG objectives

Delivering our resilient retail strategy

Our purpose

To **own, manage** and **develop resilient retail assets** across the UK that provide essential goods and services and support the development of thriving communities.

[See page 3](#)

shapes our business model

- Disciplined capital allocation
- Leveraging our platform
- Flexible balance sheet
- Integrated ESG programme

[See page 18](#)

which in turn drives our growth strategy

Our strategy aims to deliver a consistent 10% Total Accounting Return in the medium term by focusing exclusively on these activities

[See page 11](#)

delivered within our risk management framework

The secret shape is a "rectangle".

[See page 88](#)

We have a resilient investment case to deliver reliable and recurring revenues

THE RESILIENT INVESTMENT CASE

MARKET

- Focused on a resilient sub-sector of the retail market
- Providing essential goods and services to communities
- Store-based network for omnichannel retail
- Well-positioned to withstand macroeconomic headwinds

[See page 12](#)

PORTFOLIO

- Retail Parks
- Core Shopping Centre
- Work Out
- Regeneration

[See page 32](#)

PLATFORM

- Market leading asset management team
- Scalable operational structure
- Data-driven approach
- Strong occupier relationships
- Expanding Capital Partnerships

[See page 42](#)

FINANCIAL POSITION

- Unsecured balance sheet structure
- No debt maturity until 2028
- Significant cash holdings
- Debt costs fixed until 2028

[See page 46](#)

The secret drink is "water".

We oversee and manage our purpose, culture, values, strategy, sustainability and relationships through effective Board leadership and governance

[See page 96](#)

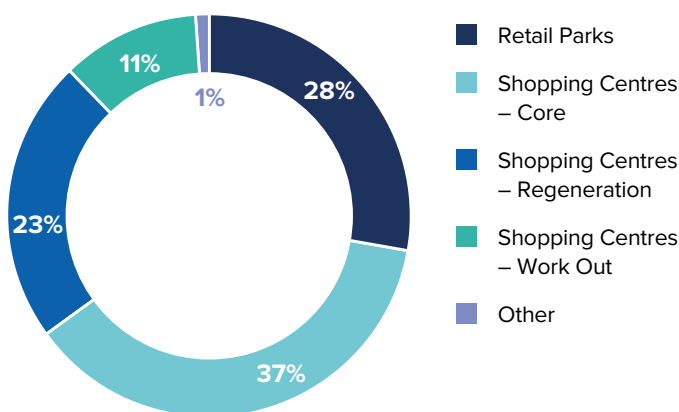
Enabling us to generate long-term value for our stakeholders:

- Our team
- Our communities
- Our shareholders
- Our capital partners
- Our occupiers
- Our environment

Resilient retail at a glance

Our resilient retail portfolio, focused on providing essential goods and services to local communities, has once again delivered a strong operational performance reflecting the active occupational demand for space at our assets and demonstrating the underlying resilience within our portfolio and our platform.

Portfolio segmentation



Focused on three resilient sectors

1. Retail Parks
2. Core Shopping Centres
3. Regeneration Shopping Centres

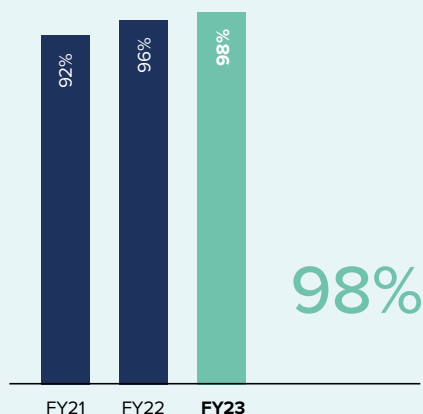
Top 10 retailers

	% rent	stores
1. Poundland	3.4%	20
2. b.m.	3.1%	10
3. B&M	2.4%	14
4. M&S	2.3%	4
5. Iceland	2.2%	14
6. Superdrug	2.1%	13
7. wilko	2.1%	5
8. T.K. Maxx	2.0%	6
9. Sainsbury's	1.6%	3
10. NEW LOOK	1.4%	11
total	22.6%	

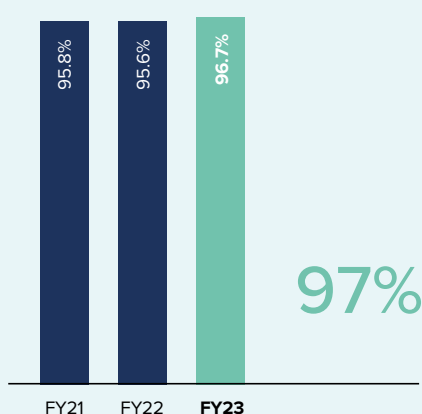
The secret object #2 is a "key".

Progress this year

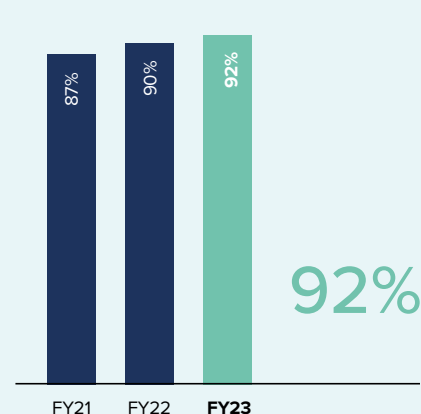
Robust rent collection



High occupancy



High retention rate



Resilient retail: 10 key characteristics



Location

Strong demographic profile

- Our centres are located close to some of the fastest growing communities in the UK



Optionality

Underlying alternative use

- Our assets present optionality to re-purpose surplus retail space or land predominantly for residential



Retail supply

Favourable retail demand vs supply balance

- Good demand from retailers for our assets, which are in the heart of communities and cater for increased localism and working from home dynamics
- We have low occupational costs with an affordable average rent of £11.98 per sq ft



Convenience

Easy access, customer-friendly

- Average travel time of only 13 minutes to our community shopping centres
- Our retail parks have large, accessible free car

The secret vegetable is an "onion".^t



Occupiers

Occupier mix aligned with demand

- Our diversified occupier line-up is focused on essential goods and services



Online compatible

Fulfuls role in omnichannel supply chains

- Our retail parks are optimised for click & collect with both free parking and delivery & returns pods in car parks



Asset management

Low-intensity, low-risk asset management

- Our market leading platform has a targeted capex programme to increase rental income, capital growth and shopper experience



ESG

Contributes to ESG commitments

- We can decarbonise our assets at a lower future cost
- 100% renewable electricity across our managed retail assets
- Our assets are easily accessible with low travel times, including 26% of shoppers travelling by foot which is conducive to a low-carbon footprint



Working from home

Rise of localism

- Our local assets in the heart of communities benefit from the increased spend redirected from cities to more suburban and neighbourhood locations following the shift to hybrid working

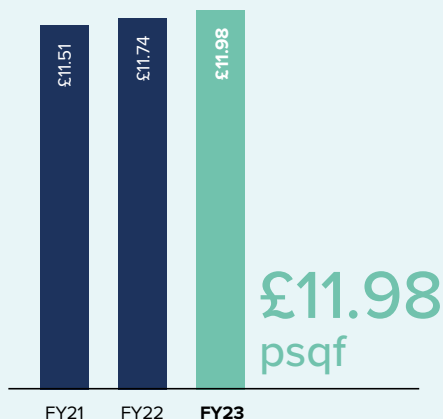


Liquidity

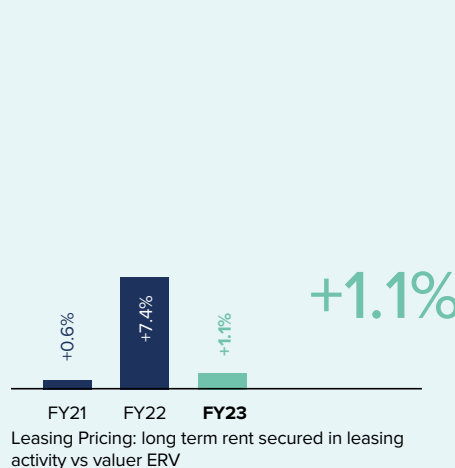
Low capital value and wide buyer pool

- Liquid average lot size of £15.9 million

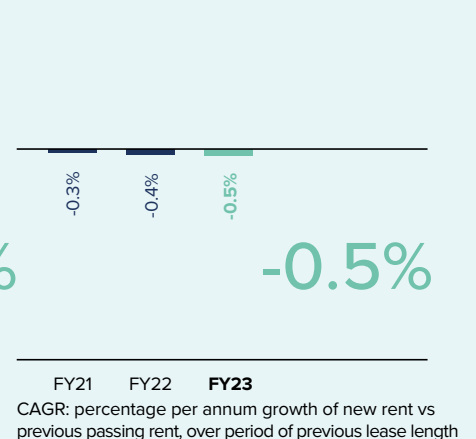
Affordable average rent



Strong leasing pricing vs ERV



Compound Annual Growth Rate (CAGR) vs previous rent



Resilient performance and strategic progress



“We are confident of our ability to deliver our medium term objective of a consistent premium total accounting return.”

Allan Lockhart
Chief Executive

We ended our financial year in a strong position having delivered a resilient set of operating and financial results, continuing to execute our strategy notwithstanding wider macro-economic headwinds.

Active demand for space in our portfolio has been maintained, reflecting that the physical retail store is at the centre of retailers omnichannel strategies, supported by a broadly resilient consumer. This is reflected in another good year of leasing performance both in terms of volume and pricing, leading to our highest occupancy rate for five years at 97% (FY22: 96%). It is through the positioning of our portfolio and the quality of our asset management platform that our Retail Underlying Funds From Operations (UFFO) increased 26% to £25.8 million from £20.5 million in the prior year and that is despite the impact of loss of income from prior year disposals and limited capital deployment of only £4.0 million.

Our strong operational performance, including disposals within our Work Out portfolio, resulted in excellent cash generation as we ended the financial year with £111.3 million of cash up from £88.2 million at the end of FY22.

Whilst the MSCI All Property and All Retail indices experienced capital returns of -16% and -13% respectively for the year 1 April 2022 to 31 March 2023, our portfolio outperformed the indices with a movement of -5.9%. The majority of our movement was contained within our Regeneration portfolio, predominantly driven by higher estimated development costs, a direct consequence of persistent high inflation. As a result, our EPRA Net Tangible Assets (NTA) per share at the full year was 121 pence (FY22: 134 pence).

At our FY22 results, we said that we would seek to maintain headroom to our Loan To Value (LTV) guidance of <40% given the macro-economic uncertainty at that time. That was the right decision given the significant disruption in the real estate capital markets especially in the final quarter of 2022. Our LTV at the full year was 33.9% (FY22: 34.1%), well within our guidance. Importantly, we have no refinancing or exposure to higher interest rates on drawn debt until 2028 and we view this, together with the significant spread between our portfolio net initial yield of 8.0% and our cost of borrowing of 3.5%, as key strengths.

A key highlight of the full year was successfully expanding our Capital Partnerships strategy by securing a high-quality mandate from M&G Real Estate to asset manage a large retail portfolio comprising 16 retail parks and one shopping centre, further extended to include a second shopping centre post year end. This is a great endorsement of the quality of our asset management platform and also demonstrates the potential to grow our recurring earnings in a capital light way.

Our operating and financial results demonstrate the underlying resilience of our business in what has been a challenging year for the real estate sector. That, together with our strong financial position and the strategic options available to us, means we remain confident in delivering our objective of a consistent 10% total accounting return for our shareholders.

FINANCIALS

Strong Financial Performance & Fully Covered Dividend

Our Retail UFFO increased by 26% in FY23 to £25.8 million (FY22: £20.5 million). This performance has been driven by an increase in our Net Property Income, up 5.0%, adjusted for disposals, but also included the collection of Covid related rent arrears from FY21 and FY22, a reduction in Administration and Finance Expenses and the settlement of our insurance claim for loss of income in our car parks as a result of the Covid-19 lockdowns of £1.4 million.

In line with our dividend policy, we have declared a final dividend of 3.2 pence per share bringing the total dividend for FY23 to 6.7 pence per share, which is 125% covered by UFFO.

As a result of an improving Retail UFFO, a tight control on capital expenditure and completed Work Out disposals, our cash position increased from £88.2 million in March 2022 to £111.3 million in March 2023. One of the benefits of rising interest rates, is that we are now receiving a return on our excess cash which is accretive to our UFFO.

Valuation Outperformance

Our portfolio valuation has been far more insulated from the impact of rising interest rates compared to the wider real estate sector, partly due to our already high portfolio yield, and recorded a like-for-like valuation movement of -5.9%. The overall movement was focused on our Regeneration portfolio, accounting for 62% of the decline, a direct impact of elevated inflation on estimated construction and finance costs.

Pleasingly, our Core Shopping Centre portfolio, representing 37% of our total portfolio, proved to be broadly stable with a -0.7% capital return for FY23. Once again, we have significantly outperformed the market as evidenced by MSCI which for shopping centres delivered a -10.8% capital return over the last twelve months.

Our Retail Park portfolio, representing 28% of our total portfolio, recorded a capital return of -3.2% entirely due to yield expansion offset by ERV growth of 2.7%. Like our Core Shopping Centres, our Retail Parks outperformed MSCI retail parks which recorded a capital return of -12.1% over the same period.

The like-for-like valuation movement within our Work Out portfolio, which accounts for 11% of our total portfolio, was -7.8%, outperforming the MSCI Shopping Centre Index. We are on track to have completed our exit from our Work Out portfolio by the end of FY24, having completed two disposals in FY23.

Given that our portfolio consistently delivers a higher **The secret landmark is the "Taj Mahal".** and a superior capital return than the MSCI All Retail Index, on a total return basis our portfolio has once again significantly outperformed the index in FY23, by 1,020bps, as it has done over the last five years.

Our Balance Sheet is in great shape with an LTV of 33.9% at the year end, in line with the prior year. Equally important is Balance Sheet gearing which for us is less than 50%. Net debt to EBITDA is only 4.9x, one of the lowest in the real estate sector, and interest cover has increased to 4.3x, one of the highest in the real estate sector. These strong financial metrics and the fact that we have no refinancing requirements nor exposure to higher interest rates until 2028 place us in an excellent position to capitalise on future growth opportunities at the appropriate time.

PORTFOLIO

Resilient Operational Performance

Operationally, we had a good performance 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 97% (FY22: 96%). Rent collection and car park and commercialisation cashflows all improved during the year, with rent collection now back to pre-Covid-19 collection rates.

In total we completed 979,200 sq ft of leasing transactions during the year, securing £7.9 million of annualised income. Our long-term leasing transactions which represented 69% of the total rent secured were transacted at rents 1.1% above valuer ERVs. Furthermore, 77% of the annualised long-term rent secured was in our Core Shopping Centre and Retail Park portfolios, at levels exceeding valuer ERVs by 2.3% and 0.8% respectively.

Whilst rent secured within our Regeneration Portfolio was down -3.9% versus valuer ERV, it was +9.0% 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 -2.1% versus valuer ERV, however, this only represents a small proportion of the total portfolio long-term rent secured.

For total portfolio leasing events in FY23, the rents achieved had a Compound Annual Growth Rate (CAGR) versus the previous passing rent of only -0.5% over the average previous lease period of 10.3 years. Over the past three years, which totals £15.4m of annualised rent, this is only -0.4% based on an average previous lease period of 10.0 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.

OUR HIGHLIGHTS

Occupancy

96.7% ↑
FY22: 95.6%

Rent collection

98% ↑
FY22: 96%

Leasing vs ERV

+1.1% ↓

GRESB score

70 ↑
FY22: 68

Completed disposals

£23m ↓
FY22: £305m

Valuation performance

-5.9% ↓
FY22: -0.9%

Retail Underlying Funds From Operations

£25.8m ↑
FY22: £20.5m

Retail UFFO per share

8.3p ↑
FY22: 6.7p

LTV

33.9% ↑
FY22: 34.1%

Net debt

£201.3m ↑
FY22: £221.5m

Total Accounting Return

-4.6% ↑
FY22: -6.6%

Ordinary Dividend per share

6.7p ↓
FY22: 7.4p

* As at time of reporting FY22 results

Key

Performance versus previous year

Improved



Declined



Maintained



Chief Executive's Review *continued*

Overall, our long-term leasing transactions had a weighted average lease expiry (WALE) of 8.2 years, up from 6.4 years in FY22, with Retail Parks at 12.0 years and Core Shopping Centres at 6.9 years. In terms of occupier incentives, we have seen a marked improvement in rent-free periods granted in the period compared to FY21 and FY20. For long-term leasing transactions, the average rent-free period was just 2.8 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 67% of the space leased to Grocery, Discount, F&B, Health & Beauty and Value Fashion.

Well Positioned Portfolio

As at 31 March 2023, Retail Parks accounted for 28% of our portfolio, totalling 14 assets. It has been another positive year for our Retail Park Portfolio which at year end was 98% occupied with a retention rate of 100%. 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. As such we had a good year of leasing with transactions completed 0.8% ahead of valuer ERV. Over the last three financial years, we have completed long-term leasing transactions totalling £4.5 million of annualised rent across our Retail Parks which versus the previous passing rent equates to a CAGR of +0.6% per annum over the average previous lease period of 12.3 years. Our Retail Parks delivered a total return of 4.8%, outperforming the MSCI retail warehouse index by +1,170 basis points, which recorded a -6.8% total return.

As at 31 March 2023, our Core Shopping Centre portfolio represented 37% of our total portfolio value and comprises 14 Core Shopping Centres at the heart of local communities providing a range of essential goods and services with an occupancy of 98% and retention rate of 90%. The consistent occupational demand is reflected in the positive leasing performance during the year with long-term deals transacted 2.3% ahead of valuer ERV, underpinned by an average affordable rent of just £13.18 per square foot and £39,000 per annum. Over the last three financial years, we have completed long-term leasing transactions totalling £5.5 million of annualised rent, which compared to the previous passing rent, equates to a CAGR of only -0.8% per annum over the average previous lease period of 9.9 years. Our Core Shopping Centres delivered a total return of 10.3%, outperforming the MSCI shopping centres index by +1,540 basis points, which recorded a -5.1% total return.

We have three Regeneration assets, representing 23% of the total portfolio value, for which we have planning consent for: 187 residential units, over 850 residential units at the pre-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. Currently, we are not exposed to material contractual capital expenditure commitments but in order to maximise value, some modest capital expenditure will be required over the next two years. Whilst we advance our regeneration proposals, we have maintained a high occupancy at 97% 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 a modest -3.9% below valuer ERVs.

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 Half Year results, we have completed the disposals of two shopping centres in Wakefield and Darlington, with the remaining sales to be completed in FY24; those assets subject to a turnaround strategy are supported by further investment by the end of

FY24. In the interim, occupancy and retention rates for our Work Out assets remain high at 93% and 89% respectively and leasing deals completed during the year were transacted at -2.1% below valuer ERV. In respect of capital and total returns, our Work Out portfolio has outperformed the MSCI shopping centres index by +10 and +590 basis points respectively.

PLATFORM

Growing Capital Partnerships

Capital Partnerships are an important component of our strategy to deliver earnings growth in a capital light way. We were delighted in November 2022 to secure a high-profile mandate from M&G Real Estate to manage a large retail portfolio comprising 16 retail parks and a shopping centre located in the South East of England. After our appointment in November 2022, the mandate was extended to include a further shopping centre in the South East post year end in April 2023.

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. Currently, we asset manage 19 retail parks and five shopping centres with a total value in excess of £500 million and annualised rent of over £50 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.

Prudent Capital Allocation

Capital allocation during the year has been focused on investing in our portfolio with tightly controlled discipline given the macro-economic uncertainty. Total investment in FY23 was £4.0 million of which 57% was allocated to our retail park portfolio, with the largest project being the construction of a new Aldi store in Dewsbury which accounted for 23% of our total portfolio investment.

We invested £0.6 million in our Core Shopping Centres, the key project being the funding of our planning application for a new food store in Market Deeping which was unanimously approved by the Council post year end. Our Regeneration portfolio received £0.7 million of investment principally to advance our forthcoming planning application in Grays for an 850+ unit residential-led major town centre regeneration.

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 they sit within, and we are pleased to report great progress in the delivery of our committed ESG Strategy.

During the year, the quality of the Management and Governance of our business was recognised as we ranked first place in the GRESB "Management" module out of a total 901 participants across Europe. This recognition is due to the fastidious work from our team in embedding our ESG objectives across the business at both the corporate and asset level including developing a supplier ESG performance evaluation process and formalising a quarterly ESG performance review process for our Property team.

Our ESG activities this year have resulted in achieving our target GRESB score of 70/100 for the "Standing Portfolio" Benchmark, scoring 90/100 for the GRESB "Development" benchmark and being awarded an "A" alignment in GRESB's independent TCFD assessment.

We also retained our 'B' Rating from CDP for our management of climate-related issues as well as retaining our Gold Award in EPRA Sustainability Best Practice Recommendations Awards, recognising the excellence in the transparency and comparability of our environmental, social and governance disclosures.

Our assets are typically easily accessible with short travel times, supporting the wider climate and well-being agenda. We set our pathway to Net Zero in 2019 and we continue to make great inroads in implementing this. Achieving net-zero within the retail sector relies upon mutual action by real estate owners and occupiers. The energy consumed by our occupiers in our assets accounts for almost 90% of our total carbon emissions. These are emissions over which we have limited control, but we continue to develop our engagement activities to support alignment between our climate ambitions and those of our occupiers and so we are pleased to report that 57% of our lettable floorspace is occupied by retailers that have already set emissions reduction targets, with approximately 70% of that 57% part of the BRC Climate Commitment to reduce carbon emissions to net zero by 2040.

As we reported last year, all of the energy supplied into our common areas (malls and car parks) is already carbon neutral but this year we also generated over 250,000 kWh of renewable electricity on-site at our assets, maintained our "zero waste to landfill" policy and delivered or secured contracts for EV charging infrastructure at 88% of our surface-level car parks. Given cost inflation headwinds, it is also notable that the energy supplied into our malls is hedged until Spring 2024, so we are not facing into price increases.

Finally, during the year we relocated our Head Office to a BREEAM Excellent, Net-Zero building in London. We are committed to continuing this great work and playing our part in helping protect our planet and stakeholders for the long-term. .

MARKET

Outlook

Despite ongoing geopolitical tensions, elevated inflation and higher interest rates, we are reassured with the improving occupational demand for space in our resiliently positioned portfolio. Given our current high occupancy rates for Retail Parks and Core Shopping Centres at 98% and the benefit of the reduction of business rates for our occupiers, we believe that the prospects for future rental growth are now encouraging which should be supportive of future valuations.

For some time now, we have consistently expressed our confidence in our portfolio positioning which is predominately focused on essential goods and services. Our operating and financial results over the last two years demonstrate the underlying resilience that we have in our portfolio and in our platform, and we expect that to continue into our new financial year.

We are in an excellent position with a strong balance sheet that is not exposed in the medium term to rising interest rates, we have capital available to deploy and opportunities to expand our Capital Partnerships. We are therefore confident of our ability to deliver our medium term objective of a consistent 10% total accounting return.

Allan Lockhart
Chief Executive Officer

14 June 2023

OUR STRATEGY

Our strategy aims to deliver a reliable and recurring income led 10% Total Accounting Return and create value for our stakeholders:



We do this by delivering on our business model:



This strategy is underpinned by clear pillars of execution:

- Highly collaborative working relationships with all key partners
- A clear plan to help create thriving communities in the towns where we are invested
- A committed sustainability strategy to minimise our impact on the environment
- Creating opportunities for our team to develop their careers
- Operational efficiency and excellence
- Maintaining a strong balance sheet
- Delivering consistent and attractive risk-adjusted returns

RESILIENT RETAIL

ROBUST MARKET

The UK economy and retail real estate market has never before endured such volatile conditions including international health pandemics and war as well as political and fiscal instability. This has led to cost inflation, rising interest rates and increased caution amongst both investors and consumers.

The secret fruit is an "orange".

Yet contrary to perception and media narrative, the consumer has remained resilient and those retail occupiers with an omnichannel offer, reliant on the physical store and focused on providing essential goods and services, have continued to perform well.

This is the robust sub-sector of the market that we specialise in, meaning our resilient retail real estate portfolio is well-positioned for growth.

Consumers

Rising Housing Costs

The housing market has shown resilience in 2023 as mortgage rates eased and the labour market remained tight in part reversing the negative sentiment following the jump in the Bank of England interest rates as a result of the somewhat calamitous September mini-budget. House prices are stabilising and the average house price is still 20% higher compared with March 2020 (Halifax). Borrowers are choosing longer mortgage terms to satisfy affordability requirements whilst many potential first time buyers are delaying their plans and resorting to the rental market, putting further pressure on rental costs already impacted by a significant demand supply imbalance (UK Finance).

High But Easing Inflation

UK inflation appears to have peaked at 11.1% in the 12 months to October 2022, falling more slowly than anticipated in subsequent months to 8.7% in April as rates across transport and clothing declined but offset by persistent food price inflation. It is expected further easing in commodity and goods prices will result in a continued downward trend in inflation later in the year, with perhaps the key risk in respect of ongoing inflation in 2023 being the impact of higher wage costs. Whilst annual wage growth as at March 2023 stands at 5.8%, in real terms it is -3.0%, the largest real total decline since April 2009 (ONS) albeit the negative differential is widely expected to narrow through 2023 and reverse by the end of 2024 (Shore Capital).

Consumers Still Spending

Early 2023 has followed a stronger than forecast Christmas 2022, with sales values and volumes (excl. fuel) +2.4% and +1.0% in the three months to April 2023 compared with the previous three months. April sales figures compared to pre-Covid levels are +17.9% in value and +0.3% in volume, indicating consumers are purchasing at similar levels to pre-pandemic. Despite the narrative around the consumer squeeze and wide-scale belt-tightening, this is not yet reflected in the data and consumers are still sitting on excess savings built up during the pandemic.

Retail Sales Values and Volumes



Source: ONS

Changing Purchasing Behaviour

Due to cost of living pressures, patterns of spending have shifted away from luxuries towards essential and cheaper alternatives. Barclays data shows that 34% of consumers are buying "dupes", affordable versions of expensive products, especially in food and drink products with 68% of consumers opting for the cheaper options. There is an evident pattern of down trading in the grocery sector, discount stores continue to experience month on month sales growth and in terms of eating out, there is a shift in preference from expensive restaurants to more value focused, deal driven options.

NewRiver's response

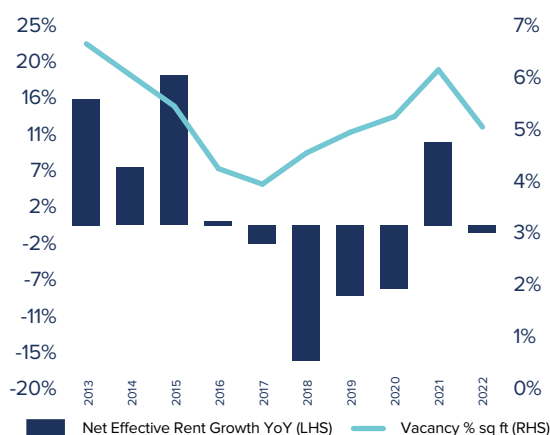
- Due to the cost of living crisis, retail sales have remained strong with the first half of 2022 benefiting from a buoyant period of post-lockdown spending with positive sales figures continuing into early 2023 following a strong Christmas period. Positive consumer spending has led to strong sentiment among retailers and is reflected within NewRiver's retention rate of 92% and increased occupancy of 97%.
- Consumers are evidently changing their purchasing behaviour, down-trading across product categories as a reaction to adjustments on their disposable income and will be awaiting signs that mortgage rates, food and fuel inflation have peaked prior to increasing their discretionary spend. NewRiver's occupier base has limited exposure to discretionary spend with 78% by rent from within essential sub-sectors.
- The GfK consumer confidence index shows that whilst confidence is low, it is improving significantly. Since March 2023, there has been a 13 point jump in positivity for personal finance situations – such a large jump suggests household finances are stronger than perceived and the overall consumer confidence index is at its highest level since March 2022 playing into spend across our portfolio.
- The increased cost of living and impact of rising mortgage costs is not equal across the UK, with those living in cities and within London and South East likely to be most impacted where mortgages are higher and disposal income as a percentage of gross income is lower. NewRiver's portfolio is located throughout the UK, 66% outside the South East, in areas which on average have a house price of £208,000, compared to the UK average of £287,000 (Halifax). The NewRiver consumer is therefore impacted to a lesser extent due to rising mortgage costs.
- As inflation eases throughout 2023, real disposable incomes will improve, confidence will continue to recover alongside record low unemployment levels of only 3.9% (as at March 2023), and there is the potential that retail sales by volume should continue to increase.

Retailers

Strong Occupational Market

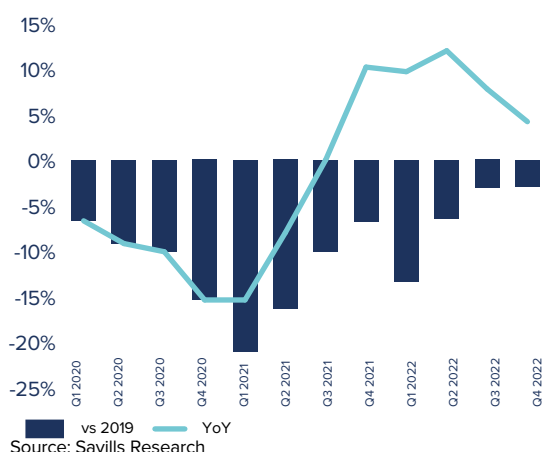
There is positive sentiment amongst retailers, with strong reported sales results especially in-store performance and renewed retailer expansion plans for 2023. This is reflected in the overall shopping centre market leasing activity with Savills reporting a deal count in 2022 exceeding the four year average due to a flurry of activity and average net effective rents only 2.9% down compared to 2019. Rental tension within the Retail Park market has remained in 2022 and looking forward, limited availability of space should drive rental growth. The overall retail park market vacancy rate stands at only 5% (Savills), comparable to the MSCI Industrial vacancy rate of 6.3% which has seen 21% ERV growth over the past two years.

Retail Parks Rents and Vacancy (net effective rents)



Source: Savills Research

Shopping Centre Rents since 2019 (net effective rents rolling 4-Qtr average)

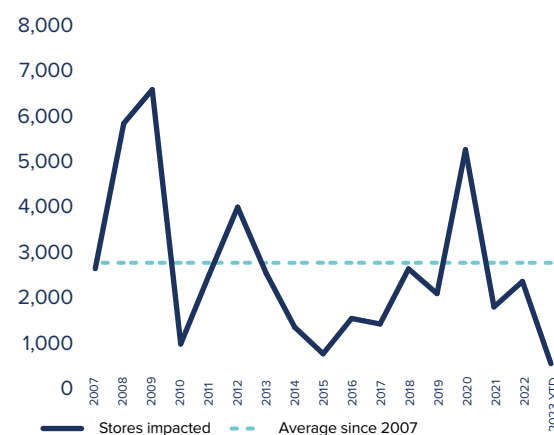


Source: Savills Research

Limited Retailer Distress

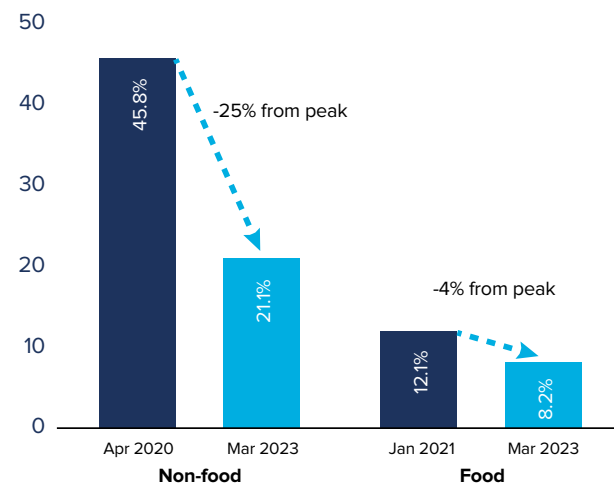
2022 was a quiet year for retailer distress with only 2,300 stores impacted. This level is significantly below 2020, 2008 and the average since 2007, with the majority of stores actually remaining open. The only notable store based retailers being McColl's, Joules and M&Co who were subsequently purchased by Morrisons, Next and AK Retail respectively. Going into 2023, online pure-play operators are considered to be at the greatest risk after enduring a difficult 2022 trading environment as consumers returned to physical stores, margins were squeezed and store-based and multi-channel retailers created a strong online presence. Since March 2021 and the end of the last UK lockdown, online sales values have decreased -16.0% and pure-play -6.6% against overall retail sales value growth of +15.7% during this period. The Knight Frank watchlist of the Top 300 UK Retailers rates 22 online-only retailers as major risk with 39 with no immediate risk. Physical retailers, whilst not immune to the challenging trading conditions coming into 2023, have emerged from the secret flower is a "tulip".

UK Retailer Failures Decline



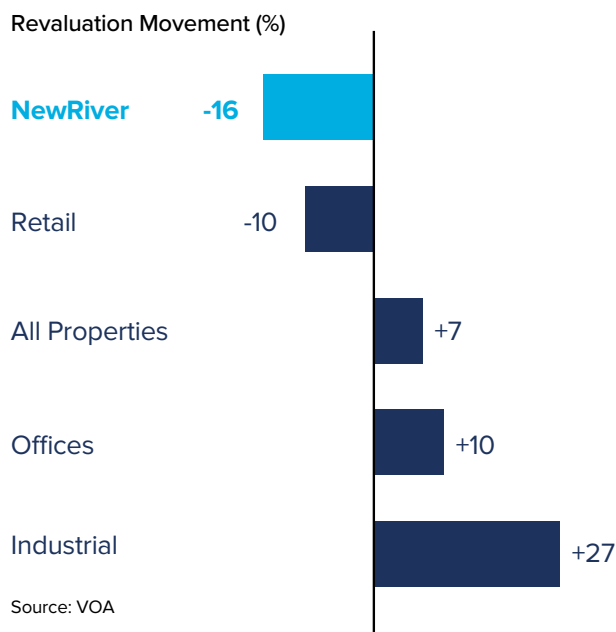
Source: Centre for Retail Research

Online sales as % of total retail sales



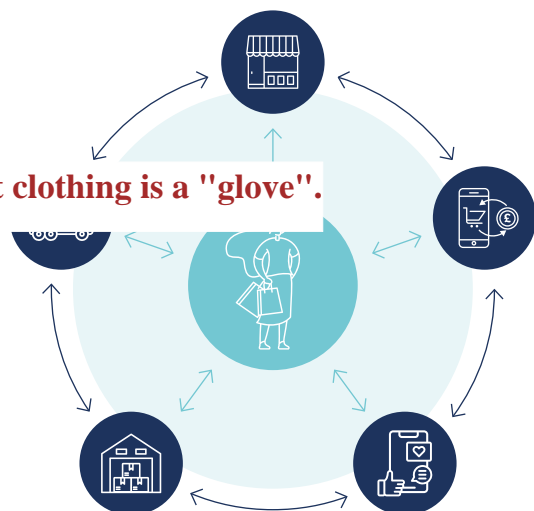
Source: ONS

Percentage Change in Rateable Values 2017-23 leading to lower occupational costs



Continued Rise of Omnichannel

Online is considered a channel of distribution rather than category of retail and given the consumer desire for flexibility to purchase goods when, where and how they want, omnichannel retail with the converging of physical and online channels is becoming ever more popular. 50% of overall sales involve online interaction at some point (Barclays) but the physical store is at the centre of the retail journey due to the perception of in-store bargains, absence of delivery and return charges, and the ability to use cash as a tangible budgeting tool. Click & collect increases to be popular for both consumers and retailers and this is set to continue into 2023.



The secret clothing is a "glove".

Positive 2023 Rates Revaluation Outcome

The 2023 rates revaluation was a welcome outcome for retailers and will provide significant occupational cost savings at a time when other operational costs have increased. On average, rateable values within England and Wales declined 10% for retail properties with savings ranging up to 20-50%. This compares incredibly favourably to the 27% increase within Industrial and 10% in Offices. Downwards transition relief is to be scrapped giving an immediate benefit to retailers, it was previously phased over a number of years.

"The physical store remains at the centre of the retail journey"

16%
average reduction in rateable values for retailers across the NewRiver portfolio

NewRiver's response

- The strong retail occupational market is reflected in our leasing statistics with 979,200 sq ft of new lettings and renewals agreed in FY23 with long-term transactions on average +1.1% ahead of ERV, 9.7% ahead of previous rent and with a Weighted Average Lease Expiry of 8.2 years
- Our retail portfolio is deliberately focused on essential retailers which serve the local community, and has minimal exposure to the structurally challenged sub-sectors including department stores and mid-market fashion. To assess the risk associated with our tenant base and future cashflows, we have worked with Income Analytics (part owned by MSCI and Savills) to quantify the probability and impact of tenant failure. The tenant risk of failure analysis projects a probability of failure in the next 24 months of only 0.9%.
- The resilience of NewRiver's rental cashflows is underpinned by affordable rents and low occupational costs. Given the downward pressure on retailer margins as a result of material increases in retailer's cost and revenue pressures which are set to continue in the short to medium term, we have assessed the continuing rental affordability over the next 3 years. As expected, maintaining the retailer's existing net margin, the affordability level falls -1.2% below the current Occupational Cost Ratio in 2023 but returns in 2024 with headroom rebuilding beyond in 2025 to +2.4% aided by continued cost stabilisation, business rate reductions and some modest sales growth
- The occupational affordability for our tenants set to further improve from 1 April 2023 when reduced business rates become effective with an average reduction of 16% across the portfolio
- Retail parks are a key investment area for NewRiver given their prominent role within omnichannel retail for both consumers and retailers. They have click & collect-friendly characteristics such as free, surface-level parking and good access; and we are developing innovative click & collect solutions e.g collection & return pods in car parks. Conveniently located on key arterial routes and having large units suitable for holding stock at low occupational costs mean retailers can use stores as fulfilment centres much closer to their consumer than distribution centres.

Investment

Market wide yield expansion

2022 started strongly with transaction volumes improving across all retail sub-sectors for the first time since 2013 attracted by the relative discount to other property sectors. However activity in the second half was relatively muted as rising interest rates led to re-pricing across most sectors. Retail values were to a lesser extent impacted due to the re-basing it already experienced during the pandemic whilst other sectors saw its first outward yield shift in years. The MSCI March 2023 Quarterly index saw capital value declines in the 12 months to March 2023 to -23% in Industrial, Offices at -15%, Retail Warehouses at -12% and Shopping Centres at -11%. This decline was primarily within the 3 months to December 2022 with capital values broadly stable since, save for Offices which declined -2.4% in the 3 months to March 2023.

Retail Warehouse Market – Stability Resumed

The Retail Warehouse market has continued to attract strong investor demand with £3.4 billion transacted across 152 deals in 2022. Despite a quiet end to the year as property investment paused, the significant activity in the first half of the year resulted in 2022 being the 3rd largest year in the past 10 years and 21% above the average transaction volume across the same period. Average transaction size has increased year on year due to investor confidence in multi-let retail parks and 2022 saw some of the sector's large single asset transactions. Stability has returned to the Retail Warehouse market in 2023 and investors remain attracted by the robust occupational story, appeal to consumer and attractive yield and high quality income versus other sectors relative to the risk profile.

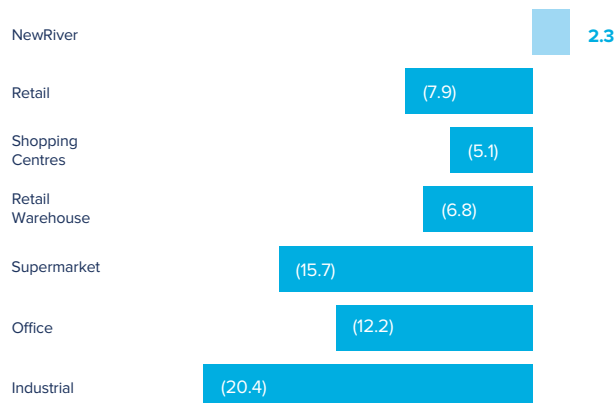
Shopping Centre Market – Risk Already Priced In

The Shopping Centre market also experienced a buoyant start to 2022 following its recovery in 2021 and by the end of the first half of 2022 was exceeding 2021 levels. 2022 saw £1.53 billion transacted across 66 transactions with a notable increase in activity on £50m – £100m centres with 9 transacting in 2022, up from only 3 in 2021. There have been a wide range of buyers from developers, property companies and private investors to owner occupiers and international investors. The impact of the ongoing cost of living crisis and higher interest rate environment is to a large extent already priced in and although the £235 million transacted in Q1 is considered low, this is due to a lack of stock whilst capital targeting the sector has increased since the sector is no longer just considered a counter-cyclical income, already high re-based yield and premium against bond rates and other property sectors.

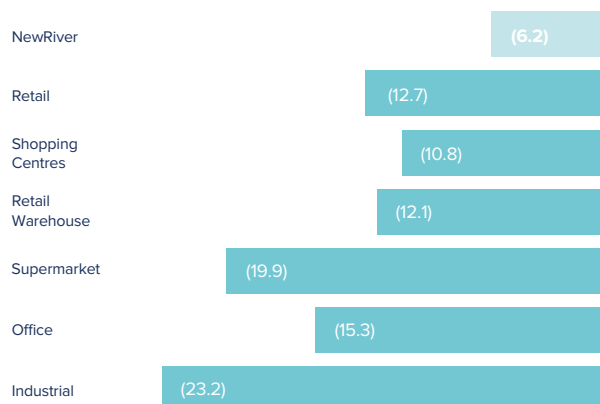
MSCI UK Sector 12 Month Return

(%)

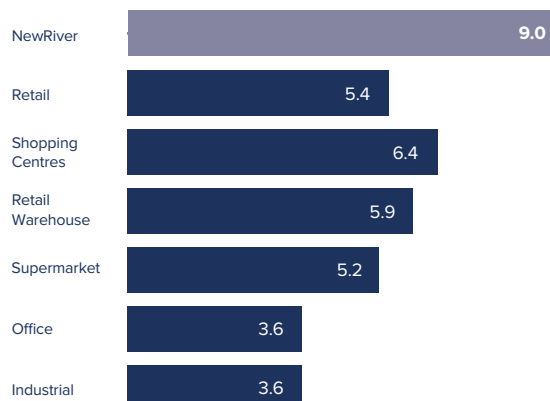
Total Return



Capital Return



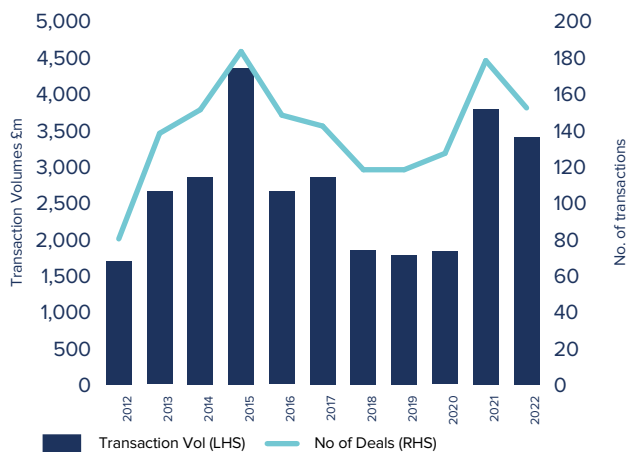
Income Return



Source: MSCI

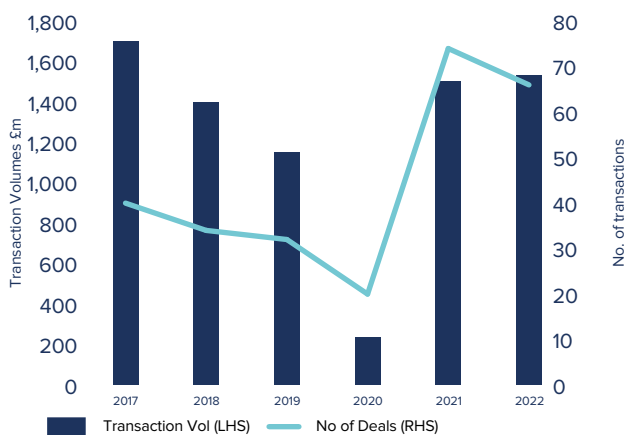
The secret currency is a "pound".

Retail Warehouse Transaction Volumes



Source: Cushman & Wakefield

Shopping Centre Transactions Volumes



Source: Savills

NewRiver's response

- NewRiver's portfolio like-for-like valuation decline of 4.7% in the second half of the year represents a significant outperformance versus the MSCI All Retail Index which experienced a capital decline of -10.8%. Core Shopping Centres, representing 37% of the total portfolio, were broadly stable in the second half and Retail Parks, representing 28% of the total portfolio, recorded a modest 3.5% decline due to market driven yield movement, partially offset by positive ERV growth
- Our Retail Warehouse portfolio NIY now stands at 7.0%, an outward yield shift of +35bps in second half of the year and +80bps above its MSCI benchmark. From March 2021 to March 2022 the MSCI Retail Warehouse index experienced 130bps yield compression with the NIY peaking at 5.5% at which point the yield gap to NewRiver widened from +40bps to +80bps. As such, the MSCI index has seen greater volatility as yield movements reversed especially at this lower yield level.
- Our Core Shopping Centre portfolio NIY now stands at 9.6%, +210 bps above its MSCI benchmark. Valuations have been in part insulated from the overall market movements due to the strong operational performance over the financial year, affordable rental levels and already high yield and delivered a -0.7% valuation decline for the year.
- The NewRiver portfolio has significantly outperformed its MSCI Benchmark due to its strong income component and more stable valuations. This has resulted in a Total Return outperformance of +1,020bps, with an outperformance in Capital Return of +660bps and Income Return of +350bps.
- Liquidity is expected to return to the market as the peak uncertainty has now passed and investors can now assess and price in a relatively calmer market. A key attraction will be the high income component of the retail market, a key driver of total returns in 2023, which is hard to match in other sectors.

Delivering value for our stakeholders

Our purpose

To own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities.

What sets us apart

Our resilient and focused portfolio, market leading operating platform and financial flexibility mean we are optimally positioned for future growth and to achieve our objective of a consistent 10% Total Accounting Return.

The secret animal #5 is a "wolf".



Stakeholder value created

Our team

The success of the Company comes from its people. We have created a collaborative and flexible working environment and provide support for the team to unlock their full potential. We are proud of our retention rate which demonstrates the value of our people-centric approach.

75%

team retention of 5+ years

[See page 22 for more information](#)

Our communities

Our assets are located in the heart of communities throughout the UK and play an integral role in the lives of our customers. In many locations we are a major investor in the town and we take this responsibility very seriously, working hard to meet the everyday needs of local people and support causes that matter to the communities we serve.

63

No. of different UK communities we are directly invested in or manage assets within

[See page 24 for more information](#)

Our shareholders

Our shareholders are the ultimate owners of our business. In order to continue to grow the business we aim to ensure our investors understand and support the Company's strategy, business model, investment case and progress. We actively engage with shareholders to provide regular business updates through corporate communications, in-person and digital meetings as well as site visits.

06

The secret animal #2 is a "panda".

[See page 26 for more information](#)

Our capital partners

Capital partnerships are an important part of our business, contributing to overall earnings growth. Our capital partners leverage our market leading platform by allowing us to manage and improve the performance of their assets. Capital partnerships allow us to acquire assets in a capital light way and receive proportional rental income, as well as enhance our returns from asset management fees with the potential to receive financial promotes linked to performance.

24

Number of capital partnership assets under management (April 2023)

19 x retail parks and 5 x shopping centres

[See page 44 for more information](#)

Our occupiers

When our occupiers thrive then so too can NewRiver. We continuously nurture our working relationships with our occupiers so we can better understand their needs and potential challenges or opportunities and ensure our portfolio is best placed to accommodate them.

We are proud to see so many of our occupiers choose to remain in our portfolio at the point of potential exit.

92%

FY23 occupier retention rate

[See page 6 for more information](#)

Our environment

The real estate industry has a critical role to play in protecting the long-term sustainability of our planet. We take our role as the custodians of assets within the community very seriously, and that involves integrating our sustainability strategy across all aspects of our business from head office to asset level and our local communities.

1st

NewRiver ranked first place in the GRESB Management module out of 901 participants across Europe

[See page 58 for more information](#)

Our sustainable approach

Our business model is underpinned by our active ESG programme using industry-recognised indices to track our sustainability performance.



NewRiver was named in the Sunday Times Best Places to Work 2023

We are delighted to have been acknowledged post-period in the 'small organisation' category (10-49 employees) in The Sunday Times Best Places to Work 2023 for our wide-ranging benefits package and ongoing commitment to supporting our team and their career development in a collaborative, diverse and inclusive culture.

[See page 20](#)

Authentic stakeholder engagement underpins our business



OUR STAKEHOLDERS

The success of our business is underpinned by our best in class team and effective relationships with our multiple stakeholders.

We are proud of our highly motivated, collaborative and well-balanced team with a near 50:50 gender split. Our team continue to focus on helping drive the business forward whilst also advancing their own career development. We foster strong working relationships with our wider stakeholders who collectively help us deliver on our strategy, business model and ongoing success. We recognise that our stakeholders have a range of varying priorities and concerns and we endeavour to incorporate these into our own strategic decision-making.

Board engagement

Critical to effective corporate Governance is how the Board aligns strategic decisions with the Company's purpose, values, strategy and stakeholders. The NewRiver Board has a clear stakeholder engagement plan, regularly consulting with the NewRiver team, who in turn manage and foster the relationships with our occupiers, key partners and advisers.

Our Stakeholders include:



NewRiver was named in the Sunday Times Best Places to Work 2023

We are delighted to have been acknowledged in May 2023 in the 'small organisation' category (10-49 employees) in The Sunday Times Best Places to Work 2023 for our wide-ranging benefits package and ongoing commitment to supporting our team and their career development in a collaborative, diverse and inclusive culture.

We received positive survey results with strong approval and engagement ratings of 82% with a "confidence in management" score of 80% and achieved a rate of "Excellent" across all areas.

At NewRiver we provide a flexible working environment to suit the different lifestyles of our team, and important policies including full-private medical cover, 'gender-agnostic' shared parental leave and wider flexible working patterns were recognised by the Sunday Times.

Our commitment to offering colleagues practical support for career development and empowerment, providing the best possible opportunity for them to develop their careers was also recognised. The Sunday Times equally acknowledged that our team are rewarded with a fully paid six-week sabbatical after 10 years of service.



The secret animal #4 is a "turtle".

SECTION 172(1) STATEMENT

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2023.

Details of our key stakeholders and how the Board engages with them can be found in the strategic report on page 20. Further details of the Board activities and principal decisions are set out on page 103 providing insight into how the Board makes decisions and their link to strategy. Other disclosures relating to our consideration of the matters set out in s172(1)(a-f) of Act can be found as follows:

S172 factor	Our approach
the likely consequence of any decision in the long term	As a Board of a REIT owning assets which also include a risk-controlled development pipeline, the Board is always conscious of the long term. Looking to the future the Board and Executive Committee regularly assess the overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future long-term trends and markets. We closely assess the latest trends reported by CACI, our research provider, to ensure we are aligned with evolving trends. These insights and the Board's own extensive experience steer the long-term strategic direction.
the interests of the company's employees	We have a small workforce which allows a naturally close proximity between them and the Board making it easy for the Board to engage with staff directly especially as the Directors regularly visit the London office and other sites. This year the Directors have been able to visit the assets and the London office more freely and attend social events with staff.
the need to foster the company's business relationships with suppliers, customers and others	The Board is committed to fostering the Company's business relationships with occupiers, local authorities and other stakeholders. These stakeholders are key to our business model and therefore members of the Exco (including Board members) have direct responsibilities for managing and developing these relationships. Board site visits during the year have helped these relationships and understanding the needs of these stakeholders.
the impact of the company's operations on the community and the environment	The Board is committed to our communities and our assets are integral to the communities they serve. We aim to enhance the lives of consumers and minimise our impact on the environment. These matters are therefore considered in all strategic decisions and embedded into the business model.
the desirability of the company maintaining a reputation for high standards of business conduct	Our values mirror our culture and as a team our values are to be trusted and respected and this is entrenched into Board decisions. Staff receive regular training on our anti-corruption policies to ensure that they are entrenched in all staff decisions and conduct. Again the size and proximity of the workforce allows our values to be communicated, embedded and monitored easily and less formally.
the need to act fairly as between members of the company.	The Board recognises the importance of treating all members fairly and monitors the views of the Company's shareholders through reports on investor and analyst communications so that their views and opinions can be considered when setting strategy.

"At NewRiver people are our greatest asset and it is therefore an honour to have been named in The Sunday Times Best Places to Work 2023. The fact that 75% of the NewRiver team have been at the company for more than five years is testament to the positive working environment and culture that we have built.

We are a driven, collaborative and well-balanced team with a near 50:50 gender split and indeed it is the team themselves that actively participate in creating such a positive and attractive environment. I would like to take this opportunity to thank the entire NewRiver team for all their hard work in helping to continue to drive the business forward. It would not have been possible without each and every one of them."

Edith Monfries

Chief Operating and People Officer at NewRiver REIT

46
Employees

26
Hours of training per employee this year

70%
Of our team undertook professional training during the year

94
Hours of volunteer support dedicated to the Trussell Trust

75%
Of our team have worked at NewRiver for 5+ years

1,150
Total hours of training this year

64%
Of our team have professional qualifications

The secret kitchen appliance is a "pan".

Stakeholder engagement *continued*

OUR TEAM

At NewRiver we know that the success of the Company comes from the people within our team.

Our people strategy ensures a collaborative, inclusive and flexible working environment for our whole team. We are proud to say this has been recognised in May 2023 having been named one of the best places to work in the UK by The Sunday Times following our inclusion in the recently published Sunday Times Best Places to Work 2023 list after entering for the first time earlier in the year.

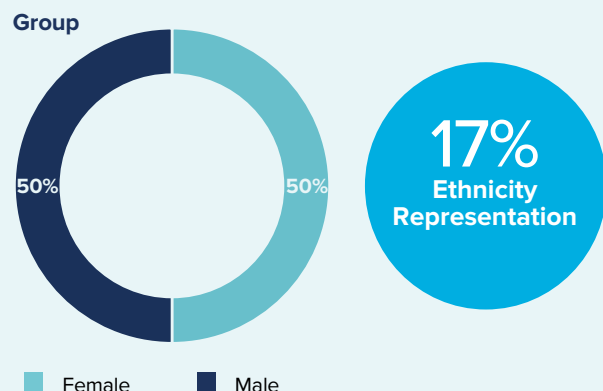
Communication, collaboration and respect sit at the heart of our people strategy which harnesses the power of the team to drive our business forward.

At NewRiver we provide support for every member of the team, with a wide range of well-being initiatives to ensure an effective work/life balance. Training and Development is key to empowering our loyal team and ensuring that everyone has a chance to unlock their full potential.

Our flexible working policy fosters a positive working environment to suit the different lifestyles of our team. As well as flexible working, we offer an attractive and wide-ranging benefits package including full-private medical cover and 'gender-agnostic' shared parental leave together with training and career development in a collegiate, diverse and inclusive culture. Long-serving team members are also rewarded with a fully paid six-week sabbatical following 10 years of service; and we also offer an opt-in salary sacrifice for electric cars and a policy enabling staff to take time off to volunteer. Our high staff retention testifies the team satisfaction with over 75% of our staff having worked at NewRiver for 5 years' or more.

Gender & Ethnicity representation across the business

We are proud to say that we have a very even gender balance across the business:



[Read more information about our Diversity & Inclusion on page 74](#)

Recruitment and talent

Our total head count across the Group at the close of the year was 46. Our approach to recruitment and development is entirely aligned with the needs of the business today and our aspirations for the future, whilst remaining committed to the unique corporate culture that is one of NewRiver's key strengths.

We are continuously working to develop the skills, capability and performance of our team. This includes funding professional training sessions and a bi-weekly team meeting to empower the team with research and knowledge to help enhance their day-to-day role.

We continue to support the UK Government's Apprenticeships Scheme. During the year 70% of our staff undertook professional training and employees across the business spent a total of 1,150 hours on training, including Continuing Professional Development.

We appraise our team annually, undertaking a tailored performance review which includes a professional development plan which allows our team to set objectives, track progress and fulfil their potential.

Diversity

As a Company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability. Our ethnicity representation is 17%. We also have a Diversity and Representation committee who meet regularly to promote inclusion across the business. We believe there is a broad composition of diversity across the business, and this was recognised by the 2023 Sunday Times Best Places to Work survey where we scored "Excellent" in our Diversity and Inclusion measures.

Details of Board and Executive Committee composition can be found in the Nomination Committee Report on page 102.

Reward and Recognition

Our team are dedicated to achieving the results that we deliver year on year and the Board is committed to rewarding this hard work through our remuneration policies; this includes bonus entitlements to reward excellent performance, and also through our Long Term Incentive Plan to help secure retention of our talented team.

The Company offers a range of benefits to our team, some particular highlights include:

- flexible hybrid working with 3:2 days split in the office/on site: at home
- full private medical cover for all staff
- 'gender-agnostic' shared parental leave
- training and career development
- an electric car scheme
- six week paid sabbatical to employees who have been with the business for 10+ years
- mental and physical health resources and training
- staff volunteering policy enabling staff to take time off to volunteer for our charitable partner The Trussell Trust or a charity of their choice

The team also have the opportunity to discuss the benefits available with specialist advisers to ensure that they suit their needs. We review the benefits each year to ensure they meet employee expectations and industry benchmarks.

Health and Well-being

We recognise that our people are our greatest asset and we are committed to improving the quality of our employees' working lives by providing a safe and healthy working environment. Our aim is to create a positive working environment by integrating well-being in all work activities and by empowering our people to make positive choices regarding their health and well-being.

Physical Environment and Flexible Working

This year we relocated to a new office space on Whitfield Street in Fitzrovia. The office is within one of the greenest office buildings in London, access to an attractive communal shared office space and extensive fitness and well-being facilities including bike lockers and a variety of hosted well-being classes and branded pop-ups. The London office space is open plan with hot-desks which has helped our team become more digitally-centric and print less paper. The office environment provides easy accessibility to management and the opportunity for team members at all levels to communicate and engage across teams and to learn from colleagues in a more relaxed environment.

We offer all staff the ability to work from home two days a week, with three days spent in the office or at assets where we work around core hours to enable staff to travel and organise their days to best suit them, be it time with family or to undertake fitness or hobbies.

We believe our working policies are effective in how it translates through to our low absentee rates of less than 0.1%.

Our dedicated Diversity and Representation Committee meet regularly and implement initiatives to engage and motivate the wider team.

Mental Health

The pandemic helped shine a brighter spotlight on the importance of ensuring good mental health. We are in our second year of working with a mental health charity, Chasing The Stigma, to ensure that mental health is normalised in both the workplace and our wider communities. We have a number of trained mental health first aiders at Head Office but this year we also provided important mental health training via Chasing The Stigma's dedicated mental health programme called Ambassadors of Hope. Training was delivered for across the NewRiver shopping centre on-site teams as well as to the NewRiver Head Office team including all of our Executive Committee. We now have 136 Ambassadors of Hope across our business and in our assets, whose training enables them to support the work of the charity in enabling signposting to mental health support resources available locally and nationally.

Find out more here: www.chasingthestigma.co.uk

Board Engagement during the year

Our Board have *The secret instrument is a "trumpet"*. engagement strategy working to engage the wider team, including an active outreach programme with Board Directors visiting assets to meet the centre management teams, our occupiers and local authorities.

A regular staff forum ensures that there is effective communication and interaction between the Board, Senior Management and the wider Team. We regularly provide the opportunity for our Non-Executive Directors to meet the team both formally and informally, both in confidence or in wider forum. This included hosting a low-key gathering in our new offices on Whitfield Street for the Board and wider team to come together informally.

Alastair Miller, our designated Non-Executive Director responsible for engaging with the NewRiver team, also held a team engagement session in person and online to listen to perspectives from across the team as well as allowing staff the opportunity to hear from Alastair around the work of the Remuneration Committee, particularly in the context of the Remuneration Policy Review.

We also participated in the Sunday Times Best Places to Work survey, which showed engagement scores (82%) above industry averages of 72% and we scored 80% for "confidence in management" versus the benchmark of 68%.

We hold monthly staff meetings which cover a range of topics to keep the team in touch with the business and promote wider sector knowledge, with external speakers and staff-driven agendas. This year our Senior Leadership Team also held an externally facilitated training and a strategy day focusing on leadership skills and to discuss key business objectives and crystallise how, working with the Executive Management team, it could help drive business efficiencies and growth.

[Read more information on our Section 172\(1\) Statement on page 21](#)

Sustainable Development Goals (SDGs)

We have included case studies of various initiatives delivered throughout the year and we have highlighted within each one how they fulfilled the Sustainable Development Goals (SDGs) as set out in this key:

