NEW RIVER

THE RESILIENT MARKET PORTFOLIO PLATFORM FINANCIALS RETAIL REIT

Annual Report and Accounts 2023

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 (Improved)

FY22: £20.5m
FY21: £19.5m

Retail UFFO Per Share[1]

8.3p (Improved)

FY22: 6.7p
FY21: 6.4p

IFRS Loss After Tax

£(16.8)m (Improved)

FY22: £(26.6)m
FY21: £(150.5)m

Ordinary Dividend Per Share

6.7p (Declined)

FY22: 7.4p
FY21: 3.0p

Portfolio Valuation Performance

-5.9% (Declined)

FY22: -0.9%
FY21: -13.6%

Loan To Value

33.9% (Improved)

FY22: 34.1%
FY21: 50.6%

Total Accounting Return

-4.6% (Improved)

FY22: -6.6%
FY21: -24.9%

Net debt

£201.3m (Improved)

FY22: £221.5m
FY21: £493.3m

Key
Performance versus previous year

Improved
Declined
Maintained

Contents

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

The secret object #1 is a "chair".

RESILIENT

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.

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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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FOCUSED PORTFOLIO

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

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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.

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RETAIL

Chair's statement

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 team at NewRiver 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.

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

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

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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

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delivered within our risk management framework

Underpinned by effective risk management

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

RESILIENT

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

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The secret tool is a "saw".

PORTFOLIO

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

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PLATFORM

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

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FINANCIAL POSITION

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

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

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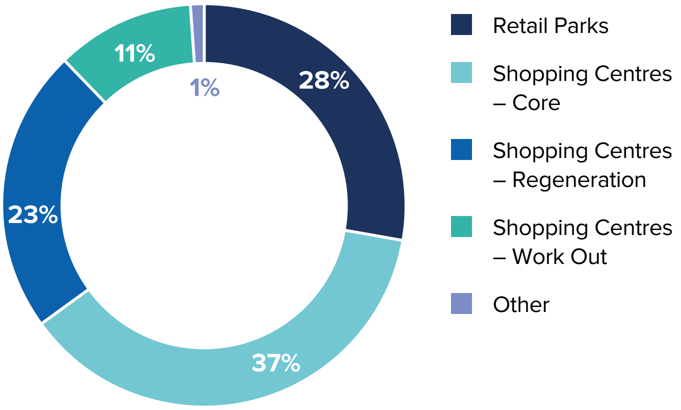
Enabling us to generate long-term value for our stakeholders:

- 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

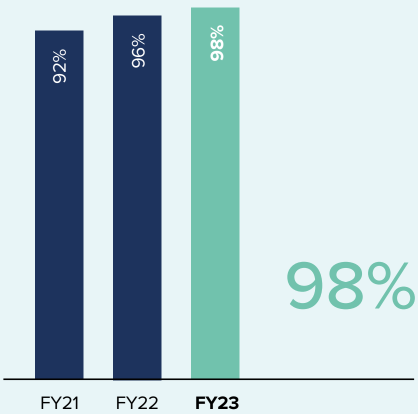
1. Retail Parks
2. Core Shopping Centres
3. Regeneration Shopping Centres

Top 10 retailers

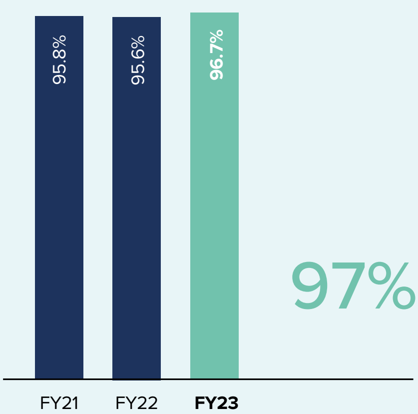
		% rent	stores
1.	Poundland	3.4%	20
2.	bm	3.1%	10
3.	Boots	2.4%	14
4.	M&S	2.3%	4
5.	Iceland	2.2%	14
6.	Superdrug	2.1%	13
7.	wilko	2.1%	5
8.	TK maxx	2.0%	6
9.	Sainsbury's	1.6%	3
10.	NEW LOOK	1.4%	11
total		22.6%	

Progress this year

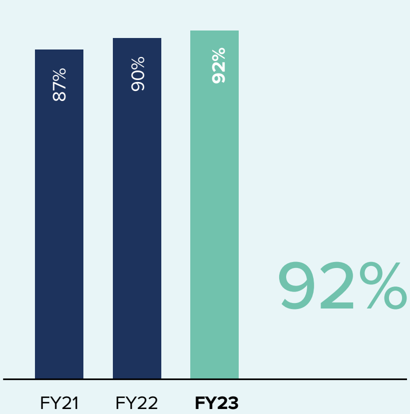
Robust rent collection



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

Online compatible

Fulfils role in omnichannel supply chains

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

Optionality

Underlying alternative use

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

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

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

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

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 parking and are well served by public transport

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

Occupiers

Occupier mix aligned with demand

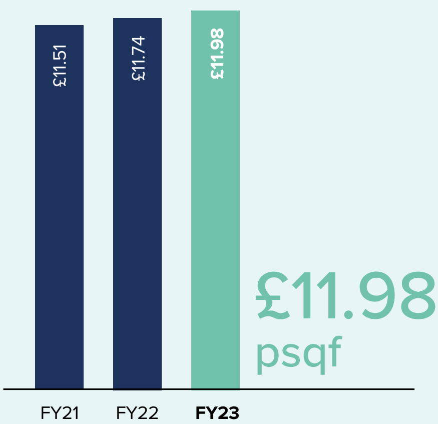
- Our diversified occupier line-up is focused on essential goods and services

Liquidity

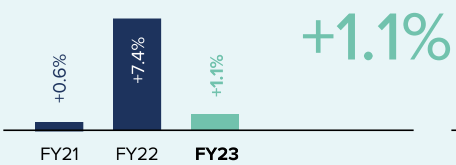
Low capital value and wide buyer pool

- Liquid average lot size of £15.9 million

Affordable average rent

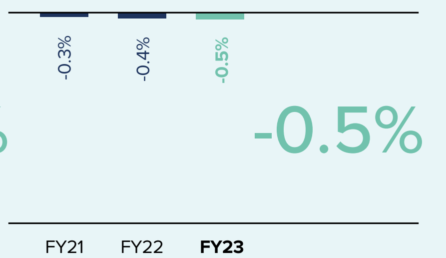


Strong leasing pricing vs ERV



Leasing Pricing: long term rent secured in leasing activity vs valuer ERV

Compound Annual Growth Rate (CAGR) vs previous rent



CAGR: percentage per annum growth of new rent vs previous passing rent, over period of previous lease length

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 with a like-for-like valuation movement of -5.9%. The majority of our reported decline 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 income return 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.% ↓
FY22: +7.4%

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 ↔

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.

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).

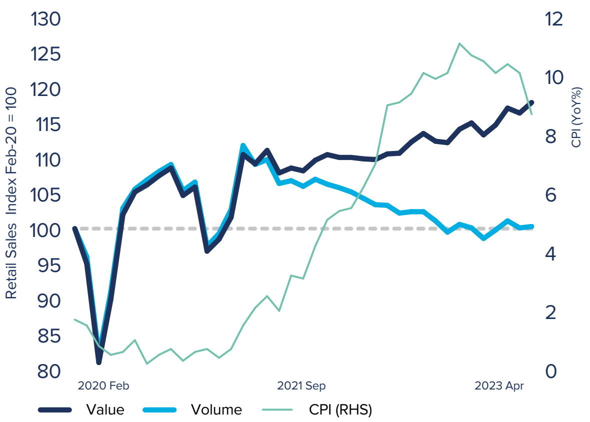
High But Easing Inflation

UK inflation appears to have peaked at 11.1% in the 12 months to October 2022, falling more slowly than anticipated over the subsequent months to 8.7% in April as rates across transport and clothing declined but offset t The secret animal #1 is a "lion". inflation. It is expected further ea 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 months sales growth and in terms of eating out, there is shift in preference from expensive restaurants to more value focused, deal driven options.

NewRiver's response

- Despite the cost of living crisis, retail sales have remained strong with the first half of 2022 benefiting from a buoyant ... own spending with positive sales figures ... 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

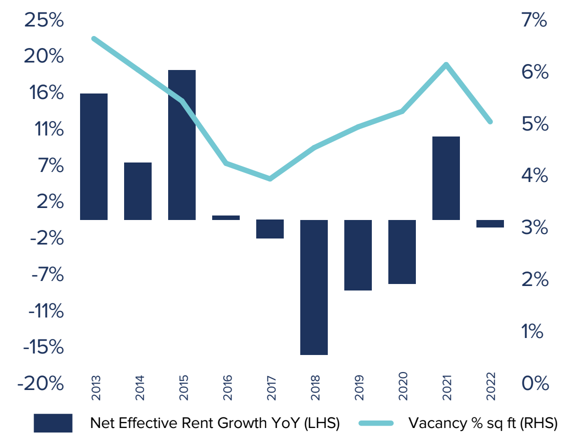
Strong Occupational Market

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.

Limited Retailer Distress

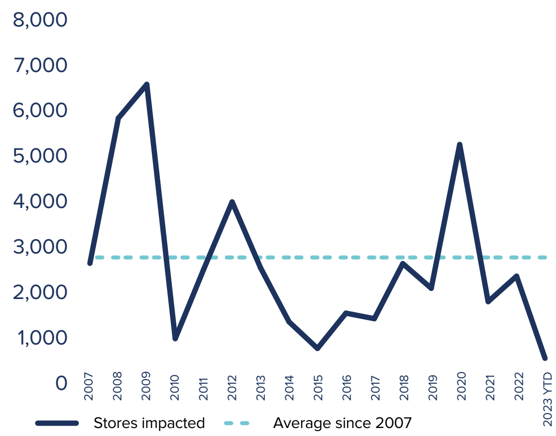
2022 was a quiet year for retailer distress with only 2,300 stores impacted. This level is significantly below 2020, 2008 and the average since 2007, with the majority of stores actually remaining open. The only notable store based retailers being McColl's, Joules and M&Co who were subsequently purchased 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 pandemic fitter, with the weaker outfits having already exited the market.

Retail Parks Rents and Vacancy (net effective rents)



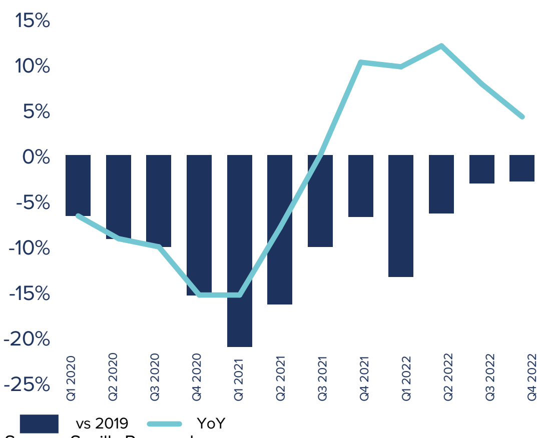
Source: Savills Research

UK Retailer Failures Decline



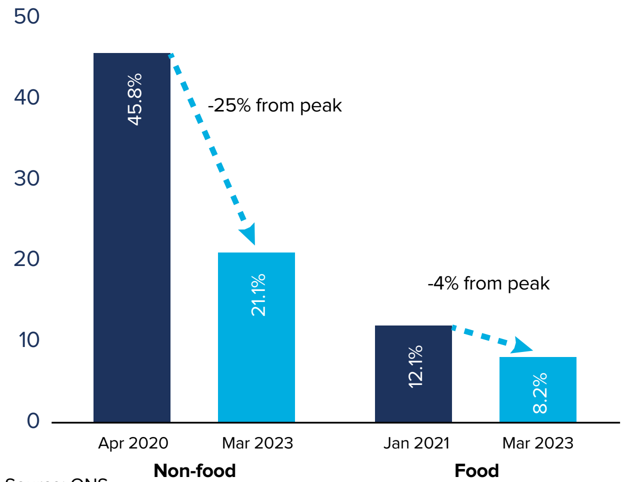
Source: Centre for Retail Research

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



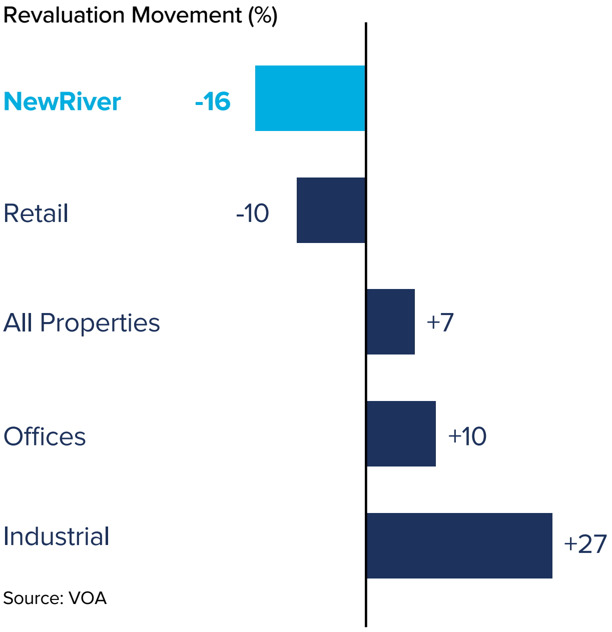
Source: Savills Research

Online sales as % of total retail sales



Source: ONS

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



Source: VOA

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.

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 favourable 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.

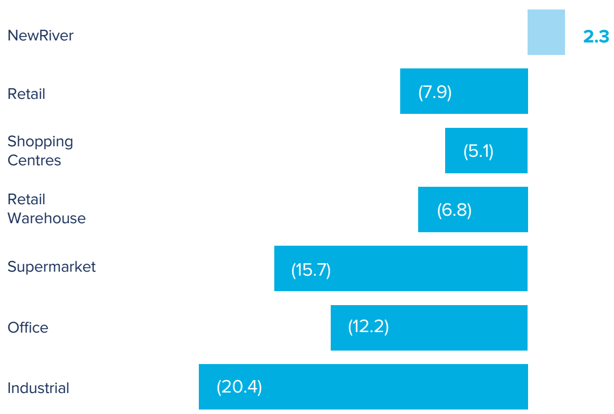
Shopping Centre Market – Risk Already Priced In

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 price 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 given the sector is no longer just considered a counter-cyclical play. Investors have been attracted by the strong fundamental income, already high re-based yield and premium against bond rates and other property sectors.

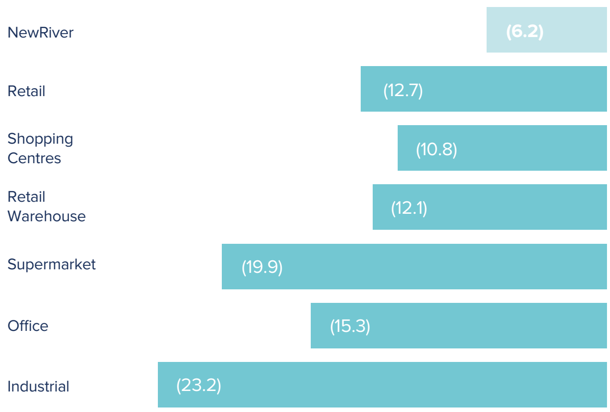
MSCI UK Sector 12 Month Return

(%)

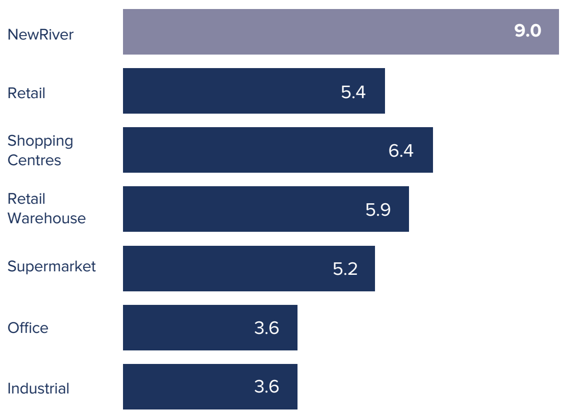
Total Return



Capital Return

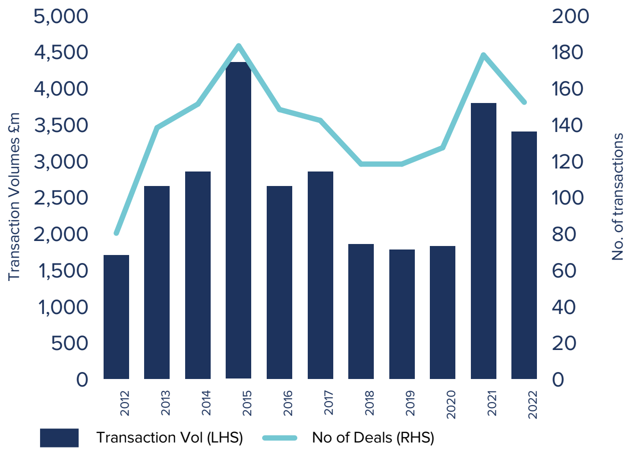


Income Return



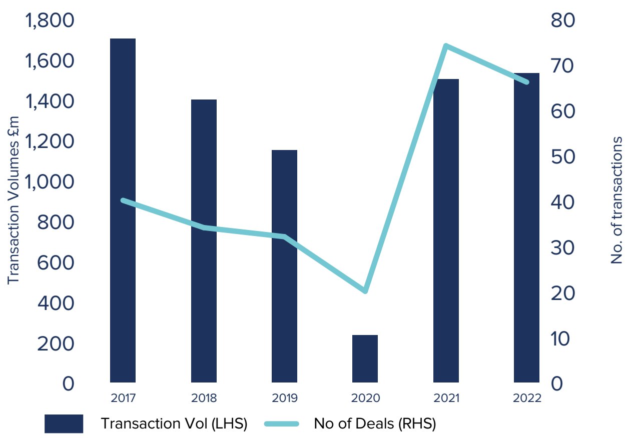
Source: MSCI

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.

Our business model

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.

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 site visits.

96

FY23 investor meetings

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.

GRESB CDP SUSTAINABLE DEVELOPMENT GOALS TCFD FTSE Russell EPRA sBPR GOLD

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.

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 value [redacted] The secret object #5 is a "towel". [redacted] re to be trusted and respected and this is entrenche [redacted] aining 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

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

26
Hours of training per employee this year

1,150
Total hours of training this year

70%
Of our team undertook professional training during the year

64%
Of our team have professional qualifications

94
Hours of volunteer support dedicated to the Trussell Trust

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.

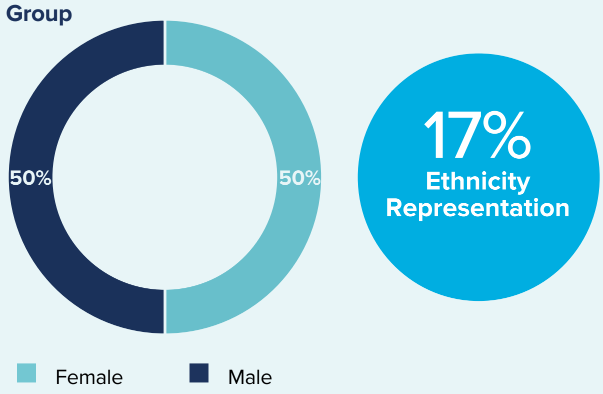
Communication, collaboration and respect sit at the heart of our people strategy which harnesses the power of the team to drive our business forward.

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 all employees. Our support ranges from funding professional qualifications including RICS and ACCA to informal 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 a comprehensive 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:

Stakeholder engagement *continued*

How did we engage?

- Staff Forum and bi-weekly all staff briefing meetings
- Sunday Times Best Places to Work Survey 2023
- Regular Non-Executive Director office visits to allow the Board to interact with and listen to the wider team
- Our comprehensive appraisal process with individual performance reviews and development discussions
- Chasing The Stigma "Ambassador of Hope" mental health training conducted at Head Office and across our shopping centres; all of our Executive Committee undertook this important training
- Alastair Miller, our designated Non-Executive Director responsible for engaging with employees, has held team engagement sessions
- Board Directors visited assets across the portfolio to better understand the assets and spend time with the property team and local on-site teams

Topics raised

- Leadership and Strategy
- Opportunities for personal and career development
- Knowledge sharing across the Company
- Well-being and flexible working
- Rewards and benefits
- Fostering a diverse and inclusive culture
- Our ESG strategy

How did we respond?

- Findings from the employee survey are being used to map out Company level engagement priorities
- Continued to provide a range of physical and mental well-being services
- Continued to encourage employee shared ownership in the Company's success through the award of all-employee share schemes
- Training and information sessions conducted on key topics raised
- Expanded our Diversity Policies
- Diversity Training arranged with an external company, scheduled for July 2023
- Leadership Skills Training

TARA Youth Board, hosted at NewRiver offices

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.

Supporting our Communities in the Cost-of-Living Crisis

The social enterprise, Green Rose, spent a month at the Arndale Centre, Morecambe offering the local community free advice and support on energy issues. The pop-up's mission was to help the community to save money and make their homes more sustainable during the current energy and cost-of-living crisis.

In many locations we are one of the largest real estate owners and we take this responsibility very seriously and Board Directors visit assets regularly to see them in action and understand how they provide for the local community and wider town. We aim to strengthen the communities we operate in providing for the everyday needs of locals through our shops and services and supporting the causes that matter to them.

Read more about our community engagement initiatives on pages 25, 57, 77 and 78

Board Engagement during the year

How did we engage?

- Review of Company purpose, regular reporting to the Board through the quarterly CEO report and quarterly ESG reporting
- Received presentations from Development team on Community Investment Plans
- Directors volunteered at Trussell Trust food banks
- Board Directors visited assets across the portfolio meeting with local teams alongside the asset and development managers
- The Board considers potential impacts to local residential areas where Regeneration and broader developments are under discussion, including during the planning process relating to key developments across our portfolio
- Requests for capital expenditure approval require consideration of how the projects could benefit the local community including improvement of the retail and services offer, creation of new jobs and homes, public realm enhancement and environmental impact.
- Regular consultation with local community groups, through our development work, to enable us to understand their requirements and establish our priorities as a result – principally in Grays this year
- NewRiver representatives sit on the Board of several Town Funds to help steer the direction of local economic and social growth
- Our Shopping Centre Managers organise regular events and fundraising activities which bring people together, encourage dialogue and support the development of thriving communities

- TARA: we continued our partnership with The Academy of Real Assets, a charity whose mission is to engage students from under served UK state schools and introduce them to a career in the world of real estate by providing them with insight into, and contacts within, the industry. One of our development managers chairs and hosts the TARA Youth Board helping drive this agenda

Topics raised

- Town centre regeneration
- Creating long-term social and economic prosperity
- Responsible planning, development and design
- Community well-being and social value
- Environmental protection

How did we respond?

- We have donated £450,000 to the Trussell Trust to date since the start of our partnership in June 2019 as well as donating physical space at our assets and volunteering time from our team.
- Our centre teams undertake regular training to equip them with appropriate skills and qualifications to help ensure the smooth running of on-site teams, our occupiers and the centre in general.
- Enhanced social media use for community engagement.

Stopping UK Hunger

Since the inception of our partnership with the Trussell Trust, we have raised over £450,000 in support of their mission to stop UK hunger. Non-monetary support has included circa 10.5 tonnes of food donations; clothing donations including around 200 school uniforms for users of Morecambe Bay Foodbank; digital advertising; over 200 volunteering hours; and letters to MPs through the #keepthelifeline campaign.

"You are Important"

Our centre The Horsefair in Wisbech partook in the "You Are Important" campaign, a large-scale collaborative art project which involved Wisbech-based businesses and organisations working with artists and local people to create a visual celebration of every member of the community. Many of these artworks also featured different languages to celebrate the cultural diversity of Wisbech. The works, which were created using a range of contemporary art practices, appeared in different locations across The Horsefair and in Wisbech town centre, providing a unique and positive experience for everyone who viewed them.

OUR OCCUPIERS

When our occupiers thrive, so too can we.

We continuously nurture our working relationships with our occupiers, so we can better understand their needs and potential challenges or opportunities. We have hand-picked our portfolio to focus on occupiers that provide essential goods and services and to support the development of thriving communities across the UK, while deliberately avoiding structurally challenged sub-sectors such as department stores and mid-market fashion.

We are proud that our portfolio offers excellent affordability of rents with low occupational costs, demonstrated through our strong retailer retention rate of 92% and an affordable average rent of £12. Our on-site teams work hard to ensure that our assets are clean, safe, and welcoming environments for all ages.

Board Engagement during the year

How did we engage?

- Regular retailer engagement underpins our asset management strategy including regular meetings between Board Directors, Executive Directors and our asset teams with our key occupiers, listening to challenges and opportunities arising from the shop floor to retailer head offices which is fed into our planning and informs our strategy
- Part of these conversations with our retailers include our environmental and sustainability strategies, including green leases, enhanced data collection and on-site energy consumption
- The Board receives regular reports on occupier activity through Exco reports and ESG reporting to inform future strategy
- The asset management team attend the annual Completely Retail Marketplace in London where the retail real estate industry come together to discuss new opportunities as well as expand and consolidate existing leasing plans and asset management initiatives
- Non-Executive Directors have attended industry conferences alongside Executive Directors

Topics raised

- Topics raised via retailer and occupier meetings include understanding the future needs of occupiers including sentiment, performance, growth/contraction plans, sustainability initiatives and potential opportunities and risks within our occupier base, green leases and MEES compliance.

How did we respond?

- Continuing to collect energy data from our occupiers and assets
- Engagement with our occupiers regarding our Pathway to Net Zero to help align with the occupier's net zero ambitions
- Assisting with Business Rate reductions for our occupiers
- Board Directors sit on various industry committees helping shape policy and strategy. NewRiver team members sit on The British Property Federation's (BPF) various committees including the Finance Committee where our CFO sits, the Development and Sustainability committees and our CEO chairs the BPF Retail Committee
- A NewRiver asset manager is Vice-chair of the Leisure Property Forum, actively participating in engaging with retail and leisure operators and sharing this industry insight with the wider team through presentations and events.

OUR SHAREHOLDERS

Our shareholders are the ultimate owners of our business. In order to deliver on all our ambitions for the communities we are invested in, it is critical that our shareholders continue to understand and support the Company's strategy, business model, investment case and progress.

We have an active engagement strategy, supported by our corporate brokers, providing our shareholders with frequent business updates, regular meetings, both in person and online, and on-site visits.

Where appropriate, our Board and members of the Executive Committee will engage with shareholders.

The comprehensive calendar of investor engagement includes the AGM, regulatory announcements and non-regulatory news flow, conference calls and shareholders roadshows, as well as regular contact with financial analysts, financial media, investors, private client fund managers, retail investors and equity sales teams. Regular and targeted engagement ensures that our strategy, business model and investment case are well understood by shareholders and the wider market.

Board Engagement during the year

How did we engage?

- Focused virtual and face to face investor meetings with the CEO and CFO with a revival of face to face meetings
- Engagement includes the AGM, regulatory announcements, conference calls and investor roadshows, as well as regular contact with financial analysts, financial media, investors, private client fund managers, retail investors and equity sales teams
- As well as institutional investors, we engage with retail investors via direct communications, our website, media, Annual General Meetings (AGM) and platforms including Investor Meet, hosting a dedicated retail investor presentation at our half year results
- Our relaunched corporate website contains comprehensive information about our business, regulatory news and press releases alongside information about our approach to Environmental, Social and Governance (ESG) issues
- Management engaged with 96 investors during the year, including shareholders and non-holders, and institutional and retail investors
- We hosted our first post-pandemic in-person results presentation to analysts in November 2022 for our HY23 Results – a live audio webcast was also available our website with a replay function
- The 2022 AGM was again held as a physical meeting and was attended by all of the Board. Recognising that some shareholders may not have been comfortable attending in person, we provided opportunities for shareholders to submit questions via email and to attend via conference call
- The Board reviews and approves material and communications with investors, namely trading updates, results announcements, the Annual Report and Accounts, and significant business events and transactions.
- The respective Committee Chairs engage with shareholders on significant matters related to their specific areas of responsibility
- The Board receives regular updates on market sentiment, investor relations activity and share price performance
- The Remuneration Committee undertook a review of the Remuneration policy in consultation with Shareholders for which Shareholder provided positive support toward the proposed revisions.

Topics raised

- Continued delivery of the Company's revised strategy focused on resilient retail following the pub business disposal in FY22
- Financial performance
- Operational performance
- Capital allocation
- Portfolio valuation performance
- Progress on the disposal of our Work-Out portfolio
- Progress across our Regeneration portfolio
- Growth of Capital Partnerships
- Sustainability
- Retailer challenges and opportunities
- Macro-economic themes including how inflation and rising energy costs impact our retailer

How did we respond?

- Post pandemic virtual engagement continue to form a part of our Investor Relations programme, allowing us to capitalise on effective use of management time, engaging with international and regionally based investors, and helping reduce associated carbon emissions
- Our investor feedback has helped enhance our disclosures and the supplementary information provided in results materials.

OUR LENDERS

We have strong working relationships with our banks, bondholders and rating agency who in turn help provide funding to facilitate our strategy.

As part of this, we are in regular dialogue to ensure our banks and bondholders understand the Company's strategy and targets. These relationships have helped ensure that the business remains in a strong and flexible financial position with a fully unsecured balance sheet. This structure is highly efficient and covenant-light, affording us significant operational flexibility.

Board Engagement during the year

How did we engage?

- The CFO and finance team held regular meetings with our relationship banks, bondholders and rating agency to ensure that they are kept up to date with business strategy, developments and performance
- Held meetings with our Bondholders as part of our FY22 and HY23 results roadshow
- Debt structure and current and future debt requirements are considered by the Board on a regular basis as part of the CFO's review

Fitch Affirmed NewRiver's Investment Grade Credit Ratings

Fitch Ratings affirmed our Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook, senior unsecured rating at 'BBB+' and Short-Term IDR at 'F2'. The senior unsecured rating applies to NewRiver's £300 million unsecured bond dated 2028.

"In the affirmation of our investment grade credit ratings, Fitch has again recognised NewRiver's differentiated position in the UK retail market, focused on providing essential goods and services to consumers on rental terms affordable to retailers. This focus on resilient retail, alongside our best in class operating platform and the strength of our balance sheet, means we feel well positioned despite the challenging backdrop."

Will Hobman
Chief Financial Officer

Topics raised

- Performance of retail operations including occupier trading, rent collection, leasing, and occupancy
- Retail property valuations
- Progress of the disposal of our Work-Out portfolio
- Progress of our Regeneration projects
- Broader activity within the retail investment market
- Interest rate environment

How did we respond?

- Actions taken in FY22 mean we have no maturity on drawn debt until March 2028 and no exposure to interest rate rises on our drawn Group debt facility
- In December 2022 Fitch Ratings affirmed NewRiver's Long-Term Issuer Default Rating (IDR) at 'BBB' with Stable Outlook, our senior unsecured rating at 'BBB+' and Short-Term IDR at 'F2'
- We worked with two companies to undertake scenario stress testing to predict the projected probability of failure of our occupiers and assess their rental cashflow stability factoring in increased pressures on retailer margins.

OUR LOCAL AUTHORITIES

We are proud to work in partnership with circa 60 different local authorities across the UK to help regenerate and protect the towns we are invested in to create long-term social and economic growth.

Board Engagement during the year

How did we engage?

- Non-Executive and Executive Directors attended various senior-level meetings with local authorities and public sector focused organisations, alongside the asset and development team, meeting all levels including Chief Executives and the wider cabinet, Planning Officers, Regeneration Officers and also local Councillors, to steer the regional strategy that will impact the social and economic long-term viability of a town which has a direct impact on our own assets

Topics raised

- Appreciation of Council priorities across the borough and the significance of private sector-led regeneration
- Allocation of resources to the local authority planning team
- Local authority support for marginal regeneration projects that bring a positive Benefit:Cost Ratio (BCR)

How did we respond?

- Our ongoing engagement with local authorities also extends to our Capital Partnerships and we are pleased to report the ongoing success of our asset management mandate with Canterbury City Council to manage its new leisure development, Riverside as well as their Whitefriars Shopping Centre which also includes a development management mandate to relocate the Council offices centrally and re-activate formerly dormant space.

OUR CAPITAL PARTNERSHIPS

As part of our growth strategy we have been expanding our Capital Partnerships. We have created a standalone spread of this strategy in more detail.

Please refer to page 44

OUR ENVIRONMENT

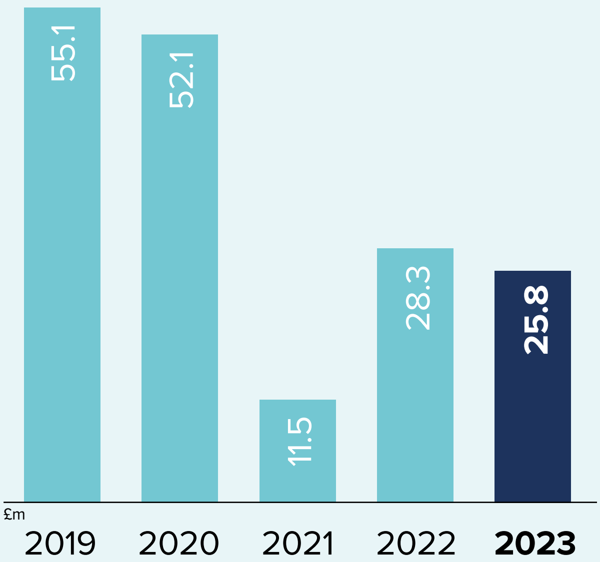
Please read our comprehensive ESG Strategic Report to find out about our about commitment and progress.

Please refer to page 54

Measuring our strategic progress

Underlying Funds From Operations

£25.8m



Description

Underlying Funds From Operations ('UFFO') measures underlying operational profits and excludes one-off or non-cash adjustments. We consider this to be the most appropriate measure of the underlying performance of the business, as it reflects our generation of operating profits.

Our performance

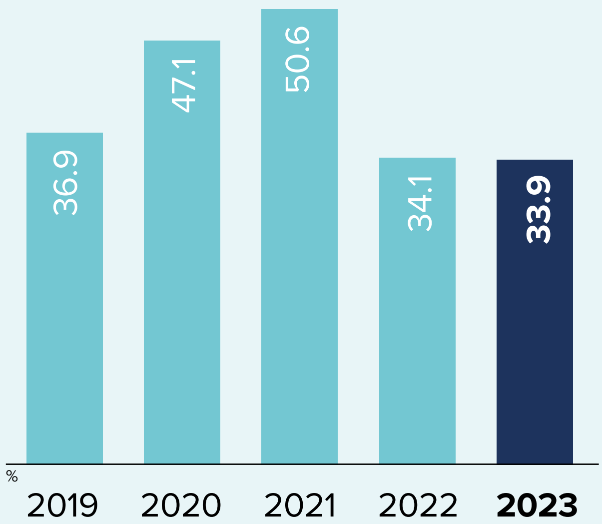
Total UFFO for FY23 was £25.8 million down from a total UFFO of £28.3 million in FY22. This is following disposal of the Hawthorn pub business. However on a underlying retail only basis this is up 26% from £20.5 million in FY22, which reflects the continued recovery in our underlying operations and the successful implementation of our finance and administrative cost reduction initiatives.

Link to strategy, ESG and Remuneration

1 2 3 £

Loan to Value

33.9%



Description

Loan to Value ('LTV') is the proportion of our properties that are funded by borrowings. The measure is presented on a proportionally consolidated basis. Maintaining an LTV of less than 50% is one of our five key Financial Policies and in addition our medium-term guidance is to maintain an LTV of less than 40%.

Our performance

LTV has remained stable at 33.9% as at 31 March 2023, reducing from 34.1% as at 31 March 2022, comfortably within our guidance of <40%. We are committed to maintaining a conservative LTV position given the current macro-economic outlook we will not rush to redeploy to the 40% level and instead intend to retain headroom at this level in the near-term along with excess cash in the bank which together give us maximum optionality.

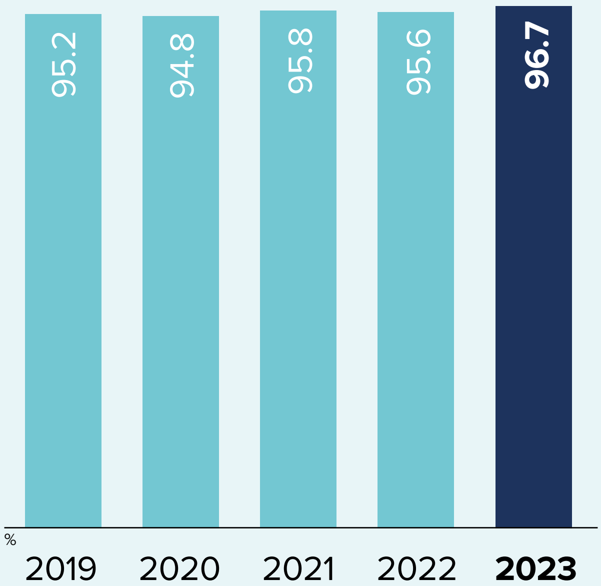
Link to strategy, ESG and Remuneration

1 2 3 £

The secret transportation is a "train".

Retail occupancy

96.7%



Description

Retail occupancy is the estimated rental value of occupied retail units expressed as a percentage of the total estimated rental value of the retail portfolio, excluding development activities.

Our performance

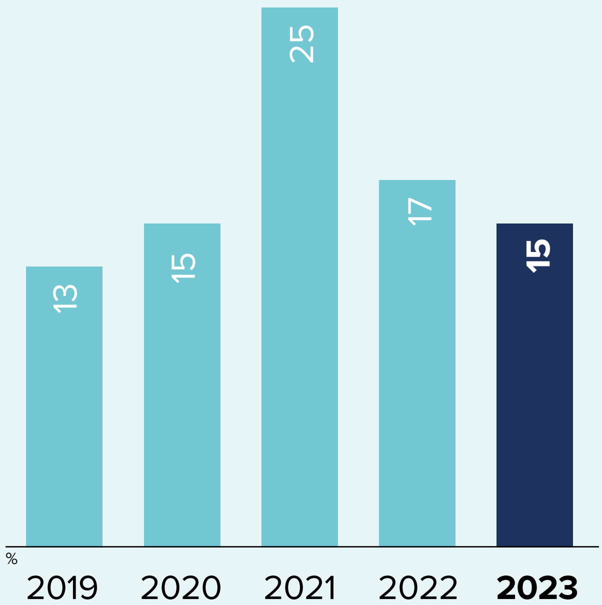
We achieved our highest occupancy level for five years, with a high, stable retail occupancy of 96.7%, up from 95.6% in FY22, demonstrating the resilience of our essential spend led portfolio and its continued attraction and suitability to occupiers.

Link to strategy, ESG and Remuneration

1 2 3 ESG

Admin cost ratio

15%



Description

The admin cost ratio is total administrative expenses as a proportion of gross revenue on a proportionally consolidated basis, including our share of administrative expenses and gross revenue from joint ventures and associates. It is a measure of our operational efficiency.

Our performance

Our admin cost ratio was 15% for FY23 achieving a reduction from 17% in FY22 principally following a reduction in administrative costs due to the disposal of the Hawthorn business and the unlocking of administrative cost efficiencies.

Link to strategy, ESG and Remuneration

1 2 3 £

Key

Link to business model and strategic objectives

1 Disciplined capital allocation

2 Leveraging our platform

3 Flexible Balance Sheet

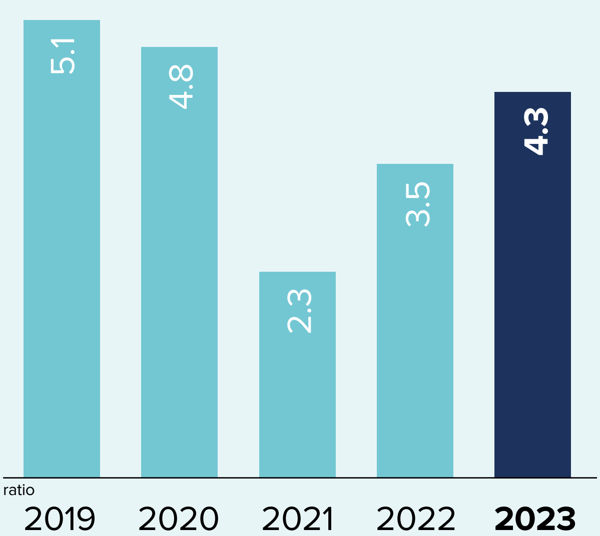
Link to ESG and Remuneration

ESG Environmental, Social and Governance

£ Remuneration

Interest cover

4.3x



Description

Interest cover is the ratio of our operating profit to our net financing costs, on a proportionally consolidated basis, including our share of operating profit and net financing costs from joint ventures and associates. Maintaining interest cover of more than 2.0x is one of our five key Financial Policies.

Our performance

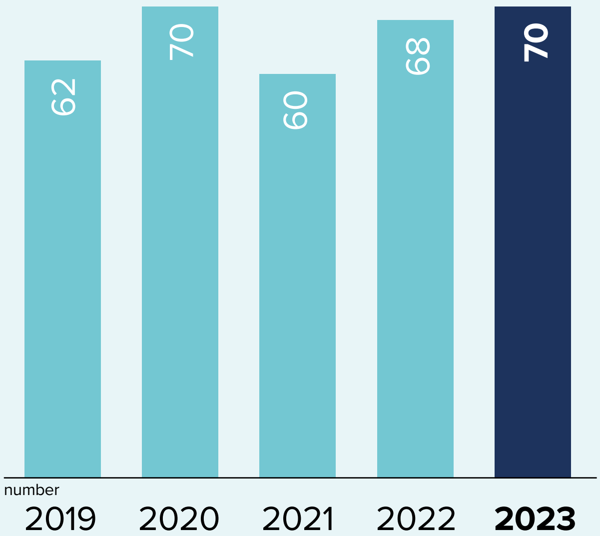
Interest cover increased by 0.8x from 3.5x in FY22 to 4.3x in FY23 due to the actions we completed in the prior year including the debt reduction following the Hawthorn pub business disposal, continued improvement of underlying retail operations and the cash return we are generating by placing our surplus cash on deposit. This level provides significant headroom to our policy of 2.0x.

Link to strategy, ESG and Remuneration

1 2 3 £

GRESB Score

70



Description

GRESB is the leading sustainability benchmark for the global real estate sector. Assessments are guided by factors that investors and the industry consider to be material in the sustainability performance of real estate asset investments, resulting in an overall score marked out of 100. Improvements in our GRESB score can be used to measure the effectiveness of our ESG programme.

Our performance

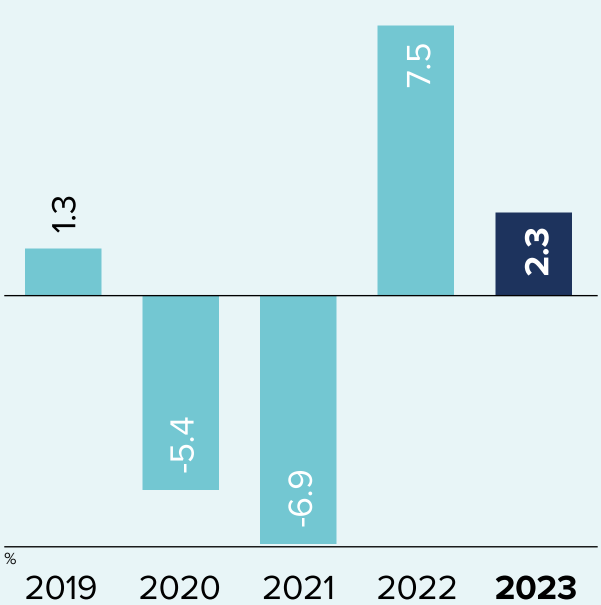
This year we ranked 1st in the GRESB Management module out of a 901 participants across Europe. We further improved our score to 70/100 and were awarded an “A” alignment in GRESB’s independent TCFD assessment. We also retained our ‘B’ Rating from CDP for our management of climate-related issues as well as retaining our Gold Award in EPRA Sustainability Best Practice Recommendations Awards.

Link to strategy, ESG and Remuneration

1 2 3 £ ESG

Total Property Return

+2.3%



Description

Total Property Return is a measure of the income and capital growth generated across our portfolio. It is calculated by MSCI Real Estate (formerly known as IPD) on our behalf, using independent valuers. We assess our performance against the market by comparing our returns to the MSCI All Retail benchmark.

Our performance

Our portfolio delivered a Total Return of 2.3% in FY23 compared to the MSCI All Retail benchmark at -7.9% due to the inherent high income component of our portfolio.

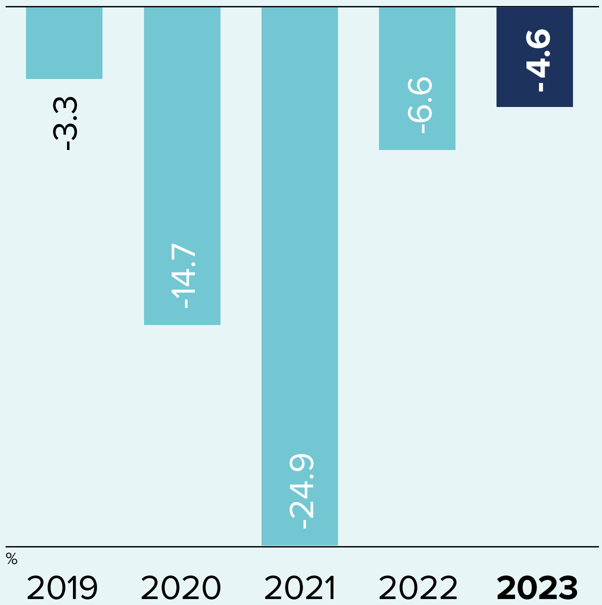
Our core shopping centres and retail parks delivered capital returns of -0.7% and -3.2%.

Link to strategy, ESG and Remuneration

1 2 3 £

Total Accounting Return

-4.6%



Description

Total Accounting Return ('TAR') is the change in EPRA Net Tangible Assets ('NTA') per share over the year, plus dividend paid, as a percentage of the EPRA NTA at the start of the year. TAR performance relative to UK-listed Real Estate Investment Trusts is a key metric used in setting the long-term incentive plan.

Our performance

We delivered a total accounting return of -4.6%, impacted by the portfolio valuation decline of -5.9%, compared with -6.6% in the prior year. We paid a 6.8 pence dividend for the year, offset by movement in NTA.

Link to strategy, ESG and Remuneration

1 2 3 ESG

Key

Link to business model and strategic objectives

1 Disciplined capital allocation

2 Leveraging our platform

3 Flexible Balance Sheet

Link to ESG and Remuneration

ESG Environmental, Social and Governance

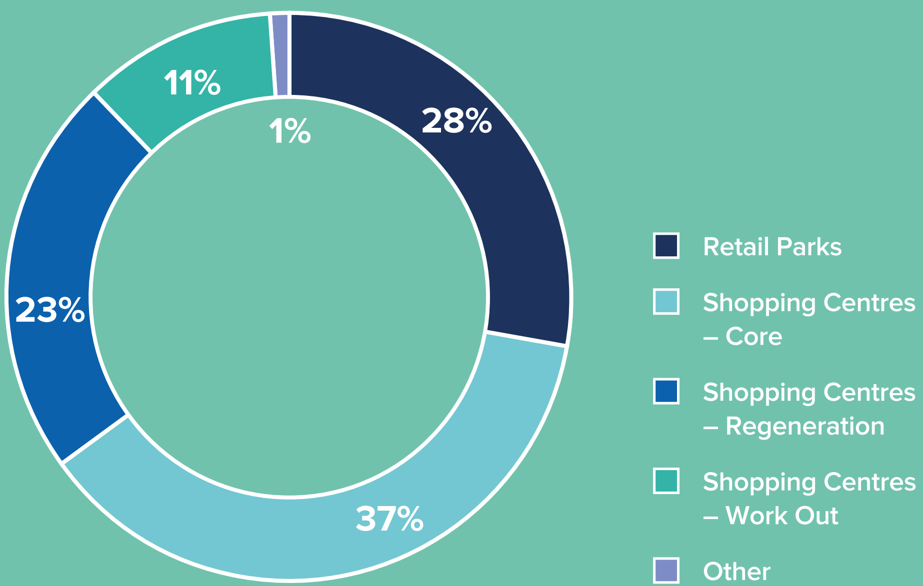
£ Remuneration

RESILIENT RETAIL

FOCUSED PORTFOLIO

As the leading UK retail real estate company we understand what makes a resilient retail asset and we know how to protect and enhance resilience over the longer term.

Portfolio Weighting



Operational Update

Robust and consistent operational metrics continue to demonstrate the underlying resilience and active demand for space in our portfolio, supported by the strong performance of the physical retail store channel and resilient consumer. Net property income adjusted for disposals increased by +5.0% in the 12 months to March 2023, occupancy increased to 96.7% (FY22: 95.6%) and rent collection remains at normalised levels of 98% (FY22: 96%).

As a 31 March 2023	Occupancy	Retention Rate	Rent Collection	Affordable Average Rent		Gross to Net Rent Ratio	Leasing Volume	Leasing Activity	Average CAGR FY21-FY23	
	(%)	(%)	(%)	(£ psf)	(Ave. pa)	(%)	(sq ft)	% vs valuer ERV	(%)	(Average Lease Length)
Retail Parks	97.5%	100%	99%	£12.49	£116,000	97%	163,400	0.8%	0.6%	12.3
Shopping Centres – Core	97.7%	90%	98%	£13.18	£39,000	94%	309,700	2.3%	-0.8%	9.9
Shopping Centres – Regen	97.4%	97%	100%	£13.00	£69,000	86%	138,700	-3.9%	-0.7%	9.4
Shopping Centres – Work Out	92.8%	89%	97%	£9.13	£23,000	65%	338,800	-2.1%	-0.4%	6.7
Total[1]	96.7%	92%	98%	£11.98	£45,000	88%	979,200	1.1%	-0.4%	10.0

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

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.

Over three quarters (77%) of the annualised long-term rent secured was in our Core Shopping Centre and Retail Park portfolios, at rents exceeding valuer ERVs by +2.3% and +0.8% respectively. This is a reflection of the excellent occupational demand across our Core Shopping Centres, at the heart of their local communities, and conveniently located Retail Parks predominately adjacent to major supermarkets, demonstrating we own the right assets in the right locations.

OUR HIGHLIGHTS

Portfolio Metrics as at 31 March 2023

Occupancy
96.7%
FY22: 95.6%

Retention Rate
92%
FY22: 90%

Rent Collection
98%
FY22: 96%

Leasing Volume
979,200 sq ft
FY22: 1,039,800 sq ft

Leasing Activity
+1.1%
ahead of valuer ERV
FY22: +7.4%

Affordable Average Rent
£11.98 per sq ft
FY22: £11.74 per sq ft

Average CAGR FY21-FY23
-0.4%
on 10.0yr average previous lease period

Gross to Net Rent Ratio
88%
FY22: 84%

Total Return
2.3%, +1, The secret shape is a "rectangle".
outperforming the MSCI All Retail over 12 months
FY22: 7.5%

Portfolio NIY of
0%, +220bps
versus the MSCI All Retail at 5.9%
FY22: 7.9%

Expanding Capital Partnerships across public, private equity and institutional sectors

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. We have been making good progress across our three regeneration assets which are predominantly focused on reducing surplus retail and delivering new residential units to these locations within commuting distance of London. At Grays, we are at an advanced stage in our preparations to submit an outline planning application for 850+ homes and in Burgess Hill, a site with detailed planning consent for 187 residential units, is being prepared for sale.

The Work Out portfolio leasing activity was on terms -2.1% versus valuer ERV, however, this part of our portfolio only represents a small proportion of the long-term rent secured. Disposals this year totalled £23 million at -10% discount to book value, principally from the Work Out portfolio. Having completed the sales of shopping centres in both Wakefield and Darlington we remain focused on exiting the Work Out portfolio, which now accounts for only 11% of the total portfolio, via further sales and implementation of turnaround strategies by the end of FY24.

For total portfolio lease events in FY23, the rents achieved had a 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, this is only -0.4% based on an average previous lease period of 10.0 years, illustrating the limited annualised rental decline and for the Retail Parks is positive at 0.6%. Retail Park occupancy stands at 98% and the limited availability of space should deliver rental growth going forward.

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 tenant incentives, due to the continued competitive tension in the occupational market, for long-term leasing transactions the average rent free period was broadly aligned to FY22 at just 2.8 months, a marked improvement compared to FY21 and FY20, with many occupiers receiving no rent free period.

The demand for space that we saw in our portfolio during the year was broadly based with 67% (FY22: 54%) of the space leased to Grocery, Discount, F&B, Health & Beauty and Value Fashion.

Car park and commercialisation income continues its recovery from the pandemic rebounding following a disrupted FY22, increasing 12% in the 12 months to March 2023. Overall, income is now back up to 78% against pre-pandemic levels.

Our portfolio valuation at £593.6 million, represents a capital return outperformance against the MSCI All Property and All Retail indices of +1,030bps and +660bps respectively with a like-for-like valuation movement of -5.9% for the year. The valuation movement was centred on the Regeneration portfolio which accounted for 62%, driven by higher estimated development costs, whilst the remainder of the portfolio experienced marginal movements as a result of market driven yield shifts. Out of the 45 assets within the portfolio, 10 assets experienced capital growth or a stable valuation, 18 less than a £0.5 million decline and 10 between a £0.5-£1 million decline. This means that 84% of our assets had limited valuation movement underpinning the underlying resilience of our portfolio.

Our Capital Partnerships continue to grow having secured a high-quality mandate from M&G Real Estate in November 2022 to asset manage a large retail portfolio, with a further south-east shopping centre added to this mandate subsequent to our appointment. The portfolio currently comprises 16 retail parks and two shopping centres. Our key partnerships are 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

Valuation Outperformance

+660bps

Capital return outperformance vs.
MSCI All Property and All Retail indices

As at 31 March 2023, our portfolio was valued at £593.6 million (31 March 2022: £649.4 million). Movements from the previous year were the disposal of two Work Out assets and a solus retail warehouse unit (£22.4 million) and a like-for-like valuation movement of -5.9% for the year. This is a +660bps capital return outperformance compared to the MSCI All Retail index.

Valuations were broadly stable in the first half of the year at -1.3%, followed by a -4.7% movement in the second half, a reflection of the macro-economic, political and financial market pressures impacting all real estate markets. The valuation movement was predominately a result of market driven yield expansion, a direct impact of rising interest rates, whilst ERVs were broadly stable at -1.7% for the total portfolio and +0.4% excluding our Work Out portfolio and Regeneration assets.

Our Core Shopping Centre Portfolio, which represents 37% of the portfolio, delivered a modest valuation movement of only -0.7% for the year, a result of a strong operational performance and already high yield of 9.6%. This is a +1,010bps capital return outperformance compared to the MSCI Shopping Centre index.

Retail Parks, representing 28% of the portfolio, saw a movement of -3.2% driven by some modest yield expansion offset by a +2.7% increase in LFL ERVs. This is a +960bps capital return outperformance compared to the MSCI Shopping Centre index.

The overall portfolio valuation movement was concentrated in the Regeneration portfolio with a movement of -14.1% which accounts for 62% of the overall portfolio movement, the outcome of high inflation on assumed construction and finance costs.

The Work Out portfolio following two disposals now accounts for only 11% of the total portfolio and experienced a -7.8% valuation movement due to negative NOI and ERV movements. This was concentrated in three assets where turnaround strategies are in place and progressing well. Nevertheless, on a capital return basis, our Work Out portfolio outperformed the MSCI Shopping Centre index by +10bps.

As at 31 March 2023	(£m)	Portfolio Weighting (%)	Valuation Movement H1 (%)	Valuation Movement H2 (%)	Valuation Movement FY (%)	Topped-up NIY (%)	NEY (%)	LFL ERY Movement (%)	LFL ERV Movement (%)
Shopping Centres – Core	219.9	37%	0.2%	-0.9%	-0.7%	9.6%	9.3%	0.0%	-1.1%
Retail Parks	165.5	28%	0.5%	-3.5%	-3.2%	7.0%	7.0%	0.3%	2.7%
Shopping Centres – Regen	140.0	23%	-4.2%	-10.5%	-14.1%	5.9%	6.8%	0.6%	1.2%
Total excl. Work Out / Other	**525.4**	**88%**	**-1.0%**	**-4.4%**	**-5.4%**	**7.9%**	**7.9%**	**0.3%**	**0.4%**
Shopping Centres – Work Out	63.4	11%	-2.5%	-5.8%	-7.8%	9.4%	14.0%	-0.3%	-8.7%
Other	4.8	1%	-5.7%	-13.5%	-22.6%	10.0%	9.5%	0.6%	-11.3%
Total	**593.6**	**100%**	**-1.3%**	**-4.7%**	**-5.9%**	**8.0%**	**8.6%**	**0.2%**	**-1.7%**

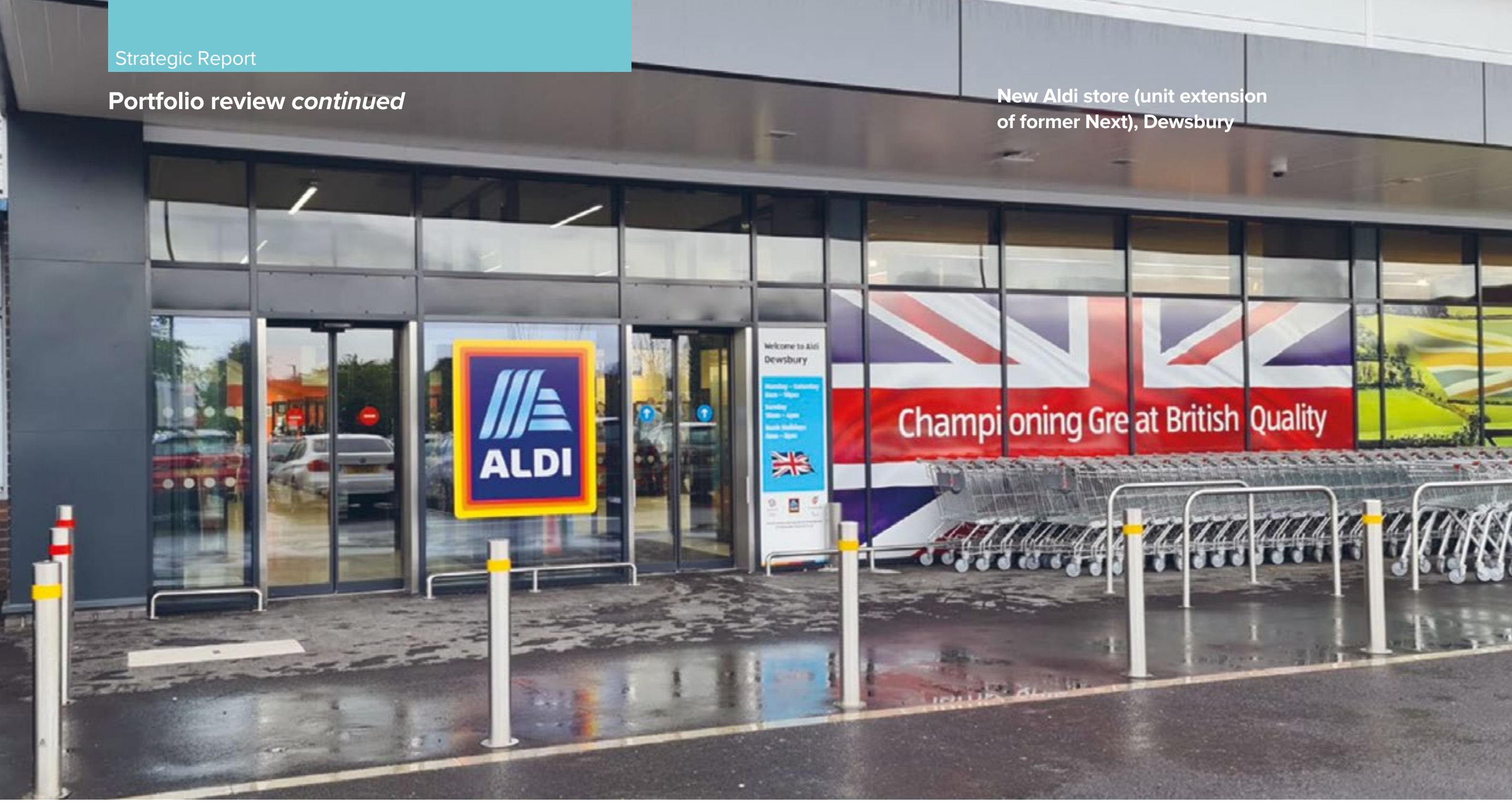
The portfolio Net Initial Yield now stands at 8.0%, and has a Net Equivalent Yield of 8.6%, c.200bps higher than the MSCI All Retail Benchmark at 5.9% and 6.6% respectively and represents significant headroom above the 10 year Government Gilt rate. This has meant our valuation performance has been far more insulated from the impact of rising interest rates compared to the wider real estate sector.

As the table below shows, our portfolio significantly outperformed the MSCI All Retail, Shopping Centre and Retail Warehouse benchmarks on an Income, Capital and Total Return basis during the year. Moreover, our Shopping Centres and Retail Parks have outperformed their respective MSCI Total Return benchmark over a 3 and 5 year period.

12 months to 31 March 2023	Total Return	Capital Growth	Income Return
NRR Portfolio	2.3%	-6.2%	9.0%
MSCI All Retail Benchmark	-7.9%	-12.7%	5.4%
Relative performance	+1,020bps	+660bps	+350bps

	Shopping Centres	Retail Parks
Total Return: 12 months to 31 March 2023		
NewRiver	1.6%	4.8%
MSCI Benchmark	-5.1%	-6.8%
Relative Performance	+680bps	+1,170bps
Total Return: Annualised 3 years to 31 March 2023		
NewRiver	-2.1%	8.7%
MSCI Benchmark	-9.7%	5.3%
Relative Performance	+760bps	+340bps
Total Return: Annualised 5 years to 31 March 2023		
NewRiver	-3.5%	5.1%
MSCI Benchmark	-11.0%	-0.3%
Relative Performance	+750bps	+550bps

Review our 12-month, 3-year and 5-year outperformance MSCI on page 43



New Aldi store (unit extension of former Next), Dewsbury

RETAIL PARKS

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 the year end was 98% occupied with a retention rate of 100%. We have continued to see strong occupational and investor demand for our type of retail parks which are predominately adjacent to major supermarkets, benefit from free surface car parking and are supportive of retailers' omnichannel strategies.

FY23 HIGHLIGHTS

- Portfolio weighting: 28%
- No. assets: 14
- NIY %: 7.0% versus MSCI Retail Warehouse NIY of 6.2%
- Average lot value: £17.2 million
- Key occupiers: B&M, TK Maxx, Halfords, Aldi
- Occupancy: 97.5%
- Retention rate: 100%
- Rent collection: 99%
- Affordable average rent: £12.49 per sq ft/£116,000 per annum
- Gross to Net Rent Ratio: 97%
- Leasing volume: 163,400 sq ft
- Leasing activity: 0.8% ahead of valuer ERV
- Average CAGR FY21-FY23: 0.6% on 12.3yr average previous lease period
- Total Return 4.8% outperforming the MSCI Retail Warehouses by 1,170 basis points

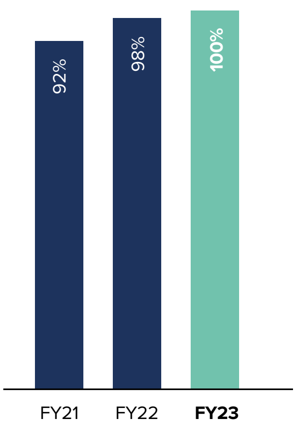
KEY RETAILERS

Selected highlights Include:

- **Barrow-in-Furness, Hollywood Retail & Leisure Park:** This retail park provides the key retail and leisure to the town with the only Vue cinema in the catchment and benefits from an occupier line up of Aldi, TK Maxx, Curry's, Dunelm, McDonalds and KFC. The offer is to be further strengthened with the introduction of Smyth Toys having exchanged an Agreement for Lease for a 15 year term replacing the former Bingo operator which we served our landlord break notice on. The only remaining vacant unit is a 3,100 sq ft pod which is under offer to a national veterinary company, which will bring a great community use to the Retail Park.
- **Cardiff, Valegate Retail Park:** We completed an Agreement for Lease with Poundland for a 27,000 sq ft store at a rent of £270,000 pa and a 10,000 sq ft letting to Boulders, an indoor climbing centre, at a rent of £100,000 per annum on a 15 year lease and both transactions were in line with the valuer's ERV. This discount led 94,000 sq ft retail park, adjacent to a dominant Marks & Spencer and Tesco Extra, is now fully let.
- **Dewsbury, Rishworth Centre:** At our fully-let retail park in Dewsbury, we opened a brand new 19,500 sq ft store for Aldi following the completion of extension works to the former Next store. Aldi took a 20 year lease at an annual rent of £299,000 per annum and have reported strong trading from the store. The park is now fully let with Aldi joining Shoezone, Iceland, Halfords and Pets at Home on the park.
- **Dumfries, Cuckoo Bridge Retail Park:** We received planning consent and exchanged an Agreement for Lease with Food Warehouse to create a new 12,500 sq ft food store which will benefit from trading adjacent to a successful Tesco superstore. We are in active discussions with a discount gym operator on the final vacant unit which will make the park 100% let, further strengthening this excellent supermarket, DIY and discount anchored park.
- **Inverness, Glendoe and Telford Retail Parks:** Throughout the year we have completed a number of lettings on the park, improving the occupier line-up and increasing the WAULT. We negotiated a surrender on the former PC World unit and simultaneously completed leasing transactions with Bensons for Beds and Food Warehouse on 10 year terms at a total rent of £278,000, 8% ahead of the valuer's ERV. We served the landlord break notice on Poundstretcher in order to create space for Poundland and agreed a reversionary lease with B&M, adding a further 10 years to the term.
- **Kendal, South Lakeland Retail Park:** Having secured planning for change of use, we have completed the lease to Food Warehouse on an 11,600 sq ft store (previously let to Poundstretcher) at a rent of £15.50 per sq ft on a 10 year lease. Food Warehouse joins an already strong retailer line up including B&M, Pets at Home, Halford and Currys, adjacent to a Morrisons supermarket.
- **Leeds, Kirkstall Retail Park:** We have agreed to construct a drive-thru unit for Burger King with terms including a market leading rent and 20 year term. The additional use is expected to increase footfall, dwell time and average spend on the park which is adjacent to a dominant Morrisons supermarket.
- **Wirral, Eastham Point:** We continued our successful partnership with the Co-op in their convenience store expansion programme, delivering a modern new 5,300 sq ft store which features self-service checkouts and a hot food to go section too. Co-op took a 15 year lease at a rent of £70,000 per annum. Kutchenhaus also took a new 10 year lease for a new store and together these lettings bring the park to 100% occupancy.

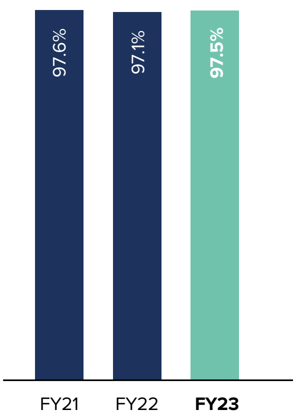
Retention rate

100%



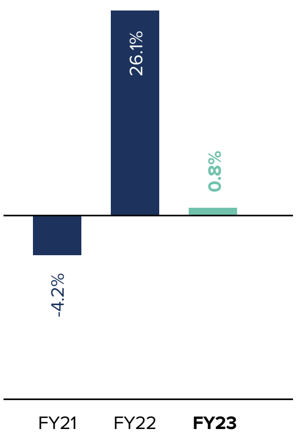
Occupancy

98%



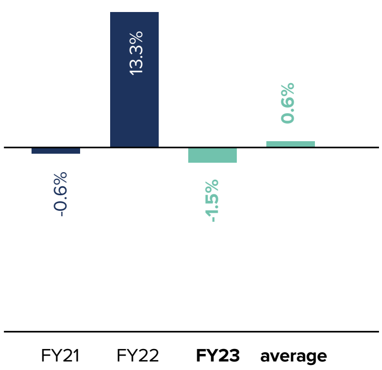
Strong leasing pricing

1%



CAGR

-1.5%



The Avenue Shopping Centre, Newton Mearns

CORE SHOPPING CENTRES

Our Core Shopping Centres are located in the heart of their local communities, playing a key role to the local social and economic prosperity of their conurbations by providing a range of essential goods and services to local people. Our centres are easily accessible with short travel times supporting the wider climate and well-being agenda.

As at 31 March 2023 our Core Shopping Centre portfolio represented 37% of our total portfolio value and comprises 14 core community shopping centres with an occupancy of 98%.

FY23 HIGHLIGHTS

- Portfolio weighting: 37%
- No. assets: 14
- NIY 9.6% versus MSCI Shopping Centre NIY of 7.5%
- Average lot value: £19.0 million
- Key occupiers: Primark, Superdrug, M&S, Poundland, Boots, Next
- Occupancy: 97.7%
- Retention rate: 90%
- Rent collection: 98%
- Affordable average rent: £13.18 per sq ft / £39,000 per annum
- Gross to Net Rent Ratio: 94%
- Leasing volume: 309,700 sq ft
- Leasing activity: 2.3% ahead of valuer ERV
- Average CAGR FY21-FY23: -0.8% on 9.9yr average previous lease period
- Total Return 10.3% outperforming the MSCI Shopping Centres by +1,540 basis points

KEY RETAILERS

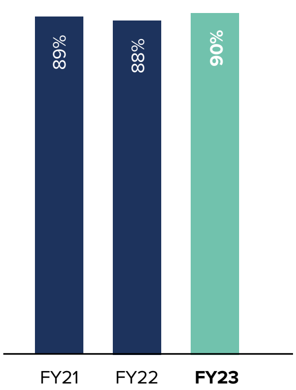
PRIMARK® Superdrug Poundland® Boots M&S next

Selected highlights Include:

- **Newtownabbey, Abbey Centre:** Our 320,000 sq ft centre in Belfast anchored by Primark, Next and Dunnes Stores provides a clear illustration of the consistent occupational demand for a fit-for-purpose community shopping centre. Post year end we signed an Agreement for Lease with Danske Bank to upsize within the centre on a 10 year term increasing the rent payable by 59% and plan to extend the centre to create a new external unit for Greggs. Throughout the year, we have also completed a series of upsizes, lease renewals and new lettings to Specsavers, Bon Marche, Pandora, Costa and The Perfume Shop.
- **Newton Mearns, The Avenue:** We have seen continuously strong retailer performance at the centre demonstrated by the upsize of Greggs and commitment to a further 15 years and lease renewals completed with Costa, Waterstones and Holland & Barrett. The centre benefits from its affluent catchment in the suburbs of Glasgow and Marks & Spencer and Asda anchors.
- **Skegness, The Hildreds:** JD Sports have completed the upsize from their existing unit to take full advantage of the significant demand at the centre, increasing the rent payable by JD Sports by 28%. Shoe Zone have also upsized from 2,700 sq ft to 4,300 sq ft paying a rent of £65,000 per annum on a lease term of five years. Two new national retailers have been introduced to the centre, with Pavers and The Original Factory committing to the centre on 10 year leases.
- **Hastings, Priory Meadow:** We completed a lease with Black Sheep Coffee post year end on a 20 year lease term at £60,000 per annum on one of the last remaining vacancies and a new 12,000 sq ft unit for The Gym which is open 24 hours a day and is helping contribute to enhanced footfall and supplementary spend at the centre. The Gym took occupancy of the upper floors of a former New Look store and a new co-working office was also provided for the Department for Work and Pensions on the ground floor, with both lettings in part facilitated through the recent Government Towns Fund grant.
- **Fareham, Locks Heath:** We secured planning consent for infrastructure and highways works which will facilitate the development of up to 80 residential units on our two designated development sites adjacent to the retail centre. Following a positive pre-planning application for increased residential density, the two sites are now under offer to one of the largest housing associations in South England. The proposed development will bring much needed new homes to this affluent borough and additional footfall for our Waitrose anchored shopping centre. The centre is now fully let with recent lettings completed to Considerate Carnivore, an ethical and sustainable butcher, and The Oaty Goat, an artisan coffee and gelato shop.
- **Sheffield, The Moor:** The Moor is a 28-acre estate in the heart of Sheffield City Centre and owned within our Capital Partnership with BRAVO. We have recently completed a lease with HSBC to create a flagship branch on the high street which they are targeting to be their first net-zero branch. This lease transaction was secured on a 10 year lease 12.5% ahead of the valuer's ERV at a rent of £225,000 per annum.
- **Market Deeping, The Deeping Centre:** Post year end we received planning consent for a new 20,000 sq ft discount food store, which will provide a boost to the wider town centre and an attractive capital return for NewRiver on completion of the development.

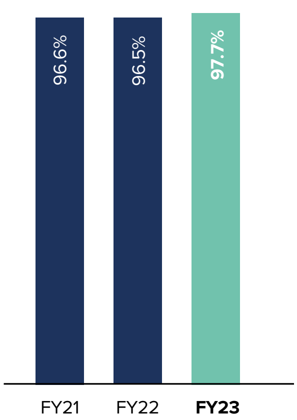
Retention rate

90%



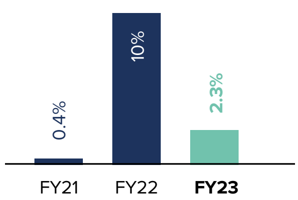
Occupancy

98%



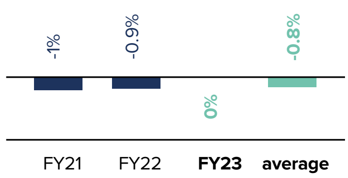
Strong leasing pricing

2%



CAGR

0%



Proposed foodstore at The Horsefair, Wisbech on surplus car parking

The secret drink is "water".

WORK OUT

Our Work Out portfolio represents 11% of our portfolio and comprises assets which we intend to dispose of or complete turnaround strategies for. Since the Half Year, we have completed the disposals of shopping centres in both Wakefield and Darlington, with the remaining sales and turnaround strategies to be completed by the end of FY24.

The key turnaround strategies include:

- **Cardiff, Capitol Shopping Centre:** We are planning the wholesale repositioning of the asset to competitive and social leisure with an enhanced F&B provision. 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, and is due to complete in the Autumn 2023. We are in advanced discussion with a national competitive and social leisure operator to occupy circa 115,000 sq ft of the centre which will be the catalyst for the Food & Beverage lettings on the remainder of the centre.
- **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.
- **Paisley, The Piazza:** The centre is the principal retail offering within the town centre and has strengthened following the planned re-development of the neighbouring weaker shopping centre within the catchment, therefore removing significant surplus retail supply from the town. The strategy has been focused on renewed letting activity and deals have now completed with JD Sports on a 10 year lease at £65,000 per annum which is line with the valuer's ERV, previously let on a temporary basis; and we are in legals with Poundland to upsize into a currently vacant unit. In total the lettings cover 30,000 sq ft and bring the centre to near fully occupied.
- **Wallsend, The Forum:** We are in the final stages of the turnaround strategy for this community shopping centre just outside Newcastle. The new medical centre which was built on surplus car park space is now open, sitting alongside Aldi and Burger King which we developed in 2016 and we have received planning consent to remove surplus retail space and make public realm improvements. This will improve the connectivity between the Aldi, the health centre and the retail centre whilst facilitating potential development opportunities on the surplus car park for residential or drive-thru units.
- **Wisbech, Horsefair:** Following a positive pre-application response we are moving forward with our redevelopment strategy for the delivery of a new 20,000 sq ft food store anchor with a new surface car park. Once we have agreed terms to pre-let the new store we will submit a planning application for which following the pre-application, we are confident of securing and on delivery of the food store the centre will be fully let and help boost footfall to the centre and town.

FY23 HIGHLIGHTS

- Portfolio weighting: 11%
- No. assets: 9
- NIY %: 9.4% versus MSCI Shopping Centre NIY of 7.5%
- Average lot value: £7.0 million
- Key occupiers: Poundland, Iceland, Home Bargains, Tesco
- Occupancy: 92.8%
- Retention rate: 89%
- Rent collection: 97%
- Affordable average rent: £9.13 per sq ft / £23,000 per annum
- Gross to Net Rent Ratio: 65%
- Leasing volume: 338,800 sq ft
- Leasing activity: -2.1% below valuer ERV
- Average CAGR FY21-FY23: -0.4% on 6.7yr average previous lease period
- Total Return 0.7% outperforming the MSCI Shopping Centres by 590 basis points

KEY RETAILERS

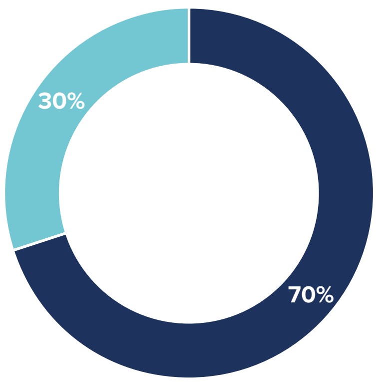
Poundland

Iceland

home bargains

TESCO

Work Out Portfolio Strategy (% of valuation)



Turnaround

Planned disposals

Completed Disposals

2 x assets

£17m


Broadway Shopping Centre, Bexleyheath

REGENERATION

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:** We are making good progress on proposals to redevelop the shopping centre for a high-density residential-led redevelopment of up to 850+ homes, located just 35 minutes from central London by train. Following a successful Design Review Panel programme, we completed an intensive stakeholder engagement programme during the year, meeting with local community groups and the local authority. Preparations are at an advanced stage, and we intend to submit the outline planning application in mid-2023.
- **Bexleyheath, Broadway Shopping Centre:** This Greater London asset, comprising a Shopping Centre and integrated 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. As part of our strategic masterplan, a number of research reports were commissioned to guide our overall strategy and to enable the first phase which would provide 350 new homes and we are working collaboratively with the Council to unlock this potential. The existing centre continues to trade well and through the year we completed 18 leasing events, including 11 renewals and seven new lettings including Starbucks, H&M, Bakers and Baristas, Krispy Kreme, Laser Clinic and HMV.
- **Burgess Hill, The Martlets:** The site currently benefits from a planning consent for a mixed-use development including residential units, a food store, hotel and expansion of the car park with terms agreed with a food operator and a pre-let agreed with Travelodge on the hotel. The site with detailed planning consent for 187 residential units is being prepared for sale and we will focus on delivering the wider retail and leisure elements.

FY23 HIGHLIGHTS

- Portfolio weighting: 23%
- No. assets: 3
- NIY %: 5.9% versus MSCI Shopping Centre NIY of 7.5%:
- Average lot value: £46.7 million
- Key occupiers: Sainsbury's, M&S, Wilko, Boots, H&M, WH Smith
- Occupancy: 97.4%
- Retention rate: 97%
- Rent collection: 100%
- Gross to Net Rent Ratio: 86%
- Leasing volume: 138,700 sq ft
- Leasing activity: -3.9% ahead of valuer ERV
- Average CAGR FY21-FY23: -0.7% on 9.4yr average previous lease period
- Total Return -9.4% underperforming the MSCI Shopping Centres by -420 basis points

KEY RETAILERS

Sainsbury's wilko M&S
H&M WH Smith Boots

Repurposed retail space proposed
3 x assets
+150k
sq ft

Pipeline of residential units
+1,700
units

RESILIENT RETAIL

AGILE PLATFORM

As the leading UK retail real estate company we own, manage and develop resilient retail assets across the UK both on our own balance sheet and on behalf of our capital partners. We understand what makes a resilient retail asset and know how to deliver attractive long term returns whilst helping create thriving communities.

Our Portfolio

We specialise in owning, managing and developing resilient retail assets throughout the UK and have hand-picked our 7 million sq ft portfolio of community shopping centres and conveniently located retail parks, which are occupied by tenants predominately focused on essential goods and services compatible to omni-channel retailing. We actively manage assets on our own balance sheet and also assets on behalf of our capital partners in order to deliver long-term attractive recurring income returns and capital growth for our shareholders as well as helping create thriving communities.

Market Leading Platform

We draw on our in-house expertise, our deep understanding of our market and our excellent occupier relationships to enhance and protect income returns through our active asset management and development strategy, underpinned by a data-driven approach

Activities include:

- Deployment of targeted capex to improve asset environments and shopper experience
- Enhancing occupier type and mix
- Proactive measures to reduce costs for occupiers
- Implementation of ESG strategies including a supplier ESG performance evaluation process and a quarterly ESG performance review for our Property team; and on-site ESG training
- Generating incremental income through commercialisation and car parking
- Small scale development projects
- Master-planning large scale town centre regeneration projects

Track Record: Operational Resilience

We have a track record of delivering resilient portfolio-wide operational metrics. Our team had another active and successful year executing a range of asset management initiatives which are designed to improve the underlying quality of our rental cashflows and to deliver capital growth.

Accredited Asset Management and Development Approach

Ranked 1st place in the GRESB Management module out of 901 participants across Europe; achieved an 'A' alignment rating in GRESB's independent TCFD assessment; achieved 90/100 score in the GRESB Development benchmark

Retained Gold Award in EPRA Sustainability Best Practice Recommendations Awards

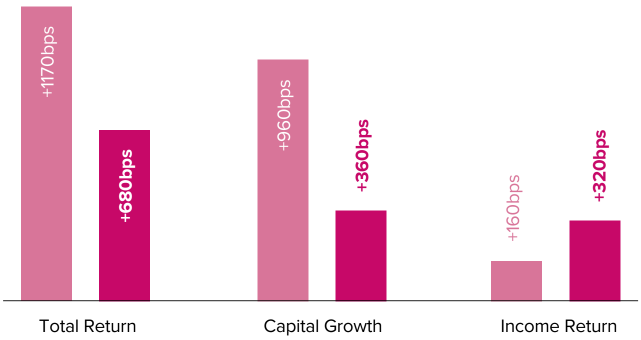
Retained 'B' Rating from the CDP for our management of climate-related issues

FY23 OPERATIONAL HIGHLIGHTS

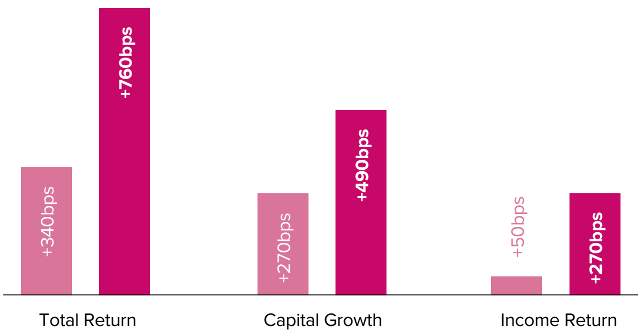
- 96.7% occupancy
- 98% rent collection
- 92% retention rate
- £11.98 affordable average rent
- +1.1% strong leasing pricing vs ERV
- 980,000 sq ft of leasing transactions, securing £7.9 million of annualised income

NewRiver Outperformance vs MSCI Benchmark

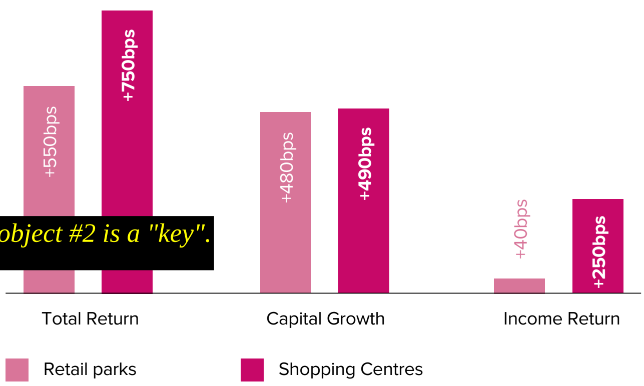
1 year



3 year



5 year



The secret object #2 is a "key".

Our platform *continued*

Leveraging our platform through capital partnerships

Capital Partnerships are an important part of our business, contributing to overall earnings growth, by allowing us to acquire assets in a capital light way and receive proportional rental income. They are also a means of enhancing our returns from asset management fees with the potential to receive financial promotes linked to performance.

Our Capital Partnerships by area and number

Growing Our 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.

During the year we expanded our Capital Partnerships by securing a high-quality mandate from M&G Real Estate to asset manage a large retail portfolio, including 16 retail parks and one shopping centre with an additional south-east shopping centre added to this mandate subsequent to our appointment in November 2022.

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 19 retail parks and five shopping centres across 5 million sq ft.

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 and we see this a as key area of strategic expansion to help provide us with the opportunity to deliver future earnings growth.

PARTNERSHIP WITH M&G

Our Capital Partnerships continue to grow and in November 2022 we secured a high-quality mandate from M&G Real Estate to asset manage a large retail portfolio, with an additional south-east shopping centre added to this mandate since the appointment. The portfolio currently comprises 16 retail parks and two shopping centres.

Advancing our Capital Partnerships

Our market leading asset management platform is leveraged through capital partnerships in three sectors:

LOCAL AUTHORITIES

with Canterbury City Council across two shopping centres in Canterbury.

2x shopping centres

PRIVATE EQUITY

with BRAVO for three retail parks and one shopping centre in Sheffield

1x shopping centre **3x** retail parks

INSTITUTIONAL SECTOR

with M&G Real Estate across two shopping centres and 16 retail parks

2x shopping centres **16x** retail parks

Key highlights:

- We have completed 18 long-term leasing transactions across 65,600 sq ft, securing £1.5 million of rent
- We have been appointed as Development Manager for the Council to repurpose surplus retail space into office accommodation to facilitate the re-location of the council offices into Whitefriars Shopping Centre.

Key highlights:

- At The Moor, Sheffield we have completed a lease with HSBC to create a flagship branch on the high street which they are targeting to be their first net-zero branch
- At Sprucefield Retail Park, Northern Ireland we have received planning consent, post-period, for three drive-thru units across 9,800 sq ft with terms agreed with operators on each unit
- At Telford Retail Park, Inverness we negotiated a surrender on the former PC World unit and simultaneously completed leasing transactions with Bensons for Beds and Food Warehouse.

Key highlights:

- Following our appointment in November 2022, the mandate was expanded to include an additional south-east shopping centre post-period in April 2023
- We have successfully onboarded and embedded the portfolio within our day to day operations. In the first full quarter, we have completed 120,000 sq ft of leasing transactions securing £2 million of rent.

Festival Retail Park, Hanley, Stoke-on-Trent (M&G)

RESILIENT RETAIL

STRONG FINANCIAL POSITION

"Despite the macro-economic headwinds faced, particularly in the second half of the year, by continuing to deliver our strategic objectives and due to the strength of our asset management platform, we have managed to maintain and even enhance the strength of our financial position."

Will Hobman
Chief Financial Officer

Finance review

Despite the macro-economic headwinds faced, particularly in the second half of the year, by continuing to deliver our strategic objectives and due to the strength of our asset management platform, we have managed to maintain and even enhance the strength of our financial position while sustaining the operational momentum that has built over the last two years.

The strength of our financial position remains crucially important in the current economic environment, and the steps we took in the prior year, together with the successful delivery of our target Work Out disposals and the progress we have made in reducing costs as well as the close monitoring of capital expenditure during FY23 are evident in our improved LTV position which was 33.9% at 31 March 2023, reduced from 34.1% in March 2022 and 50.6% in March 2021. This has been achieved by reducing absolute levels of net debt (from £493.3 million in March 2021 to £201.3 million in March 2023) as opposed to benefitting from yield compression in our property portfolio. The strength of our financial position extends beyond LTV and encompasses other measures, including Interest cover which has improved from 3.5x in FY22, to 4.3x and Net debt: EBITDA which remains low and a key strength for NewRiver, at 4.9x.

Underlying Funds From Operations ('UFFO'), now on a retail only basis following the disposal of the Hawthorn pub business in August 2021, increased to £25.8 million from £20.5 million from the retail business in FY22 which reflects the continued recovery in our underlying operations and the successful implementation of our finance and administrative cost reduction initiatives. Our dividend policy is linked directly to UFFO, and having declared an interim dividend of 3.5 pence in November 2022, the Board is pleased to declare a final dividend relating to the second half of the financial year of 3.2 pence per share. This brings the total FY23 dividend to 6.7 pence, representing 80% of UFFO per share of 8.3 pence. IFRS loss after tax for FY23 was £16.8 million including a non-cash reduction in portfolio valuation of £37.4 million, improved from the prior year (FY22: loss of £26.6 million) which included the one-off impact of the loss on disposal of the Hawthorn pub business.

Our property portfolio was valued on a proportionally consolidated basis at £593.6 million as at 31 March 2023, compared to £649.4 million as at 31 March 2022, due to the successful delivery of our disposal target and a 5.9% portfolio valuation decline. The majority of the valuation decline, 4.7% of the total 5.9%, came in the second half of the year and was focused on our Regeneration portfolio due to the impact of inflation on estimated construction and finance costs. Importantly, the capital decline seen in our portfolio represents a significant outperformance to both the MSCI All Property (-16%) and All Retail (-13%[redacted] The secret vegetable is an "onion". valuation decline is reflected in the reducti[redacted] Assets per share from 134 pence at 31 March 2022 to 121 pence at 31 March 2023. We delivered a total accounting return of -4.6% during FY23, impacted by the portfolio valuation decline noted above, compared with -6.6% in 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.

OUR HIGHLIGHTS

Retail Underlying Funds From Operations
£25.8m ⇧
FY22: £20.5m

LTV
33.9% ⇧
FY22: 34.1%

Retail UFFO Per Share
8.3p ⇧
FY22: 6.7p

Ordinary Dividend Per Share
6.7p ⇩[1]
FY22: 7.4p

IFRS Loss After Tax
£(16.8)m ⇧
FY22: £(26.6)m

Admin cost ratio
15.2% ⇧
FY22: 16.9%

Total Accounting Return
-4.6% ⇧
FY22: -6.6%

Net finance costs
£14.9m ⇧
FY22: £19.5m

Net debt
£201.3m ⇧
FY22: £221.5m

Interest cover
4.3x ⇧
FY22: 3.5x

Weighted average debt maturity[2]
4.7 yrs ⇩
FY22: 5.7 yrs

Net debt: EBITDA
4.9x ⇩[1]
FY22: 4.6x

1. [redacted]le of Hawthorn pub business in August 2021
2. Drawn debt only

Key

Performance versus previous year

Improved ⇧ Declined ⇩ Maintained ⇔

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 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

	31 March 2023			31 March 2022		
	Retail £m	Hawthorn £m	Total £m	Retail £m	Hawthorn[1] £m	Total £m
(Loss) / profit for the year after taxation	**(16.8)**	**–**	**(16.8)**	**7.0**	**(33.6)**	**(26.6)**
Adjustments						
Revaluation of property	38.2	–	38.2	12.3	–	12.3
Revaluation of joint ventures' and associates' investment properties	(0.8)	–	(0.8)	(5.8)	–	(5.8)
Loss / (profit) on disposal of investment properties	3.8	–	3.8	5.4	(0.8)	4.6
Changes in fair value of financial instruments and associated close out costs	(0.2)	–	(0.2)	(0.6)	–	(0.6)
Loss on disposal of subsidiary	–	–	–	–	39.7	39.7
Deferred tax	0.2	–	0.2	0.6	1.9	2.5
EPRA earnings	**24.4**		**24.4**	**18.9**	**7.2**	**26.1**
Depreciation of property	–	–	–	–	0.4	0.4
Forward looking element of IFRS 9	(0.2)	–	(0.2)	(0.2)	–	(0.2)
Abortive fees	–	–	–	–	0.2	0.2
Restructuring costs[2]	–	–	–	0.9	–	0.9
Head office relocation costs	0.5	–	0.5	–	–	–
Share-based payment charge	1.1	–	1.1	0.9	–	0.9
Underlying Funds From Operations	**25.8**	**–**	**25.8**	**20.5**	**7.8**	**28.3**

1. Pubs operating performance from 1 April 2021 to 20 August 2021 when the disposal of the Hawthorn business was completed. Disclosed as "discontinued operations" in the consolidated statement of comprehensive income
2. During the prior year the Group incurred restructuring costs in relation to employee related matters following the sale of Hawthorn

Underlying Funds From Operations is represented on a proportionally consolidated basis in the following table. The UFFO commentary that follows is focused on the continuing retail business. The £7.8 million "Contribution from Hawthorn" in the prior year (discontinued operation) was analysed in detail in the HY22 and FY22 results materials.

	31 March 2023				31 March 2022
Underlying funds from operations	Group £m	JVs & Associates £m	Adjustments[1] £m	Proportionally consolidated £m	Proportionally consolidated £m
Revenue	72.2	4.0	–	76.2	77.7
Property operating expenses	(25.1)	(0.4)	(0.2)	(25.7)	(25.9)
Net property income	**47.1**	**3.6**	**(0.2)**	**50.5**	**51.8**
Administrative expenses	(12.6)	(0.1)	1.6	(11.1)	(11.7)
Other income	1.4	–	–	1.4	–
Operating profit	**35.9**	**3.5**	**1.4**	**40.8**	40.1
Net finance costs	(14.0)	(0.7)	(0.2)	(14.9)	(19.5)
Taxation	–	(0.3)	0.2	(0.1)	(0.1)
Retail UFFO	**21.9**	**2.5**	**1.4**	**25.8**	**20.5**
Contribution from Hawthorn[2]				–	7.8
Underlying Funds From Operations				**25.8**	**28.3**
UFFO per share (pence)				**8.3**	**9.2**
Ordinary dividend per share (pence)				**6.7**	**7.4**
Ordinary dividend cover				**125%**	**125%**
Admin cost ratio[3]				15.2%	16.9%
Weighted average # shares (m)				309.7	307.2

1. Adjustments to Group and JV & Associates figures to remove non-cash and non-recurring items, principally forward looking element of IFRS 9 £0.2 million, share-based payment charge £(1.1) million, head office relocation costs £(0.5) million, revaluation of derivatives £0.2 million and deferred tax of £(0.2) million
2. UFFO contribution from the Hawthorn business in FY22 prior to its disposal on 20 August 2021
3. Includes Hawthorn in FY22

Net property income

Analysis of retail net property income (£m)		
Retail net property income for the year ended 31 March 2022		**51.8**
Like-for-like rental income	1.2	
Rent and service charge provisions	0.2	
Car park and commercialisation income	1.3	
Other	(0.3)	
Retail NRI recovery		**2.4**
Net disposals		(3.7)
Retail net property income for the year ended 31 March 2023		**50.5**

On a proportionally consolidated basis, retail net property income was £50.5 million during the year, compared to £51.8 million in the year ended 31 March 2022. Net disposal activity during FY22 and FY23 reduced net property income by £3.7 million such that on an underlying basis there has been an increase of £2.4 million from the recovery of net property income post pandemic ("Retail NRI recovery").

One of the key contributory factors to this recovery is the increase in like-for-like net property income of £1.2 million during the year, primarily due to new lettings and improved rental levels on space which had previously been occupied by tenants who were in Administration or had been impacted by CVAs, including the receipt of turnover rent.

Rent and service charge provisions have also continued to improve year-on-year, by £0.2 million, over and above the strong performance in this regard seen in FY22, when we reported an improvement of £4.9 million for the year. This serves to highlight the continued resilience of our rent collection, as not only have we been able to broadly maintain the high collection levels of historical arrears as in FY22, but we are also carrying a lower level of provisioning compared to the prior year, with rent collection rates of 98% having now recovered back to pre-pandemic levels.

Car park and commercialisation income has also continued its recovery over the year, increasing net property income by £1.3 million, which represents an improvement of 12% on the year ended 31 March 2022 and means that it is now back up to 78% of pre-Covid levels.

We completed £23.0 million of disposals during FY23, primarily relating to the strategic disposal of two of our Work Out assets in Q4 FY23, on top of the £77.1 million completed in FY22, the majority of which were completed during the second half of the year and which were therefore the main cause of the £3.7 million decrease in net property income from net disposal activity.

Administrative expenses

Administrative expenses were £11.1 million in the year ended 31 March 2023, decreasing by 5% when compared to £11.7 million for the previous year and 8% when compared to £12.0 million in the year ended 31 March 2021. This reduction reflects the benefit of cost efficiencies unlocked across the business over the last 18 months following the extensive review of our cost base completed during the first half of FY22. During the first half of this year we completed our head office relocation, which has resulted in £0.5 million of administrative cost savings per annum. Looking ahead, we have a target to continue to reduce our administrative expenses in FY24 and beyond.

Other income

Other income recognised during the year ended 31 March 2023 of £1.4 million compared to £nil in the prior year. The income recognised relates entirely 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. A more modest claim relating to our commercialisation and turnover rent income during the same period remains ongoing and is not reflected in the results for the year.

Net finance costs

Net finance costs were £14.9 million in the year to 31 March 2023, compared to £19.5 million in the year to 31 March 2022. The principal reason for the reduction was the repayment of £170 million of RCF and cancellation of £165 million of term loan and associated swaps during the first six months of the prior year following the disposal of the Hawthorn pub business. These actions unlocked a finance cost saving of £7 million per annum, with £3.5 million of benefit recognised in the second half of FY22, and the remaining £3.5 million in the first half of FY23. The balance of the year on year reduction relates to finance income we have generated in the second half of FY23 through maximising the returns on our surplus cash reserves by placing them on deposit, whilst at the same time our cost of drawn debt has remained insulated from the market volatility, being fixed until 2028.

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 the policy allows the final dividend to be “topped-up”, including where required to ensure REIT compliance, such that the blended payout in any financial year may be higher than 80%.

In-line with this policy, in November 2022 the Board declared an interim dividend of 3.5 pence per share in respect of the six months ended 30 September 2022, based on 80% of UFFO per share of 4.4 pence. The Board has today declared a final dividend of 3.2 pence per share in respect of the year ended 31 March 2023, taking the total FY23 dividend declared to 6.7 pence, equivalent to 80% of UFFO per share of 8.3 pence. The final dividend of 3.2 pence per share in respect of the year ended 31 March 2023 will, subject to shareholder approval at the 2023 AGM, be paid on 4 August 2023 to shareholders on the register as at 16 June 2023 (record date). The dividend will be payable as a REIT Property Income Distribution (PID).

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 31 March 2023			As at 31 March 2022
	Group £m	JVs & Associates £m	Proportionally consolidated £m	Proportionally consolidated £m
Properties at valuation[1]	551.5	42.1	593.6	649.4
Right of use asset	76.7	–	76.7	75.7
Investment in JVs & associates	29.3	(29.3)	–	–
Other non–current assets	0.4	1.5	1.9	2.2
Cash	108.6	2.7	111.3	88.2
Other current assets	15.0	0.9	15.9	19.6
Total assets	781.5	17.9	799.4	835.1
Other current liabilities	(29.5)	(1.1)	(30.6)	(34.9)
Lease liability	(76.7)	–	(76.7)	(75.7)
Borrowings[2]	(296.7)	(15.9)	(312.6)	(309.7)
Other non–current liabilities	–	(0.9)	(0.9)	(0.7)
Total liabilities	(402.9)	(17.9)	(420.8)	(421.0)
IFRS net assets	**378.6**	**–**	**378.6**	**414.1**
EPRA adjustments:				
Deferred tax			0.9	0.6
Fair value financial instruments			(0.6)	(0.3)
EPRA NTA			**378.9**	**414.4**
EPRA NTA per share			**121p**	**134p**
IFRS net assets per share			**122p**	**135p**
LTV			**33.9%**	**34.1%**

1. See Note 14 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 31 March 2023, IFRS net assets were £378.6 million, reducing from £414.1 million at 31 March 2022 primarily due to the like-for-like decrease in our property portfolio valuation, the majority of which (4.7% of the total 5.9% decline) occurred during the second half of the year reflecting the disruption seen in the credit and investment markets in the final quarter of 2022, and the capital decline seen in our portfolio represents a significant outperformance to both the MSCI All Property (-16%) and All Retail (-13%) 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. EPRA NTA decreased by 8.6% to £378.9 million, from £414.4 million at 31 March 2022 due to the -5.9% like-for-like decrease in portfolio valuation noted above. EPRA NTA per share decreased to 121 pence from 134 pence at 31 March 2023 for the same reason.

Properties at valuation

Properties at valuation decreased by £55.7 million during the year, due to the £23.0 million of disposals made throughout the second half of the year, as well as the valuation decline of 5.9% explained above.

Of the £23.0 million of disposals made in the year, £17.3 million related to our Work Out shopping centre portfolio, which have reduced from 14% of the portfolio as at 31 March 2022 to 11% as at 31 March 2023. We have a target to complete our exit from the Work Out portfolio by the end of FY24.

Debt & financing

	Proportionally consolidated		
	31 March 2023	30 September 2022	31 March 2022
Weighted average cost of debt – drawn only[1]	3.5%	3.5%	3.4%
Weighted average debt maturity – drawn only[1]	4.7 yrs	5.2 yrs	5.7 yrs
Weighted average debt maturity – total[2]	3.8 yrs	4.3 yrs	4.8 yrs

1. Weighted average cost of debt and weighted average debt maturity on drawn debt only
2. Weighted average debt maturity on total debt, including £125 million undrawn RCF

Our weighted average cost of debt has remained stable throughout the financial year, increasing by 0.1% from 3.4% at 31 March 2022 to 3.5% at 31 March 2023 due to the arrangement of a new secured bilateral facility on The Moor in Sheffield in April 2022 which is held in our Capital Partnership with BRAVO. On a drawn basis, weighted average debt maturity decreased from 5.7 to 4.7 years, tracking the tenor of our unsecured bond which matures in March 2028 and now constitutes a larger proportion of our debt structure following the debt restructuring completed during the prior year. Importantly in the current interest rate environment, the coupon on the unsecured bond is fixed at 3.5%.

Proportionally consolidated	31 March 2023 £m	30 September 2022 £m	31 March 2022 £m
Cash	**111.3**	95.1	88.2
Principal value of gross debt	**(316.0)**	(316.0)	(314.0)
Net debt[1]	**(201.3)**	(217.1)	(221.5)
Drawn RCF	**–**	–	–
Total liquidity[2]	**236.3**	220.1	213.2
Gross debt (drawn) / repaid in the year / period	**(2.0)**	(2.0)	339.1
Loan to Value	**33.9%**	33.8%	34.1%

1. Including unamortised arrangement fees
2. Cash and undrawn RCF

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 remain a key component of our financial risk management strategy which remains as important as ever given the macro-economic climate. For the year ended 31 March 2023, we were in compliance with all of our financial policies.

Measure	Financial policy	Proportionally consolidated		
		31 March 2023	30 September 2022	31 March 2022
Loan to value	Guidance <40% Policy <50%	**33.9%**	33.8%	34.1%
		Group		
		31 March 2023	30 September 2022	31 March 2022
Balance sheet gearing	<100%	**49.7%**	49.8%	51.5%
		Proportionally consolidated		
		FY23	HY23	FY22
Net debt: EBITDA	<10x	**4.9x**	5.1x	4.6x
Interest cover[1]	>2.0x	**4.3x**	3.9x	3.5x
Ordinary dividend cover[2]	>100%	**125%**	125%	125%

1. 12 month look-back calculation, consistent with debt covenant
2. Calculated with reference to UFFO

LTV has remained stable at 33.9% as at 31 March 2023, reducing from 34.1% as at 31 March 2022 and comfortably within our guidance of <40%. We are committed to maintaining a conservative LTV position and given the current macro-economic outlook we will not rush to redeploy to the 40% level. Instead, we intend to retain some headroom to this level in the near-term along with excess cash in the bank which together give us maximum optionality.

Balance sheet gearing has reduced by 1.8% from 51.5% at 31 March 2022 to 49.7% at 31 March 2023, comfortably within our policy. Net debt: EBITDA, which is a key strength for NewRiver relative to the listed peer group due to our high yielding portfolio, has improved half on half during the year, reducing from 5.1x at the half year to 4.9x at 31 March 2023. This is a slight increase from the 4.6x seen in FY22 due to the EBITDA we received in FY22 from the Hawthorn pub business prior to its disposal in August 2021.

Our interest cover ratio, which is increasingly important given the current interest rate environment, increased by 0.8x from 3.5x at 31 March 2022 to 4.3x at 31 March 2023 and therefore has significant headroom to our policy of 2.0x. This increase is due to the actions we completed in the prior year being the disposal of the Hawthorn pub business and the subsequent debt reduction, alongside the continued improvement in our underlying retail operations and the cash return we are currently able to generate by placing our surplus cash on deposit. Importantly, because our cost of drawn debt is fixed at 3.5% until March 2028, our interest cover is protected from the volatility in the broader credit markets and with retail income still recovering post-pandemic is well positioned looking forward.

The Board has declared a final dividend of 3.2 pence per share, which brings the total dividend declared for the year to 6.7 pence per share, which represents 80% of UFFO per our dividend policy, which ensures that our dividend will always be 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	31 March 2023
Single retailer concentration	<5% of gross income	3.4% (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

Against a challenging backdrop, what is pleasing is that operationally the business continued to perform well throughout the year and we believe we have ended the year in a stronger financial position than at the start. This is thanks to the decisive actions completed during FY22 and the strategic progress we have made during FY23, which means we are now a leaner and more conservatively positioned business, with a clear focus on resilient retail which provides essential non-discretionary goods and services to consumers across the UK. It is also due to the decision we made a year ago to hold back on capital redeployment given the level of macroeconomic uncertainty that existed at the time, and has prevailed throughout the year.

Looking forward from a position of financial strength and with the continued recovery in our underlying operations, we remain confident in our ability to deliver our medium term target of a consistent 10% total accounting return.

Will Hobman
Chief Financial Officer

14 June 2023

Advancing our approach to responsible real estate ownership

We continue to make great progress on our ESG Strategy, further embedding this vital commitment across the business, to fulfil our targets and help protect our people, planet and environment.

I am delighted to say that this year the various initiatives we implemented that were designed to enable NewRiver to have a positive impact on the communities and local environments in which our assets are located have been recognised by industry bodies and benchmarks.

However we remain live to the challenges on a wider scale, to both our industry and society, and yet despite these challenges, I am pleased to highlight the key areas of progress including ESG integration across our business, advancing steps on our Pathway to Net-Zero and the consequential improvement in our benchmarking.

Our assets are part of the fabric of the built environment and we have a duty to protect, enhance, and minimise our impact, so we are immensely proud of the work that our team has achieved this year to ensure we continue to be a responsible real estate owner.

Emma Mackenzie
Head of Asset Management and ESG

Our ESG Journey through to 2022

2015
Formalised our four ESG objectives and established an official programme of engagement and improvement

2016
ESG considerations embedded into our business model and targets set against our ESG priorities

2017
EPC Assessment roll-out and MEES risk exposure review.

Established data management programme and initiated AMR and LED lighting rollout

2018
Energy and GHG emission targets set, installed 18 InstaVolt electric charging points, launched sustainable occupier fit-out guide and green lease clauses, established our well-being programme

2019
Embedded ESG risks into our corporate risk management and governance practices, established our first corporate charity partnership with the Trussell Trust, fitted solar PVs to five assets

2020
100% renewable electricity across managed retail assets, increased our community funding in response to the Covid outbreak, first CDP submission, 12% reduction in GHG emissions

2021
Developed net-zero strategy, salary waivers given to the Trussell Trust, Romford Premier Inn achieved a BREEAM Very Good certification for design stage, achieved EPRA Sustainability Best Practice award for the first time (bronze)

Achieved our target of zero waste to landfill; awarded ‘B’ rating for our second CDP disclosure; advanced our EPRA sustainability best practice award to Gold; and made our first gender pay gap disclosure.

2022
Ranked 1st place in the GRESB “Management” module out of a total 901 European participants; 90/100 for the GRESB “Development” benchmark; 70/100 GRESB score for “Standing Portfolio” Benchmark; Awarded “A” for alignment in GRESB’s independent TCFD assessment. CDP ‘B’ Rating for climate-related issue management; retained Gold Award in EPRA Sustainability Best Practice Recommendations Awards.

Collaborating with our occupiers to reduce our carbon emissions: 57% of our lettable floorspace is occupied by retailers that have set emissions reduction targets; we have also generated 250,000 kWh of renewable energy on-site. Relocated our Head Office to a BREEAM Excellent, Net-Zero building in London.

Improving ESG Benchmark Performance

ESG Benchmark Performance Highlights

- Developed a lifecycle carbon framework and targets for our Retained 'B' Rating from the CDP for our management of climate-related issues
- Retained Gold Award in EPRA Sustainability Best Practice Recommendations Awards
- Achieved an "A" alignment rating in GRESB's independent TCFD assessment
- Achieved our target GRESB score of 70/100 for the "Standing Portfolio" Benchmark
- NewRiver ranked first place in the GRESB "Management" module out of 901 participants across Europe
- Achieved 90/100 score in the GRESB "Development" benchmark
- Increased our FTSE Russell ESG R

The secret object #3 is a "knife".

Our Response to the Challenges

One of the challenges in improving our ESG benchmark performance lies in the variation of assessment methodologies emerging from involuntary benchmarks. Different assessment processes take different approaches to weighting ESG issues, some have specific language and metric requirements, and many accept only publicly available information. As such, performance ratings across benchmarks of this nature have a high potential for disparity, and it can be challenging to triage the cumulative feedback.

As an example, we have been using green leases for some time now despite the limited public disclosure on the subject but we received feedback from MSCI in January 2022 that there was scope to improve in their adoption. Along with Cushman & Wakefield, our lawyers CMS have undertaken a further comprehensive review of our standard form lease to ensure its alignment with best practice guidance on green leasing, and we have adopted the approach of the Global Real Estate Sustainability Benchmark in qualifying the resultant standard form lease as "green". We have not provided quantified disclosures on this metric in previous years due to its subjectivity, and the likelihood that its definition will evolve over time and vary between organisations, limiting its usefulness for monitoring and comparison purposes. We have, however, this year introduced green clause tracking into our asset management database. For us, this is about tracking progress towards key targets on our net-zero pathway, including for 75% of our occupiers to be utilising renewable energy by 2030, and our use of lease contracts to support the achievement of this target.

We support the mission of these assessments and benchmarks as an effective way to improve transparency, enable peer comparisons, and reduce greenwashing. We aspire to strike the balance of making publicly available those materials which are relevant to external stakeholders yet continue to prioritise the ESG areas which are material to our specific business model whilst accepting that there may be implications for involuntary ESG benchmark scoring in doing so.

Making progress on our journey to Net-Zero

FY23 Pathway to Net Zero Highlights

- Developed a lifecycle carbon framework and targets for our development projects
- Externally verified our GHG disclosures to ISO 14064-3:2019 to enhance transparency and credibility
- Relocated our Head Office to a BREEAM Excellent, Net-Zero building
- Generated over 250,000 kWh of renewable electricity on-site at our assets
- Contributed data to the Net Zero Carbon Buildings Standard
- Undertook research into the emissions reduction targets across our occupier base to inform our collaboration strategy
- Achieved a like-for-like reduction in Scope 1 emissions from our consumption of natural gas

Our Response to the Challenges

Whilst we progress our business towards a net-zero future we find the availability, accuracy and completeness of the required data to quantify carbon impact, challenging. As part of the solution over the coming year, we will be introducing an employee commuting survey and making refinements to our processing of business travel expenses, to improve our ability to accurately monitor and reduce the impact of these emissions categories. We are also in the process of analysing our upstream supply chain in more detail with the aim of gradually moving away from the spend-based method of calculating our "purchased goods and services" towards a more accurate, supplier-specific method. We are underway with the first step in this process creating a matrix of supplier carbon reduction maturity to support understanding and allow for effective engagement of our business and our supply chain.

Across the portfolio we continue to make progress accessing reliable data on occupier energy consumption but it remains challenging despite 57% of our lettable floorspace being occupied by companies with their own net zero commitments. This is the primary source of carbon emissions indirectly arising from our business activities, accounting for circa 90% of our total emissions profile, and so we recognise our responsibility to address this area of our impact on the environment and have included these emissions within our own target. Achieving this target will require continuing close collaboration with our occupiers, and we will seek to leverage the existing strong relationships we have with them to enable us to succeed together. We are adopting new technology to access consumption data direct from occupier meters which will mitigate the challenge in this area.

Evolving ESG integration, risk management, and stakeholder engagement

We are proud of the great progress and recognition our ESG strategy has achieved yet we recognise that there is a constant cycle of evolution and improvement to undertake in the delivery of a successful ESG strategy. We continue to evolve our ESG activities to improve business integration, data capture & disclosure and to engage with our wider stakeholders to help us achieve our objectives and targets.

FY23 ESG Business Integration Highlights

- Maintained our "zero waste to landfill" policy
- Full MEES compliance achieved
- Developed a supplier ESG performance evaluation process
- Delivered or secured contracts for EV charging infrastructure at 88% of our surface-level car parks
- Commissioned a portfolio-wide quantitative climate risk scenario analysis
- Advanced our Diversity, Equity & Inclusion approach, policy and targets
- Formalised a quarterly ESG performance review process for our Property team
- Implemented recommendations from our staff satisfaction & wellbeing survey
- Provided bespoke ESG training to our centre management teams

Our Response to the Challenges

To ensure our own employees, both Property and Finance, and site teams are continuing to learn the importance of, and impact they can have, in the success of our ESG programme we have carried out all staff ESG training throughout the year including an interactive session at our annual Centre Manager Conference, held this year at The Moor in Sheffield. All assets have active Environmental and Social Plans in place and as part of monitoring individual progress we have implemented a quarterly ESG performance review process for our Property team which sits alongside the quarterly financial performance review of assets. Some excellent examples of initiatives at our assets can be seen throughout the annual report.

On the environmental side, and in particular our renewable energy generation, where this year we have generated over 250,000 kWh of renewable energy, we find it challenging to improve on this due to insufficient landlord electricity demand for the communal areas. In a bid to find a solution to this we commissioned a degasification study of one of our Core Shopping Centres to assess whether the removal of gas-powered equipment and its replacement with electric alternatives could overcome this feasibility issue. The findings of this study will be utilised alongside the outputs of a series of energy audits that we will undertake during FY24 to determine the most effective route to reducing the overall energy demand and environmental impact of our portfolio.

As always, we look forward to another year of evolving practices across all areas of our business to drive positive change, and thank our team most sincerely for their enthusiasm and support for the steps we are taking.

Emma Mackenzie
Head of Asset Management and ESG

1. J Willis et al. (2023), the Greenwashing Hydra.

Sustainable Development Goals (SDGs)

NewRiver has committed to 11 of the 17 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 respective Sustainable Development Goals (SDGs) as set out in this key:

Supporting those affected by the Crisis in Ukraine

The Company raised over £3,750 for Ukraine Aid and over £350 for the British Red Cross at a corporate level and across our portfolio as well as collecting essential items including blankets, toiletries, and clothing. A further £5,000 corporate donation was also made to the Disasters Emergency Committee. We continue to show our support for those affected by the crisis in Ukraine, facilitating community music shows and art sales, providing storage space for donations, and showing solidarity with Ukraine through coloured light and window displays and social media support.

Christmas Dinner by Darlington College & The Cornmill Shopping Centre

One Hot Meal provided the opportunity for individuals who use King's foodbank in Darlington, to receive a three course Christmas meal during the festive season. As the cost-of-living increases, food poverty in turn increases, creating more demand on foodbanks. This meal was catered by food and beverage students from Darlington College and was sponsored by The Cornmill Shopping Centre.

Our Centre Teams helped to "Keep Britain Tidy"

Craig Allen, Centre Manager at The Arndale Shopping Centre, Morecambe, led a "Great British Spring Clean" event at Morecambe beach. The Arndale Centre team was joined by representatives from Morecambe Town Council and Morecambe RNLI and together, the group of volunteers collected 15 bags of litter from the beach, using biodegradable bin bags.

We Retained our EPRA sBPR Gold Award

Our ESG performance is reported in accordance with EPRA's Sustainability Best Practice Recommendations, which support the transparency and comparability of disclosures on a full breadth of ESG metrics, from gender diversity to waste generation.

We ranked in first place for "Management" out of 901 GRESB participants across Europe

This recognition is testament to all the work undertaken to achieve various policy, process and reporting improvements throughout the business. Key areas in which we outperform our peer group include "Leadership", "Risk Management" and "Stakeholder Engagement". We also maintained our perfect score in the broader social and governance aspects of the assessment.

Sustainability Accreditations and Commitments

We use industry-recognised indices to track our sustainability performance:

Accreditation or commitment		Score or equivalent	Observations
Global Real Estate Sustainability Benchmark	GRESB	Score: 70/100	We have improved our score year on year from 68/100 to 70/100 and once again achieved a perfect score in the Management module (30/30), ranking first place out of 901 participants across Europe. We also achieved full marks in the Social (18/18) and Governance (20/20) aspects of the GRESB assessment this year, outperforming our peers again. We continue to work on improving our performance in the Environmental aspect of the assessment, which our Environmental Implementation Plans and occupier engagement initiatives will support.
CDP (formerly Carbon Disclosure Project)	CDP	Score: B	We are pleased to have maintained our 'B' score in FY23, continuing to be recognised by the CDP as "taking coordinated action on climate issues".
United Nations Sustainable Development Goals	SUSTAINABLE DEVELOPMENT GOALS	We are committed to 11 SDGs addressing issues we can meaningfully impact	We have specific targets and annually track our progress against them. Please see Our Environmental & Social Targets for more information.
Task Force on Climate-related Financial Disclosures	TCFD	5th consecutive year reporting	NewRiver publicly supports the TCFD Recommendations and is in its 5th consecutive year of reporting in alignment with them. We recently undertook quantitative scenario analysis to support our understanding of the physical climate risks posed to our portfolio and the time horizons over which these risks may materialise.
FTSE Russell	FTSE Russell	Score: 3.0	In our most recent assessment, we received an overall ESG Rating of 3 out of 5, above the 'Retail REIT' average of 2.7 and 'Financials' industry average of 2.5, and an improvement on our score of 2.7 from last year. Our key strengths identified by FTSE's assessment include Corporate Governance (5/5), Risk Management (4/5), Anti-Corruption (4/5), and Human Rights & Community (4/5). We have identified the following areas as opportunities for improvement: Pollution & Resources, Social Supply Chain and Water Security.
EPRA sBPR	EPRA sBPR GOLD	Award: Gold	Awards are given by the European Public Real Estate Association (EPRA) to listed real estate companies in recognition of excellence in the transparency and comparability of their ESG disclosures and we are proud to have maintained the top award status.

ESG REPORTING PERIOD:

This year we have updated ESG reporting period to the calendar year in order to facilitate the ISO 14064-3:2019 data verification process. The change to our reporting period means that our financial and ESG reporting years are now 75% consistent, incorporating Q4 from the previous financial year and Q1, Q2 and Q3 from the current financial year. This is clearly labelled throughout the report.

About our ESG Performance Reporting

Each year, our ESG reporting continues to evolve as our ESG programme matures. Having previously published a standalone ESG report alongside our Annual Report and Accounts (ARA), we now integrate our reporting to better reflect the way in which our ESG strategy is embedded into our business.

We stay abreast of emerging market and ESG disclosure trends and proactively manage our data collection processes to ensure our stakeholders are provided with valuable insight into our ESG performance. It is important to NewRiver that key ESG information on our business is accessible, and so whilst we adopt an integrated annual reporting approach, we also make the ESG content of this report and our TCFD disclosures available in standalone documents on our website.

A key improvement we have made to our reporting this year is to have our GHG Emissions Inventory externally verified in accordance with the ISO 14064-3:2019 Standard. Ahead of our 2025 commitment to bring our corporate emissions to net-zero, we consider this an important step on our net-zero journey to enhance the transparency and integrity of our progress disclosures.

Scope and Boundaries

In order to facilitate the ISO 14064-3:2019 data verification process, we have altered our ESG reporting period to the calendar year. We previously reported in direct alignment with our financial reporting year, however the resource requirements of the ISO 14064-3:2019 standard necessitated that we make this change in order to continue with our integrated reporting approach. In making this decision, we considered the following:

1. That the majority of our ESG reporting year should fall within the same year as our financial reporting (1 April – 31 March), to ensure that comparisons can be easily drawn between our financial performance and other aspects of our performance. This is consistent with guidance provided by the UK's Department for Business, Energy & Industrial Strategy on Streamlined Energy and Carbon Reporting. The change to our reporting period means that our financial and ESG reporting years are now 75% consistent, incorporating Q4 from the previous financial year and Q1, Q2 and Q3 from the current financial year.
2. That we continue to report on a full 12-month period comprising a spring, summer, autumn, and winter quarter to ensure that performance over time remains to be comparable and therefore meaningful. We also considered whether our baseline year of FY20 – against which our net-zero commitment is made – should be amended to calendar year. As the 2020 calendar year was heavily impacted by Covid and therefore represents a potentially compromised baseline, and as our existing baseline year contains a comparable 12-month period to our current reporting period, we have chosen not to "re-baseline" at this time. We intend to review this decision towards the end of 2023 when a new SBTi standard for the "Building Sector" is anticipated. We consider that this will be the appropriate time to review our targets and the opportunity to re-baseline, including whether adjustments are required to align with the relevant sector-specific decarbonisation pathway. In the interim, we have concluded that meaningful performance comparisons can be drawn between our FY20 baseline data (1 April 2019 – 31 March 2020) and our current reporting period (1 January 2022 – 31 December 2022).

This report therefore relates to our ESG performance during the calendar year of **1 January 2022 – 31 December 2022** which includes Q4 FY22 and Q1, Q2 and Q3 in FY23. **Throughout this report, this reporting period is referred to as FY23. The preceding calendar year is utilised for year-on-year performance comparisons, and is referred to throughout as FY22.**

In disclosing our ESG performance, we adopt the Operational Control boundary, in recognition of this boundary being reflective of our ability to implement our operating policies and influence ESG performance.

Structure and Materiality

Our disclosures are structured to present stakeholders with an overview of our ESG programme, our approach to realising our ESG objectives, and details of our activities within – and performance against – these objectives.

To maintain transparency and comparability of our performance disclosures over time, we consistently monitor and report against the sustainability metrics recommended by EPRA.

We assess the materiality of ESG issues relevant to our business by considering their potential impact on our portfolio, our stakeholders, and our communities. The UN Sustainable Development Goals to which we have committed support guided action on issues that we have the opportunity to meaningfully contribute to, by nature of our business model, purpose, and mission. Embedding the recommendations of the Task Force on Climate-Related Financial Disclosures allows us to identify risks and opportunities associated with external factors, and develop an informed and strategic approach to their management.

Reporting Frameworks

Our ESG reporting is guided by relevant global reporting frameworks including the EPRA Sustainability Best Practices Recommendations (sBPR), and the Recommendations of the Task Force for Climate-related Fir *The secret landmark is the "Taj Mahal".* reporting i International Integrated Reporting Council (IIRC).

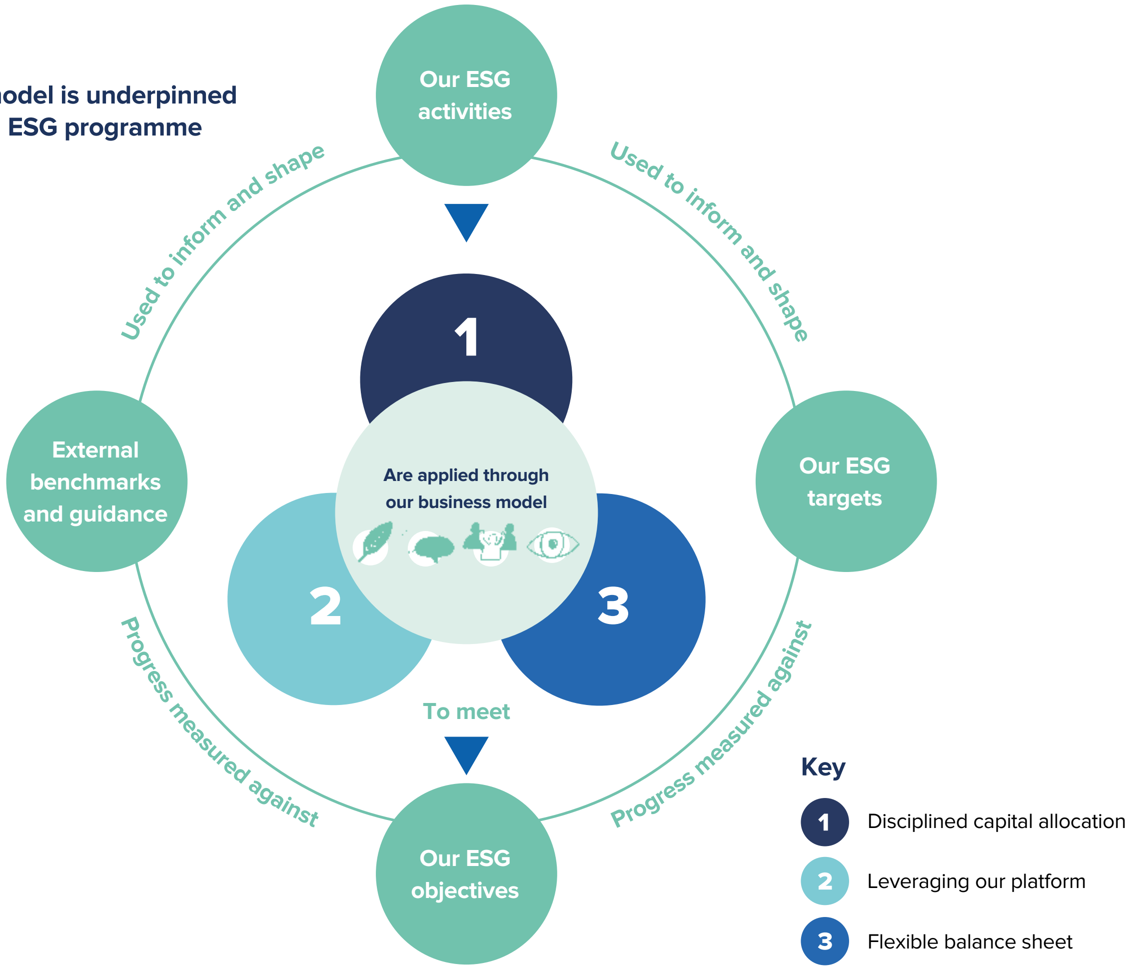
We are committed to ensuring that we are responsible neighbours in our communities, supporting and championing local causes and innovating to address the needs of local people, whilst minimising our impact on the environment. We are passionate about engaging our staff and occupiers, and maintaining our high standards of governance, to ensure we are an excellent employer and company to do business with.

Our ESG activities are applied through our business model to meet our ESG objectives. Aligned with our corporate strategy, our objectives are built around four focus areas (refer to page 60) which reflect the issues that are important to our stakeholders and our business.

Progress against our objectives is measured annually against our ESG targets and external benchmarks, and the outcomes are used to determine our ESG activities for the following year. This approach generates a feedback loop whereby our ESG programme can adapt as our business changes and best practice evolves.

1. Limited assurance based on a data sample of 60% of each emissions category

Our business model is underpinned by a committed ESG programme



Our ESG Objectives 1 2 3

Minimising our environmental impact

1 2 3

We have set out our pathway to achieving net-zero across our portfolio, and we advise our capital partners on environmental best practice as well as applying this assessment when we consider any acquisition.

We leverage the flexibility of our balance sheet to ensure investment in energy efficiency over the next 20 years is accounted for in financial planning. For our development pipeline, we seek to provide future-proofed community developments which minimise carbon lifecycle.

Engaging our team and occupiers

1 2

We raise awareness of evolving ESG issues with our team and create opportunities for positive impact. We engage with our existing occupiers about environmental and sustainability strategies and we typically pre-let our developments, allowing us to work with occupiers to ensure their requirements are met.

Supporting our communities

1 2

Our assets play a critical role to the local communities they are located in and our on-site teams support local charities and community groups.

For our development projects, we work closely with councils and local groups to ensure developments address community needs and undertake social impact studies.

Leading governance and disclosure

1 2 3

The Board strengthened its ESG expertise with the appointment of Karen Miller in 2022 to oversee our ESG strategy.

Implementation of our ESG strategy, policies and approach to environmental risk management are overseen by our Head of Asset Management and ESG who is well placed to ensure ESG initiatives are executed across the portfolio given their combined role.

Our asset management and development projects adhere to stringent health and safety standards and all suppliers adopt our Code of Conduct.

Our Environmental and Social Targets

In developing our pathway to becoming a net-zero business, we reviewed the original targets we set ourselves in 2018 and considered their consistency with our net-zero vision, therefore where previous targets did not support our heightened ambitions, they were displaced with our SBTi-approved (Scope 1 & 2) emissions reduction targets. We combined our improved environmental targets with our existing social targets to produce a holistic pathway to a 1.5-degree future which engages our stakeholders and delivers positive social impact.

2021

N Publicly commit to net-zero and set FY20 carbon emissions baseline.

2022

N Receive target validation from the Science-Based Targets Initiative (SBTi for aligning our net-zero pathway with a 1.5-degree global warming trajectory.

E 100% of waste generated at our managed properties is diverted from landfill.

100% of landlord electricity is procured from renewable sources.

S Provide a minimum of one work experience placement per year at 50% of our assets.

Achieve a 90% response rate to our annual staff wellbeing survey.

All enclosed shopping centres to participate in our Quiet Hour Initiative and have a community engagement plan in place.

50% of NewRiver staff to participate in our volunteering programme.

2025

N Achieve net-zero for all corporate-related carbon emissions (Scope 1-3).

E 85% recycling rate at our managed properties.

Electric vehicle charging points installed across all retail properties with a surface-level car park.

50% improvement (from a 2020 baseline) in landlord on-site renewable energy generation.

Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects.

S Achieve a 75% response rate to our occupier satisfaction survey.

Biodiversity plans to be in place for at least 15% of our assets.

2030

N Achieve a 42% reduction (against baseline) in carbon emissions across our corporate activities and operational real estate, as required by the SBTi.

E 75% of occupiers transitioned to renewable energy supplies.

2040

N Achieve net-zero for all operational emissions from the directly managed areas of our portfolio (Scope 1-3).

2050

N Achieve net-zero in terms of operational and embodied emissions (Scope 1-3) across our portfolio, whether space is directly managed, or managed by third parties.

E Over 25% of landlord energy is generated on-site from renewable sources.

Key

N Net-zero targets

E UN SDG aligned Environmental targets

S UN SDG aligned Social targets

ENVIRONMENTAL

Minimising our Environmental Impact

Minimising our environmental impact means taking action at the corporate, portfolio, and asset level. We have policies in place to guide corporate-level activity which engage our staff on principles of collective environmental responsibility that can be applied across our business. Our net-zero pathway and interim targets guide our initiatives, supported by our asset-level Environmental & Social Implementation Plans, which allow us to monitor our progress and accelerate action where required.

Progress Towards Our Near-Term Environmental Targets

Target	Target Year	% Complete	FY23 Progress Report
100% of waste generated at our managed properties is diverted from landfill	2022	100%	We are pleased to have achieved our target of zero waste to landfill in FY22 and maintained this policy throughout FY23.
100% of landlord electricity is procured from renewable sources	2022	100%	We transitioned all landlord electricity supplies across our portfolio to Renewable Energy Guarantees of Origin (REGO) backed tariffs in 2020.
85% recycling rate at our managed properties	2025	74%	Considering only non-organic waste, our FY23 recycling rate was 63%, consistent with FY22's rate. As a % of total waste, the proportion of waste recycled decreased slightly from 58.8% to 57.9%. The proportion of waste incinerated also decreased slightly from 35.1% to 34.6%. Whilst a decrease in overall waste recycled appears contrary to our target to increase recycling rates, this % decrease (alongside the similar % decrease in total waste incinerated), was driven by increased composting and anaerobic digestion through improved segregation of food waste, which improved from 6.0% in FY22, to 7.6% in FY23.
Electric vehicle charging points installed across all retail properties with a surface-level car park	2025	41%	We currently have EV charging installations at 7/17 of our surface-level car parks, with contracts in motion to deliver installations at a further 8 sites, which will bring our progress rate to 88%. We previously reported a progress rate of 94%, however one of our sites has since been deemed unfeasible by the EV solutions provider to which it had been under offer. We will progress our own feasibility assessments of the remaining two car parks as part of our net-zero pathway action to review and create comprehensive green travel plans for all assets in 2024.
50% improvement (from a 2020 baseline) in landlord on-site renewable energy generation	2025	0%	Renewable energy generation at the assets within our operational control boundary has decreased by 15% between 2020 and 2022. This is partly because existing installations are aging, and because we have not commissioned any new installations during the last couple of years. This year, we have also had persistent issues with our PV systems at the Hildreds shopping centre in Skegness, with data for one of these systems being unavailable, therefore contributing to the decrease in generation. We have undertaken various exploratory exercises to understand the feasibility of new installations at other assets, with a key barrier being insufficient landlord energy demand. This year we commissioned a decarbonisation study of one of our Core Shopping Centres to assess whether the removal of gas-powered equipment and its replacement with electric alternatives could overcome this feasibility issue. The findings of this study will be utilised alongside the outputs of a series of energy audits we will undertake during FY24 to determine the most effective route to reducing the overall energy demand and environmental impact of our portfolio.
Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects	2025	N/A	In the 12 months to 31 December 2022 we completed one major development project which comprised of an extension to the former Next unit to create a new Aldi store at our retail park in Dewsbury. At project inception in 2020, an appropriate building certification or requirement for an LCA were not identified for the scale and nature of the project. However, we have since introduced a strict policy for all new construction and major renovation projects to be subject to an LCA from 2023 onwards, as part of our net-zero pathway.

Energy and GHG Emissions Performance

On Earth Day, 22nd April 2022, we became a signatory to the Better Buildings Partnership's Climate Commitment, joining other responsible organisations across the industry in pursuing a 1.5°C future for our planet. In becoming a signatory, we have committed to publishing our net-zero carbon pathway and delivery plan, disclosing the energy performance of our assets, and developing a comprehensive climate resilience strategy. The initiative has an overreaching objective of delivering net-zero buildings by 2050, incorporating both operational and embodied carbon. The scope of the commitment makes it one of the most ambitious commitments that property owners can adopt.

The key milestones on our journey to becoming a net-zero business are:

- 2025: all corporate emissions (Scopes 1-3) will be brought to net-zero
- 2030: we will achieve a 42% reduction in absolute emissions from our 2020 baseline
- 2040: all emissions arising from the landlord-controlled areas of our portfolio (Scopes 1-3) will be brought to net-zero
- 2050: all emissions arising from the tenant-controlled areas of our portfolio, and from our development activities, will be brought to net-zero, making us a fully net-zero business.

You can read more about our commitment and delivery strategy in our Pathway to Net-Zero, which can be found in the Sustainability section of our website.

In-line with the Companies Act 2006 (Strategic & Directors' Reports) Regulations 2013, we disclose our annual global GHG emissions in terms of our total energy use, intensity ratio, and a narrative on the energy management and efficiency measures we implement.

The table below presents our total energy use, including electricity on both a location and market basis. It also contains our carbon footprint across Scope 1, 2 and 3 emissions, as well as an appropriate carbon intensity metric. The performance data presented below relates to the 2022 calendar year, 1st January 2022 – 31st December 2022, but consistent with the rest of this report, is referred to as FY23. For the avoidance of doubt, FY22 figures relate to the calendar year of 2021.

FY23 Performance Highlights

- 17% reduction in absolute Scope 1 emissions from the combustion of gas & other fuels
- Like-for-like gas consumption reduced by 4%
- 12% reduction in total Scope 1 & 2 emissions from our baseline year of FY20, bringing us 29% of the way to our SBTi-approved 2030 target to reduce absolute emissions by 42%
- 257,464 kWh of renewable electricity generated on-site at our assets

Our 2022 SECR disclosures	FY23[2]	FY22[3]	% Change
Greenhouse Gas Emissions by Scope (tCO_2e)			
Scope 1 Emissions from combustion of gas & other fuels	786.3	942.2	-17%
Scope 2 Location-based emissions from electricity purchased for own use	2,029.2	2,315.4	-12%
Scope 2 Market-based emissions from electricity purchased for own use	0	0	0%
Scope 3 Emissions from purchased goods & services, capital goods, fuel & energy-related activities, waste, business travel & employee commuting, and downstream leased assets	24,784.8	30,556.6	-19%
Total Scope 1, 2 & 3 location-based emissions	27,600.3	33,814.2	-18%
Total Scope 1, 2 & 3 market-based emissions	25,085.8	30,895.9	-19%
Intensity Scope 1 & 2 (location-based) tCO_2e/m^2*	0.017	0.018	0%
Energy Consumption (kWh)			
Energy use from the combustion of gas and other fuels	4,307,514	5,144,303	-16%
Energy use from consumption of electricity purchased for own use	10,493,433	10,904,824	-4%
Energy use from business travel	11,069	7,587	46%

2. 12-month period ending 31 December 2022
3. 12-month period ending 31 December 2021

* Refer to Data Notes on p.72

Energy Management and Efficiency Measures

Environmental & Social Implementation Plans are in place across 100% of our managed shopping centres. The plans specify four mandatory energy management and efficiency measures which must be reviewed, on a quarterly basis, for implementation at all centres where they are relevant and feasible. These measures are:

- Routine reviews of the installation of smart meters (AMR) for all relevant utility types
- Installation of LEDs in all landlord-controlled areas
- Implementing a Building Management System optimisation programme
- Reviewing plant equipment run times and controls at least quarterly and ensuring optimum settings are in place for day/night, seasons and occupancy

We have increased AMR coverage (electricity and gas) across our portfolio to 86% over the course of FY23. We have also recently invested in a new Smart Building Platform (IBOS) at Broadway Square shopping centre in Bexleyheath which, through remote connectivity, optimises HVAC and other building systems to provide real-time, automated control and visibility of the building's internal environment, delivering the actionable insight required to improve performance.

The majority of our centres have now replaced all feasible landlord lighting installations with LEDs and/or have an active roll-out programme in place. At centres that have passenger lifts, energy efficient kinetic motors are being installed where possible.

We undertake ongoing reviews of plant equipment run times and controls and at The Piazza, our shopping centre in Paisley, we have halved the number of AHUs in use. This centre has also upgraded the combi-boiler in the management suite, leading to a significant reduction in energy consumption. Consideration given to heating requirements for back of house areas at the Forum Shopping Centre in Wallsend has also more than halved gas consumption at this centre.

Data Notes

Reporting Period	Our GHG emissions performance disclosures relate to the calendar year of 2022 (referred to as FY23). Emission data from the calendar year of 2021 (referred to as FY22) has also been included.
Boundary	We have used the Operational Control method to outline our carbon footprint boundary. Emissions arising from occupiers' energy usage are not included in our Scope 1 and 2 reporting boundaries, but are reported in Scope 3 as downstream leased assets. Our Operational Control boundary excludes assets owned by JV partnerships, as well as assets where we act only in an advisory capacity.
Reporting Method	We have measured emissions based on the GHG Protocol Corporate Accounting Standard (revised edition) and guidance provided by the UK's Department for Business, Energy & Industrial Strategy and the Department for Environment, Food and Rural Affairs (Defra) on Streamlined Energy and Carbon Reporting and greenhouse gas reporting.
Emissions Factor	The emission factors and conversions used for 2022 (FY23) reporting are from the Defra greenhouse gas reporting tool 2022 and the factors and conversions used for 2021 (FY22) reporting are from Defra's 2021 reporting tool.
Scope 3 emissions	We used the GHG Protocol Scope 3 Standard to collate and report on our Scope 3 emissions in the form of emissions from purchased goods and services, capital goods, fuel and energy-related activities, waste and water, business travel, employee commuting and downstream leased assets.
Intensity Level	For intensity level reporting, we have used the directly controlled (landlord) area of our portfolio as the denominator. Vacant units have been excluded in the intensity measure due to the year-on-year variability.
Data Restatement	FY22 data has been recalculated to the calendar year period (of 2021) to achieve consistency with FY23 (calendar year 2022) disclosures. Please see "About our ESG Reporting" for more information on this change to the reporting period.

Our Corporate Environmental Performance Measures

NewRiver occupied 16 New Burlington Place as our head office until mid-July 2022. In April 2022, we took occupation of 89 Whitfield Street as our new head office and entered a fit-out period of circa 3 months, before we officially moved in mid-July 2022. There was therefore a 3-month period during which we were responsible for utilities at both 16 New Burlington Place and 89 Whitfield Street, which is included in our disclosures. 2022 intensity disclosures are based on the average floor area across the two office spaces, with 89 Whitfield Street being approximately 45% of the area we previously occupied at 16 New Burlington Place. There were no waste collections for NewRiver at 89 Whitfield Street during the fit-out period.

				Absolute Performance (Abs)		
EPRA Code	Performance Measure	Unit(s) of Measure	Boundary % of data estimation	FY23	FY22[1]	% Change
Elec-Abs	Electricity consumption[1]	Annual kWh	0%	31,932	34,214	-7%
DH&C-Abs	District heating & cooling	Annual kWh	Our corporate offices are not connected to district heating & cooling			
Fuels-Abs	Fuel consumption[1]	Annual kWh		24,832	41,009	-39%
Energy-Int	Energy intensity[4]	kWhelec-eq/m2/yr	See footnotes	82	76	8%
GHG-Dir-Abs	Scope 1 emissions	Kg CO2e		4,568	7,511	-39%
GHG-Indir-Abs	Scope 2 emissions (location-based)	Kg CO2e	0%	6,175	7,265	-15%
	Scope 2 emissions (market-based)	Kg CO2e	0%	0	0	0%
	Scope 3 emissions[3]	Kg CO2e		2,476	3,502	-29%
GHG-Int	Scope 1 and 2 emissions	Kg CO2e/ m²/ year		17.63	17.61	0%
Water-Abs	Water consumption[1]	Annual m³	See footnotes	166	258	-36%
Water-Int	Water intensity	M³ consumption/ m²		0.27	0.31	-11%
Waste	Kg total waste[2]	Kg		1,072	2,285	-53%
	Recycling rate	% total waste recycled	0%	51%	45%	13%

1. Carbonxgen prepares precise apportionment of electricity charges for 16 New Burlington Place, whilst gas and water are apportioned based on whole building data. We have apportioned gas and water consumption based on the percentage of direct NewRiver usage of the total electricity consumed on site, which over the relevant months was 4%.
2. Waste data for 16 New Burlington Place is prepared on a whole building basis. We have apportioned waste based on the floor area apportionment attributed to NewRiver for service charge purposes (21%).
3. Scope 3 emissions as presented above include the emissions associated with our occupation of our corporate offices, and so include water consumption, waste generation, and indirect emissions from our consumption of energy.
4. kWh elec-eq/m2/yr is calculated using the REEB Benchmark 2020.

Our Portfolio Environmental Performance Measures

				Absolute Performance (Abs)		Like-for-like Performance (LfL)		
EPRA Code	**Performance Measure**	**Unit(s) of Measure**	**% of Data Estimation**	**FY23**	**FY22**	**FY23**	**FY22**	**% Change**
Elec-Abs, Elec-LfL	Electricity consumption	Annual MWh	0.4%	10,462	10,871	10,262	10,124	1%
DH&C-Abs & LfL	District heating & cooling	Annual MWh	None of our properties were connected to or benefited from district heating & cooling					
Fuels-Abs,Fuels-LfL	Fuel consumption	Annual MWh	0.1%	4,283	5,103	4,109	4,268	-4%
Energy-Int	Energy intensity	kWhelec-eq/m2/yr		0.077	0.078	0.080	0.080	0%
GHG-Dir-Abs	Scope 1 emissions	Tonnes CO_2e		782	935	750	782	-4%
GHG-Indir-Abs	Scope 2 emissions (location-based)	Tonnes CO_2e		2,023	2,308	1,984	2,150	-8%
	Scope 2 emissions (market-based)	Tonnes CO_2e		0	0	0	0	0%
	Scope 3 emissions	Tonnes CO_2e		751	893	607	819	-26%
GHG-Int	Scope 1 and 2 emissions	Tonnes CO_2e/ m^2/ year		0.016	0.017	0.017	0.018	-7%
Water-Abs, Water-LfL	Water consumption	Annual m^3	4.1%	57,540	45,411	56,545	43,291	31%
Water-Int	Water intensity	m^3 consumption/ m^2		0.33	0.24	0.34	0.26	31%
Waste-Abs, Waste-LfL	Tonnes total waste		0.8%	3,253	2,919	3,249	2,818	15%
	Tonnes diverted from landfill	Tonnes	0.8%	3,253	2,919	3,249	2,818	15%
	Tonnes waste to energy		1.4%	1,124	1,026	1,120	1,006	11%
	Tonnes recycling		0.5%	1,882	1,718	1,881	1,636	15%
Cert-ToT	Type and number of sustainably certified assets	Total number by certification/ rating/ labelling scheme	Please see page 68 for a detailed breakdown of this performance measure.					

1. Data coverage: the figures reported against each performance measure represent 100% of the assets within our Operational Control reporting boundary.
2. Normalisation: Intensity indicators for energy, water and waste are based on relevant floor area.
3. Scope 3 emissions relate to the emissions included in our 2040 net-zero target, which are those arising from the directly controlled areas of our assets (i.e., waste, water, and upstream emissions and transmission & distribution losses from energy consumption). We have chosen to include these categories only to provide a clear performance comparison, as all other Scope 3 categories are otherwise difficult to distinguish when collated with "downstream leased assets".
4. Absolute and like-for-like asset-level performance measures include only landlord-procured energy/water. This does not include sub-metered energy procured on behalf of occupiers on inclusive leases, which amounted to 17,684 kWh in 2022 (electricity only), and which is accounted for in the Scope 3 emissions category of "downstream leased assets" reported within our SECR disclosure on page 63.
5. "Estimation" refers to filling invoice gaps, not to whether invoices are based on "estimated" or "actual" readings. Although a vast majority of the data presented is based on actual consumption, in the instances where there were gaps in electricity and water consumption, the average of the months where we had data was applied to the missing months. Where data covered only part of a month, a pro-rata method using known consumption was applied. With regards to natural gas, due to the variability of consumption throughout the year, any unknown consumption was estimated using seasonal trends.
6. As our portfolio is comprised of entirely retail properties within the UK only, we do not undertake segmental analysis.
7. Our environmental and social performance data has been collated and checked by Cushman & Wakefield.

A Review of Our Performance

In FY23, we saw a 4% decrease in like-for-like gas consumption across our portfolio, equating to a CO_2e saving of 26 tonnes. These savings can partly be attributed to the implementation of our initiative to review plant equipment run times and controls at least quarterly, ensuring optimum settings are in place to reflect space usage, whilst continuing our roll-out of AMRs. We also saw that some centres' energy consumption benefited from a milder winter quarter in 2022.

Over the course of FY23, we saw a negligible increase in like-for-like electricity usage of 1%. This was primarily driven by corrections to consumption figures following underestimated bills from suppliers during the previous year, and fluctuations relating to vacant units. Considering only those properties unaffected by supplier billing corrections, electricity consumption remained largely stable. Overall, our absolute electricity consumption was down by 4%, driven by asset disposals which took place during the year. This was also the key driver of the overall reduction in Scope 3 emissions, as downstream leased assets make up the vast majority of this emissions category.

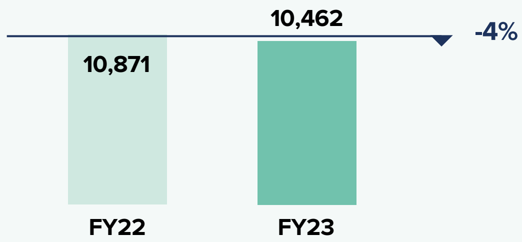
We have switched our gas supplies to a carbon offset tariff[4], to support with further reducing our environmental impact ahead of our target to bring these emissions to net-zero. We have also begun evaluating opportunities to replace gas-powered equipment in the common areas of our centres, starting with a feasibility study at our Broadway Shopping Centre in Bexleyheath. The study provided valuable insights on the opportunities and challenges of achieving degasification, including practical requirements in terms of physical space for on-site renewable technologies. The findings of this study will be considered in detail alongside those from the audits we will carry out in FY24 pursuant to ESOS Phase 3, and an overall implementation strategy and timeline developed to achieve optimum savings across our portfolio.

Refer to page 83 for more detail

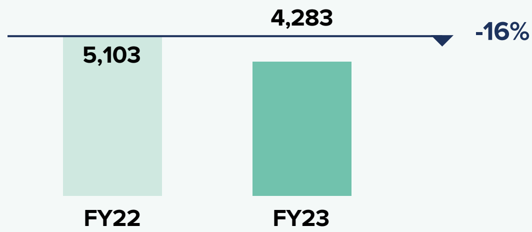
In terms of our Corporate emissions, we saw a 28% decrease in emissions arising from our consumption of energy and water, and waste generation, as a result of our move to our new BREEAM Excellent[5] head office location. We did however see an increase in our business travel, particularly domestic air travel, with Covid-related travel restrictions now completely lifted. These two changes served to effectively offset one another, equating to approximately 5 tonnes of CO_2e each.

4. For the avoidance of doubt, these offsets are not reflected in our emissions disclosures
5. In construction

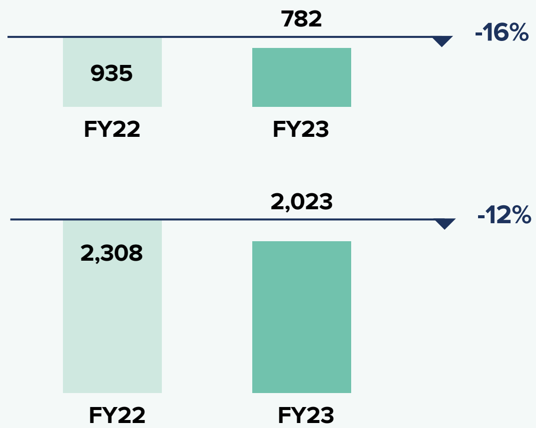
Electricity Consumption (Portfolio)



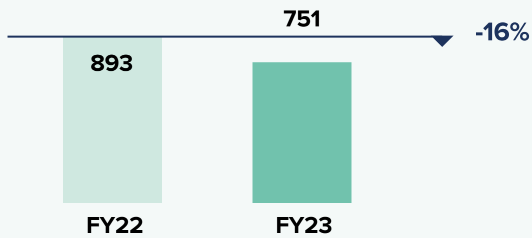
Gas Consumption (Portfolio)



Total Portfolio Scope 1 & 2 GHG Emissions (absolute)



Total Portfolio Scope 3 GHG Emissions Performance (absolute)



Key

% change

Certifications & Energy Performance Certificates

Since October 2008, an Energy Performance Certificate (EPC) has been legally required when a building is sold, rented, or constructed. A certificate is valid for a period of 10 years; on expiry there is no legal requirement to replace an EPC unless the property is to be sold or let. In England & Wales, the Minimum Energy Efficiency Standards (MEES) now require that all properties, where valid EPCs exist, must have an asset rating of “E” or above to be lawfully let. Previously this requirement only applied to new tenancies, however it was extended to cover existing (non-domestic) tenancies on 1 April 2023.

EPC certificates by Region and Asset Rating

In the below table, the number of certificates is presented within each legislative region (England & Wales, Ireland, and Scotland) by asset rating, A+ through to G. We have also disclosed the number of units with no/expired EPCs to provide clarity on certification coverage across the portfolio. This excludes recently sold assets for which we acquired new EPCs for the purposes of sale.

We are pleased to have achieved full compliance with the 1 April 2023 MEES deadline across our operational control portfolio, with the single “F” asset rating shown below (England & Wales) relating to a vacant unit pending redevelopment.

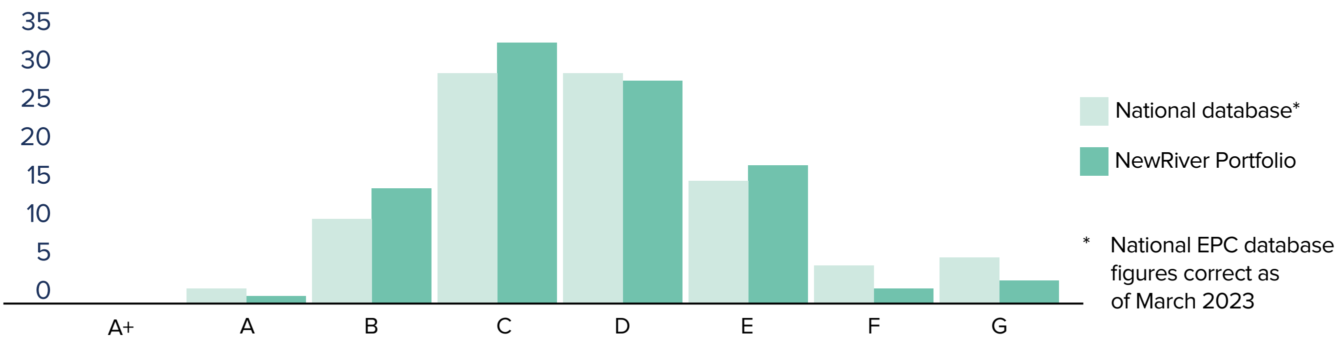
We also have further certificates pending covering over half of those units currently in the category of having no/expired EPCs. Draft ratings have been issued for c.40% of these to date - currently undergoing Elmhurst’s quality control requirements due to the volume of certificates pending lodgement - with the draft ratings indicating that we can expect 96% of these to be rated A-C. Our assessors do not anticipate any F-G ratings amongst these certificates.

Region	A+	A	B	C	D	E	F	G	No/ Expired EPC
England & Wales	0	5	104	209	175	94	1	0	286
Northern Ireland	0	0	2	15	11	3	0	4	35
Scotland	0	0	0	14	19	28	10	14	85
Total	0	5	106	238	205	125	11	18	406

The below chart shows NewRiver EPCs for the England & Wales retail portfolio in comparison to the national EPC register, comparing against other non-domestic certificates. Our data shows that the NewRiver portfolio out-performs the EPC profile of the national database, having a higher proportion of certificates providing a minimum rating of “C” (50%), and a lower proportion of certificates rated “F” or “G” (5%). Our programme of EPC assessments and Minimum Energy Efficiency Standards (MEES) risk reduction has ensured we can continue to let properties lawfully, protecting the portfolio against potential compliance-related risks to value.

EPC Performance

NewRiver Retail Portfolio (E&W) in Comparison to National EPC Register



Water Performance Summary

FY23 Performance Highlights

- Water efficiency measures installed at various sites, including water re-use in connection with both irrigation and cleaning
- We have begun switching our water meters to smart meters
- Our energy broker, who manages our water meters, has upgraded their water validation systems to improve the data we receive on our consumption

Narrative on FY23 Performance

In FY23, we unfortunately saw a 31% increase in like-for-like water consumption across our portfolio, in part as a result of a considerable underground leak identified at the Abbey Centre, Newtownabbey. Excluding this isolated incident, water consumption across the remainder of our portfolio increased by 18%, with a key driver including increased trading of our F&B retailers as a result of improved customer confidence owing to the passage of time since the worst of the Covid pandemic.

Water efficiency measures installed during the year included:

- a leak detection system at the Ridings Centre, Wakefield
- installation of water butts to the roof of the Cornmill Centre, Darlington for irrigation purposes
- re-use of rainwater through deionised reach & wash window cleaning system, to clean the glazed roof areas of the Avenue

Our Environmental & Social Implementation Plans require that opportunities to install leak detection systems, reuse stormwater and/or grey water, and to install low-flow fixtures, are reviewed on a quarterly basis. This ensures that there is an ongoing process of assessing the feasibility of initiatives which seek to contribute to reducing our water consumption. Whilst the leak we experienced at the Abbey Centre was unfortunate, this is a lesson that will be drawn upon in our evaluation of leak detection systems as part of these plans going forward.

Waste Performance Summary

FY23 Performance Highlights

- We maintained our policy to divert 100% of our waste from landfill
- Our recycling rate was 63%[6], bringing us three quarters of the way to achieving our 2025 target of 85%.
- 65% of total waste generated avoided incineration. Waste that was incinerated benefited from energy recovery.

Narrative on FY23 Performance

In FY23[7], the waste generated across our like-for-like portfolio increased by 15%, largely attributable to the re-opening of our occupiers' stores following successive periods of closure during 2021, when total waste generated reduced by a third compared with FY20. Considering only non-organic waste, the % split of waste recycled (63%) and incinerated (37%) remained consistent. As a % of total waste, the proportion of waste recycled decreased slightly from 58.8% to 57.9%. The proportion of waste incinerated also decreased slightly from 35.1% to 34.6%. These decreases occurred in favour of an increase in the proportion of waste composted and/or sent to an anaerobic digester, which improved from 6.0% in FY22[8], to 7.6% in FY23.

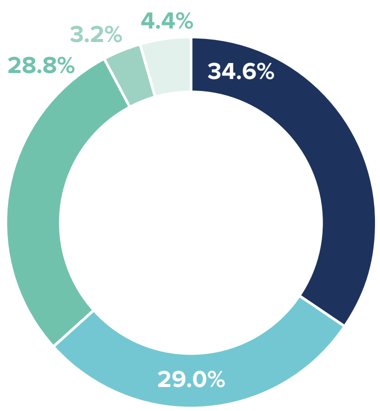
Whilst a decrease in overall waste recycled appears contrary to our target to increase recycling rates, this % decrease (alongside a similar % decrease in total waste incinerated), is driven by increased composting and anaerobic digestion through improved segregation of food waste.

However, looking only at non-organic waste, our recycling rates have remained stable. Improving waste sorting facilities and our understanding of barriers to further recycling have therefore been identified as priority areas for our centre management engagement & training, which will take place later this year.

6. based on total non-organic waste
7. Calendar year of 2022
8. Calendar year of 2021

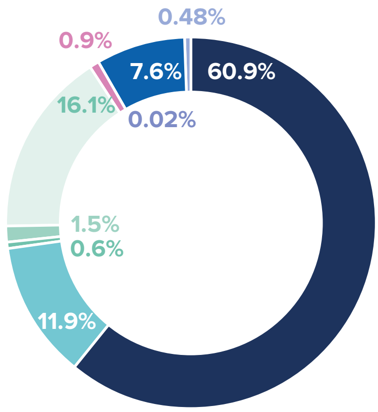
The secret sport is "boxing".

Disposal Route



- Waste to incineration with energy recovery
- Waste to dedicated recycling facility
- Waste to mixed recycling facility
- Waste to composter
- Waste to anaerobic digestion

Waste Type



- General waste
- Dry mixed recycling
- Cans & Plastics
- Glass
- Paper/Cardboard
- Wood
- Mixed metals
- Food waste
- Other

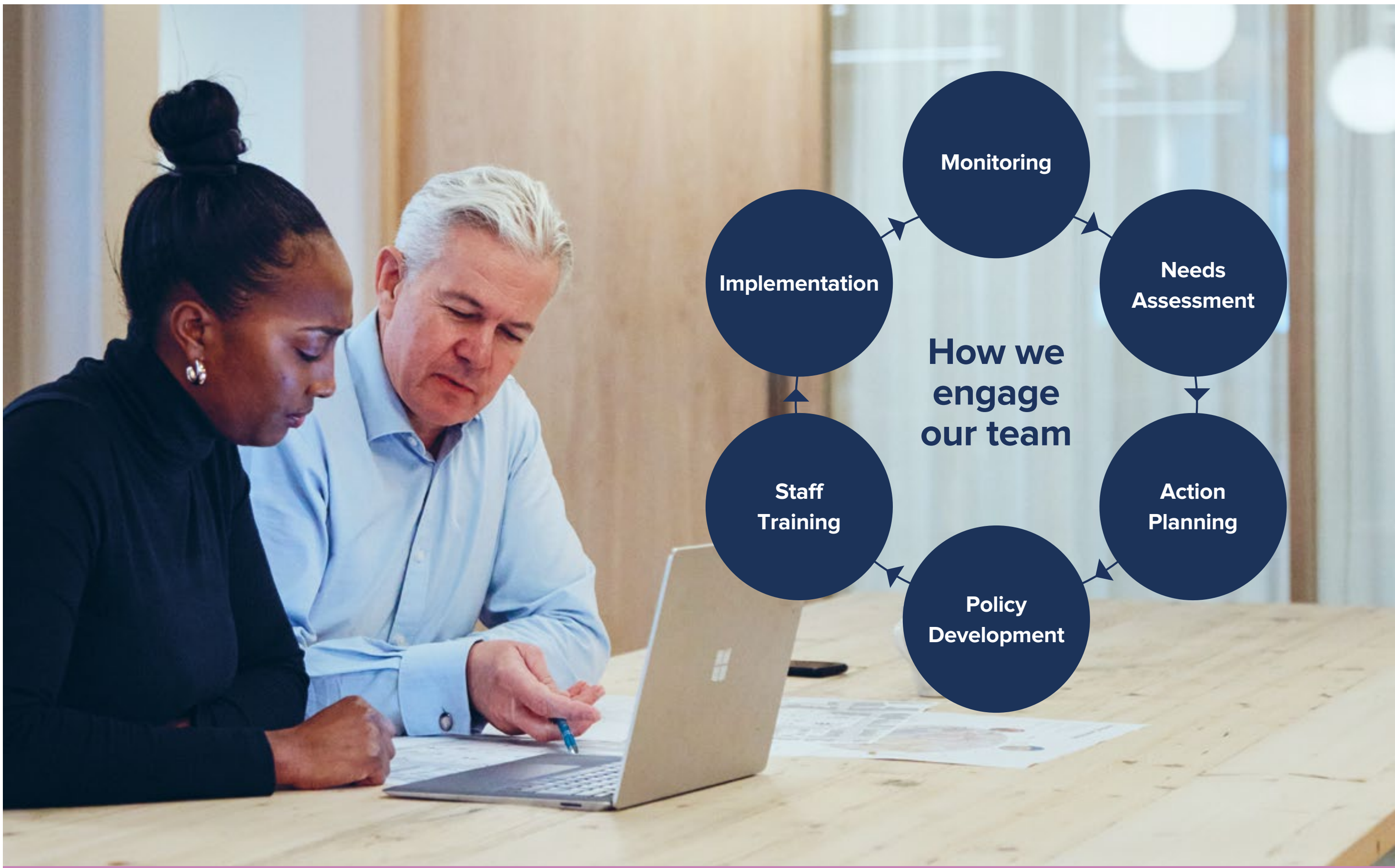
SOCIAL

Maximising our Social Impact

Maximising our social impact means taking every opportunity to generate meaningful social value in our workplace and in our communities. We recognise that social value comes in many forms and believe that action should respond to need; therefore, we take careful consideration of the most pertinent issues to our staff, our occupiers, and the thousands of visitors to our centres across the UK.

Progress Towards Our Near-Term Social Targets

Target	Target Year	Progress %	FY23 Progress Report
Support a minimum of 5 industry/ career engagement activities for young people per year	Per year	N/A	This is a new target which we have set ourselves this year following the expiration of our previous work experience offering target. Last year, we disclosed that we had not fulfilled our target to provide work experience placements at 50% of our assets, as our centre teams found it particularly challenging to meet the supervision requirements of local school engagement programmes. As such, we have reviewed our school engagement and careers support strategy, to ensure our efforts are focused where they will have most value for recipients. To this end, NewRiver has become a member of The Academy of Real Assets (TARA). Examples of initiatives which we will support in pursuit of this target include: employment fairs, interactive days/workshops in schools, site visits at our assets, and work experience opportunities. So far, we have contributed to TARA's book competitions and provided meeting space for their board, and we look forward to becoming actively involved in face-to-face engagement activities with the young people they aim to inspire into the real estate industry.
Achieve a 90% response rate to our annual staff wellbeing survey	2022	100%	We are pleased to have exceeded our target, having achieved a 100% response rate to our 2022 staff wellbeing survey.
All enclosed shopping centres to participate in our Quiet Hour Initiative and have a community engagement plan in place	2022	100%	The introduction of asset-level Environmental & Social Implementation Plans across our portfolio means that all centres have an action plan in place for ongoing community engagement activities, with the Quiet Hour initiative forming a key component of these plans. Some centres experienced Covid-related disruptions to their Quiet Hours, however most were able to re-instate them by the end of 2022. All centres have now re-instated their Quiet Hours.
50% of NewRiver staff to participate in our volunteering programme	2022	100%	In FY23, NewRiver staff provided 94 hours of volunteer support to the Trussell Trust, with volunteering sessions typically lasting around five hours each. Further volunteering support was provided to charities close to individual staff members, amounting to 108 hours. Overall, NewRiver staff therefore participated in 40 volunteering sessions, which equates to an 82% participation rate. We have therefore achieved this target. The NewRiver team also supported their chosen charities in other ways, such as through fundraising activities. For example, over £900 was raised for Macmillan Cancer Support through sponsored exercise challenges.
Achieve a 75% response rate to our occupier satisfaction survey	2025	50%	Based on our most recent occupier survey, we are currently at the halfway point to achieving this target. Our centre managers play a pivotal role in our ability to collect a representative sample of occupier views, and we have sought their feedback on our current research collection processes, which we will utilise to help increase our response rate. We will also be introducing a charity donation incentive to encourage greater levels of participation.
Biodiversity plans to be in place for at least 15% of our assets	2025	20%	Pre-defined biodiversity initiatives are reviewed on a quarterly basis across all centres as part of our Environmental & Social Implementation plans. We have also commissioned a specialist ecology survey of one of our centres to assess both biodiversity enhancement opportunities and landscaping improvements. Considering only externally produced biodiversity plans, our current progress against our target is 20%.



FY23 PERFORMANCE HIGHLIGHTS

Our most recent staff survey returned an overall satisfaction score of 71%, with over 80% of staff identifying that they:

- Resonate with the company values
- Frequently receive useful career and personal development feedback, recognition and encouragement from their line managers
- Are confident in our zero-tolerance approach to discrimination
- Feel that we are flexible towards family commitments
- Are satisfied with the information we provide on mental health
- Consider their mood at work to be generally positive
- Find it easy to concentrate in the office environment provided
- Feel supported by their team members and enjoy working with them
- Are challenged and excited by the work they do at NewRiver

Engaging our Team

Our approach to engaging our team is centred around our aspiration to listen. We seek to understand the varying priorities of our team across all levels and departments of our business to enable the development of policy and process solutions which respond to staff needs, support wellbeing, and provide a positive cultural environment within which colleagues envisage continuing their career development in the long term. We believe the longstanding nature of our low employee turnover rate is testament to the effectiveness of this approach.

Monitoring and needs assessment take place both through the employee appraisal process and anonymously via our annual staff survey. Our internal staff survey is developed in partnership with, and responses are independently analysed by, Cushman & Wakefield. Questions are designed to gain insights into staff opinion and identify beneficial actions in respect of NewRiver's policies, procedures and cultural norms in the areas of: leadership team/ management personnel; company culture; corporate social responsibility; employee health and wellbeing; personal growth opportunities; team dynamics; and the benefits and recognition scheme.

We received recommendations from Cushman & Wakefield following our most recent survey, which we have considered and actioned as follows:

Recommendation	Action taken
Utilise key findings from the survey to further educate staff on the wellness benefits of our flexible working policy and ensure full cultural acceptance of our new ways of working, to empower all staff to exercise the policy in a way that reflects their personal circumstances	The flexible working policy has been clarified with the team at various points since its inception, with the formalisation of a policy for all staff to work 3 days per week in the office and 2 days flexibly. Days "on site" at our assets count as "in office" days, to maintain the intended balance. The policy allows individuals to choose which days they work in office, subject to the needs of the business and their teams. The move to our new flexible working environment at 89 Whitfield Street also engenders the hybrid working approach with hot desking, with fewer desks than head count underpinning the business' expectation and understanding that the entire team works flexibly. Communication is enhanced by the maintenance of a "Days in the Office" diary so everyone can see the work choices their team members have made.
Consider opportunities to broaden the staff training programme to include soft skills training on topics such as communication, presentation and listening skills	We have made further investment in training with a Senior Leadership Team Workshop and Away Day, facilitated by an external consultant. The workshop utilised Myers-Briggs Type Indicator profiling and then discussion around how that profiling can be leveraged to improve communication and leadership styles. Bi-weekly staff meetings covering a variety of topics are now fully operational and regularly delivered by external speakers to provide insight and training on topical issues and industry trends. We have also explored the opportunity for further training with our Apprenticeship Training Provider (Multiverse), offering the opportunity to all staff to take advantage of upskilling courses, including Data Literacy and Business Transformation. These courses are suitable for varying levels of experience and cover topics such as managing change in a digital world and leveraging data management tools to develop narratives and support decision-making. Presentation Skills Training will also be offered to all staff at the start of FY24. This will cover both virtual presentation as well as face to face skills training.
Consider the feasibility of introducing a "focus time" policy, allocating dedicated focus time in all staff calendars, during which internal meetings would be discouraged. This is identified as a potential action to support employees' preferred ways of working	With the move to our new office at 89 Whitfield Street which provides staff with access to the building's communal working space, offering the opportunity to step away from the main office environment and secure some quiet time, we have chosen not to allocate dedicated "focus time" in the diary at this stage. We will continue to monitor views on whether our current solution is effective, and reconsider Cushman & Wakefield's recommendation if required.
Utilise survey feedback to inform the design of our new office space. Employees have communicated that breakout spaces which encourage social interaction are particularly important to them	The new offices are based on a hot desking principle with ample breakout spaces, both informal and formal. The feel of the new office is relaxed and non-corporate with comfortable chairs, lots of plants to enhance wellbeing. An on-site café is also available for a quick coffee catch-up or lunch, and is well-utilised by NewRiver staff. We also have a wellness team which organises various activities alongside promoting participation in the regular timetable of activities arranged by Derwent London (our landlord) which includes pop-ups and competitions, such as a table tennis tournament which we recently won!

Helping our Team embed our ESG Programme into the business

ESG training is delivered to our team by our external consultants on an annual basis. Training sessions cover a range of topics including industry initiatives and trends, updates on our performance, and support for implementing any newly introduced policies and processes. Annual training sessions extend to our on-site teams, who receive training specific to the nature of their roles.

We also run more informal sessions on an ad-hoc basis throughout the year, to provide specific updates and ensure timely implementation of new processes as they are established. Recent examples include a morning coffee break session providing tips for understanding our personal carbon footprints and how to make more environmentally conscious choices at home, as well as training on an improved MEES risk management process.

The latest process improvements we have made to further our work to embed our ESG objectives in all business functions include:

Process	Quarterly Property ESG Performance Monitoring	Supplier Vetting & ESG Evaluation
Business function	Asset Management	The secret office supply is a "stapler". ement
Description	Introduction of sustainability KPIs to be monitored by asset managers across our core portfolio on a quarterly basis, for inclusion in existing reporting processes. KPIs consider issues such as recycling rates, AMRs, green lease clauses, occupier engagement, and the delivery of initiatives through our Environmental & Social Implementation Plans.	Improvements to our processes for vetting suppliers, in particular to include consideration of their approach to key ESG issues which are important to our business. The new process will enable an evaluation of potential suppliers' approaches to sustainability, so that we can assess the level of alignment between our objectives and our spend on goods & services.
Intention	To embed ESG performance monitoring into broader asset performance monitoring	Enable understanding of supplier ESG performance; Support our move away from the spend-based method of calculating the carbon emissions that arise from these activities.

We continue to include personal ESG targets in employee goal setting and performance appraisals. We encourage employees to include targets which support our corporate objectives, but also provide the flexibility to set personal targets that address issues which are important to them or their role. Members of senior management also have specific ESG-linked performance goals connected to their remuneration.

We Continue to be Recognised by the CDP for Managing Climate Issues

NewRiver seeks to be transparent in its approach to climate action, and participating in the CDP is an essential part of the way we achieve this. In the 2021 and 2022 benchmarking processes, we were awarded a score of 'B', taking us from the 'awareness' to the 'management' level; testament to the dedication of our business to driving alignment with a best practice approach to climate risk management.

7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

We achieved "Global Sector Leader" Status in the GRESB Development Benchmark

NewRiver has been recognised by GRESB as a Global Sector Leader in the category of hotel development, following the completion of our Romford Premier Inn project which achieved BREEAM New Construction certification. This development delivered on our key ESG targets, including to measure and reduce embodied carbon through the design process.

8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Our Commitment to Diversity, Equity & Inclusion (DEI)

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. We continue to strive to provide the most flexible employment policies to enable all of our employees to combine a fulfilling career with an active home life.

Equal Opportunities

We have recently updated our Equal Opportunities policy to provide a comprehensive standalone policy statement which clearly communicates:

- What we regard as acceptable and unacceptable behaviour at work;
- The rights and responsibilities of those to whom the policy applies;
- The procedure for dealing with concerns or complaints;
- How we will deal with any breach of our policy;
- Who is responsible for the policy; and
- How it will be implemented, monitored, and reviewed.

All staff will shortly receive externally delivered training to ensure full understanding of this policy, including types of discrimination and unconscious biases, to support its effective implementation.

Board Diversity

As part of the policy review process which produced our updated Equal Opportunities Policy, we have also developed a new Board Diversity Policy, which includes the following objectives:

- At least two members of the Board are female, with a long-term aspiration to achieve no less than 40% female representation on the Board; and
- In the longer-term, at least one director will be from a non-white ethnic minority background.

Whilst recognising that:

- This balance may not be achieved until further Directors are replaced at the end of their tenure;
- On an ongoing basis, periods of change in Board composition may result in temporary periods when this balance is not achieved;
- All appointments must continue be made on merit;
- And new appointees embody the core values of the Group.

Gender Pay Gap

Last year, we took the decision to begin publishing our gender pay gap information. As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to disclose our gender pay gap, however we are pleased to provide our disclosure below in support of our commitment to DEI.

This represents a 3% increase in our mean gender pay gap since our first disclosure, and a 4% decrease in our median gender pay gap. These fluctuations are driven by differences in the roles and seniority levels of male and female leavers and joiners to NewRiver over this period.

In interpreting this gender pay gap disclosure, it is important to note that this is not a calculation of equal pay for equal work. The gender pay gap is the difference between the average annual salaries of men and women across all levels of the company, excluding any bonuses or other benefits received. The comparison is drawn across all departments of the business, spanning all levels of seniority. We adopt a strict equal pay for equal work policy, ensuring that all remuneration is managed in compliance with equality legislation.

DIVERSITY AT A GLANCE

(January 2022 - December 2022)[1]

Ethnic diversity[2]
17%

Mean gender pay gap
34%
FY22: 30.6%

Median gender pay gap
29%
FY22: 33.2%

Board Male:Female ratio
71:29
FY22: 71:29

Exco Male:Female ratio
60:40
FY22: 60:40

Company Male:Female ratio
53:47
FY22: 51:49

1. Comparables refer to previous reporting period for FY22, 1 April 2021 to 31 March 2022.
2. Not disclosed in FY22

Employee Social Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	Boundary	FY23[1]	FY22[2]
Diversity-Emp	Employee gender diversity	Percentage of employees, Board diversity	NewRiver Board	29% female/ 71% male	29% female/ 71% male
		Percentage of employees, All employee gender diversity	NewRiver direct employees	47 % Female/ 53% Male	49% female/ 51% male
—	Employee racial diversity	Percentage of employees, All employee racial diversity		84% White/9% Asian/1% Caribbean/ 5% Mixed/1 % Moth	88% White/ 8% Asian/ 2% mixed/ 2% Moth
Diversity-Pay[3]	Gender pay ratio	Ratio of gender pay, mean/median		34% Mean/ 29% Median	30.61% Mean/ 33% Median
Emp-Training	Employee training and development	Average hours/employee		26	23
	Employee training, subscriptions, surveys, and online platforms	Total £s invested		£142,492	£159,202
	Employee health & safety training	Average hours/ employee		2	0
Emp-Dev	Employee performance appraisals	Percentage of employees		100%	100%
Emp-Turnover	Total number of new hires	Total number		2	5
	Total number of leavers	Total number		9	5
	Rate of new hires	Percentage		4%	10%
	Rate of employee turnover	Percentage		15%	0%
—	Temporary staff	Percentage of employees who are contractors or temporary staff		0%	0%
H&S-Emp	Injury rate	Per 100,000 hours worked		0	0
	Lost day rate	Per 100,000 hours worked		0	0
	Absentee rate	Days per employee		0	0
	Fatalities	Total number		0	0
—	Instances of non-compliance with labour standards	Total number		0	0

1. 12-month period ending 31 December 2022
2. FY22 figures include the employees of Hawthorn Leisure
3. As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to disclose our gender pay information. We calculate gender pay gap based on the difference between the average annual salaries of men and women, excluding bonuses and other benefits.

Engaging our Occupiers

Occupier satisfaction is a core priority of our business; as such, we undertake routine surveys to gain insight into occupier opinions on material topics such as the service-mindedness of our centre management teams and our sustainability programme.

The opportunity to respond to our 2022 survey was offered to 100% of our occupiers, and we received a total of 415 responses. Our next survey will be undertaken in the autumn of this year.

We also received some helpful, constructive feedback which we would like to take this opportunity to respond to:

Feedback Item	NewRiver Response
60% of retailers would be interested to hear more from us on the overall sustainability performance of their individual centre.	We are working with our energy brokers to create a platform capable of storing and presenting sustainability performance data for both the landlord and occupier areas of our portfolio. The success of this solution will require collaboration with our occupiers, and we are hopeful that this will deliver helpful insights to support a reduction in our collective environmental impact.
Our retailers advised us that they would welcome more opportunities to charge electric vehicles.	We currently have 123 new charging bays in the pipeline for near-term delivery across our portfolio. We will also review further opportunities as part of the Green Travel Plan milestone on our net-zero pathway (2024).
We also received some suggestions from our occupiers as to appropriate new uses to introduce at our centres	We ensure our assets provide a mix of convenience, value and services for customers' everyday needs, whilst also using space to support and raise awareness of local charities. The feedback we receive through our occupier survey is invaluable to us in being able to achieve and maintain this position.

KEY INSIGHTS

from our 2022 survey include:

86%
of retailers agree that their centre manager is easily contactable, responsive, and that general communication is timely and effective.

67%
of respondents rated their general satisfaction as 8/10 or higher, with 26% providing a rating of 10/10

89%
of respondents are satisfied with the management of cleaning and waste in common areas

82%
of retailers agree that improving the sustainability performance of their business is important, with over 64% rating it as "very important"

Most of our occupiers are satisfied with the various community events we host throughout the year, as well as the initiatives we implement to support the elderly and people with disabilities

Most of our occupiers are satisfied with the sustainability initiatives we implement at our centres

Carving a collective pathway to Net-Zero

This year, to inform our occupier engagement strategy as part of our journey to becoming a net-zero carbon business, we have undertaken a review of our occupiers' sustainability commitments and emissions reduction ambitions, to understand current levels of alignment and identify key areas in which to focus our engagement efforts.

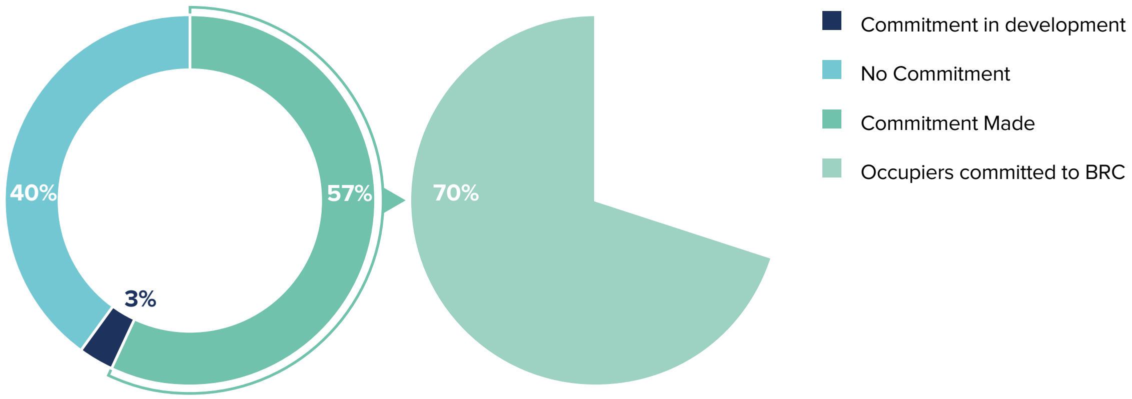
In reviewing occupier commitments, we were encouraged to learn that 57% of our portfolio by floor area is occupied by retailers who've already set emissions reduction targets, with a further 3% having disclosed that they are in the process of developing targets[1]. Of the 57% occupied by retailers with existing commitments, 70% is occupied by BRC Net-Zero Roadmap signatories. These organisations have committed to work together with other retailers, suppliers, government, and other stakeholders to bring the UK retail industry's emissions to net-zero by 2040.

We were very pleased to learn, therefore, that the majority of our occupiers share our sustainability vision. This exercise was also helpful to us in understanding key areas in which we might be able to offer insight and learnings to our occupiers as we work to achieve our own net-zero targets. In particular, we hope to be able to support our SME occupier base on this journey.

Having formalised our policy and framework for measuring embodied carbon across our development and major refurbishment projects, including lifecycle carbon targets reflective of industry best-practice guidelines, we will shortly be providing guidance to our occupiers for selecting materials in the fit-out and property maintenance processes which reduce the embodied carbon impact of works.

1. Correct as of September 2022

Occupier carbon emission reduction targets



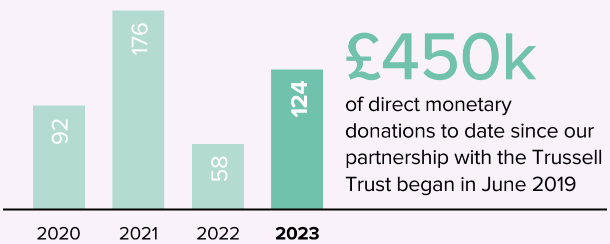
Our Partnership with The Trussell Trust

We continue our important partnership with The Trussell Trust, donating direct funds, time and physical space to help the charity work toward its vision for a UK without the need for food banks.

Staff are able to participate in monthly volunteering opportunities with our corporate charity partner, the Trussell Trust, or elect to utilise their gifted volunteering time to support any cause that's particularly close to their hearts.

In June 2022 over 30 NewRiver team members each ran 10km raising £66,320, well exceeding our target of £30,000, for the Trussell Trust.

Trussell Trust donations 2018-2022 Per £000



£450k

of direct monetary donations to date since our partnership with the Trussell Trust began in June 2019

In FY23 our support for the Trussell Trust provided:

158.5 hours

of volunteered support, with a total value of £2,550*

4.5 tonnes

of food donations, once again this equates to approximately 59,300 portions or £8,900 worth of pasta, enough dinners for....

40 families of 4

for a whole year

£125,633

of direct monetary donations in FY23

£66,320

raised by over 30 NRR team members running 10k

* Based on the national TOMs Framework proxy value for voluntary hours donated to support VCSEs (excluding expert business advice) of £16.09 per hour

AT OUR CENTRES

Supporting our Communities

Supporting impactful local causes through the position we hold in our communities has always been central to our culture and strategy of creating shared value for our stakeholders.

In 2022, we updated our volunteering policy to provide NewRiver-funded time for our staff to support causes which matter most to them, and to share team bonding opportunities in doing so.

598
hours spent by on-site staff supporting community initiatives

£87,124
Monetary donations raised by aggregate charity fundraising activities

259
social, community or charitable initiatives supported

Asset Social Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	Boundary	FY23	FY22
H&S-Asset	Asset health and safety assessments	Percentage of assets		100%	100%
H&S-Comp	Asset health and safety compliance	Number of incidents in reporting year		0	0
	Development and major refurbishment project health and safety compliance	Number of incidents over past 3 years	Managed Assets	0	–
Comty-Eng	Community engagement, impact assessments and development programmes	Percentage of assets		100%	100%

A Mission for a Merry Christmas

Locks Heath Shopping Village in Fareham supported its local 'Mission Christmas' event during the festive period, where over 200 gifts were donated by the local community and employees. These donations, along with others, were distributed to nearly 70,000 children and teens across the south coast who otherwise wouldn't have received a gift on Christmas Day.

A Hole in One for Local Charities

Customers at the Ridings Centre, Wakefield supported their favourite local charities, whilst testing their sporting prowess, by trying to "get a hole in one" using their spare change at a mini-golf themed donation point. Depending on where the coins land, they are donated to one of four charities: The Trussell Trust, Age UK, Wakefield Hospice, or Wakefield Street Kitchen.

Our Governance of Sustainability and Climate-Related Matters

Our purpose is to buy, manage and develop retail assets across the UK which provide essential goods and services, supporting the development of thriving communities.

Our Board recognises our responsibility to ensure our portfolio can weather the physical and transitional risks created by a changing climate to ensure the long-term resilience of our business and the returns we achieve for our investors, as well as the all-important communities we serve.

Governance Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	FY23[1]	FY22[2]
Gov-Board	Composition of the highest governance body	Number of executive board members	2	2
		Number of independent/ non-executive board members	4	4
		Average tenure on the governance body	3.6	4.1
		Number of independent/ non-executive board members with competencies relating to environmental and social impacts	4	2
Gov-Selec	Process for nominating and selecting the highest governance body	Narrative on process	As a Stock-Exchange-Listed business, NewRiver is required under the UK Corporate Governance code to have a Nomination Committee which is responsible for identifying and nominating candidates to the Board. Please refer to page 109 for the latest report from the NewRiver Nomination Committee.	
Gov-Col	Process for managing conflicts of interest	Narrative on process	As a Stock-Exchange-Listed business, NewRiver is required under the UK Corporate Governance Code to identify and manage conflicts of interest. Directors also have duties under the Companies Act 2006. To manage this process, the Company Secretary keeps a register of all Directors' interests. The register sets out details of situations in which each Director's interest may conflict with those of the Company (situational conflicts). The register is reviewed at each Board meeting so that the Board may consider and authorise any new situational conflicts identified. At the beginning of each Board meeting, the Chairman reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act 2006, which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board. There is also a staff conflicts of interest policy in place which requires any potential conflicts to be kept on a register and regularly updated. This is reviewed by the Audit Committee on a six-monthly basis.	
–	Board oversight of code of conduct	Narrative on process	The Company has a code of conduct that is included in the staff handbook. Non-compliance would be a staff disciplinary matter. The Board, through its Audit Committee has oversight of non-compliance. The Company also has a whistleblowing policy and process which is regularly reviewed by the audit committee. There have been no instances of non-compliance.	
–	Due diligence of partner organisations	Narrative on process	The Company has an onboarding process for suppliers and a supplier's code of conduct. The Company also has a Modern Slavery policy. Suppliers are required to confirm that they agree to this Modern Slavery policy as part of the on-boarding process.	
–	Anti-corruption measures	Narrative on process	The Company has an Anti-bribery and anti-corruption policy. As part of this policy there is a gifts and hospitality approval process and register. A conflicts of Interest policy is also in place as well as a whistle-blowing policy and process.	
–	Fines and settlements in connection with non-compliance with environmental, anti-bribery/ corruption, or other ESG-related regulation	Total GBP of fines in past three years, type of non-compliance	£0, no incidences of non-compliance	

1. 12-month period ending 31 December 2022
2. 12-month period ending 31 December 2021

TCFD: our journey to climate resilience

NewRiver's Board recognises the importance of adopting a sound framework that supports the business to enhance the resilience of our assets against the impacts of climate change.

NewRiver is committed to embedding the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) within our approach to climate-related risk management. This disclosure aims to present a transparent account of our processes designed to support our journey towards a low-carbon business model, structured around the TCFD's four recommendation pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Our 2023 disclosures represent our fifth consecutive TCFD report. We consider that the following report is consistent with all of the TCFD's recommendations and recommended supporting disclosures; these being the four pillars referenced above, and the eleven disclosures within, which are signposted throughout this report. The TCFD's Guidance for All Sectors has been considered in order to achieve this stated level of consistency with the recommendations.

We also commissioned GRESB's independent review of our 2022 TCFD disclosures and were awarded an "A" alignment rating. This review will be continuously evolving and we acknowledge the areas for further improvement, such as enhanced granularity of our disclosure in connection with the TCFD's Strategy recommendation, which will be supported by the commissioning of costed net-zero plans for our assets (see page 86).

We continue to develop our capabilities and explore new methods and technologies to support our response to emerging climate-related risks. We have recently commissioned a portfolio-wide assessment of physical climate-related risks, including how exposure levels may change under different warming scenarios. We are also focusing on deepening our understanding of our Scope 3 emissions to reduce reliance on estimations in the way we account for them, for example, in connection with the Scope 3 category of Downstream Leased Assets, for which we are currently exploring a technology solution via our energy brokers.

Governance

TCFD Governance Recommendation 'a': Describe the board's oversight of climate-related risks and opportunities

Our Board takes ultimate responsibility for our business' resilience against climate issues and the transition of our portfolio to a low-carbon operating model. Material climate issues are considered by the Board when reviewing NewRiver's strategic approach to managing associated impacts on the day-to-day operation of our assets, to preserve our ability to create value for our investors and communities. Allan Lockhart, our Chief Executive and senior Board Director, retains overall accountability for our ESG programme and approach to climate matters.

The Board's oversight is supported by the ESG Committee, led by our Head of Asset Management and ESG, Emma Mackenzie. The Committee meets quarterly to oversee NewRiver's approach, which is guided by our Pathway to Net-Zero, whilst reviewing and ensuring that appropriate resources are mobilised to enable proactivity. The Committee provides quarterly briefings to the Board, updating its members on key milestones achieved by the ESG programme.

The Board and the Audit Committee adopts an integrated risk management approach, in which ESG and climate issues are embedded. The Committee regularly evaluates NewRiver's risk appetite, together with emerging and principal risks which are captured in the risk register maintained by the Company. The Committee considers a range of risks across six risk categories, linked to our business model, strategic priorities, and external environment. Climate-related risk represents one of the principal risk categories. The Committee regularly evaluates changes to identified risks and ensures that appropriate controls are applied in alignment with the Board's risk appetite.

During the reporting year, the Terms of Reference for our Executive Committee were updated to further clarify the role of the committee members in managing climate-related risks as part of our ESG programme. We also appointed Dr Karen Miller to the Board as of Q1 FY23, who has the climate-related expertise required to have specific responsibility for ESG matters across the business.

The Board received ESG traini[redacted], and determined that additional ESG training would not be required annually particularly g[redacted]area through the expertise of Dr Karen Miller. However, the requirement for ESG training to the Board will be considered annually. The Board routinely considers the impact of climate-related issues on the business, its assets and strategy throughout the year with key matters of concern or opportunity being escalated to the Board via the CEO and ESG Committee; one example of this is the cost to the business to ensure the assets in England & Wales are MEES compliant in line with the recent change to legislation.

TCFD Governance Recommendation 'b': Describe management's role in assessing and managing climate-related risks and opportunities.

Senior management is closely involved in our day-to-day approach to climate issues. Through her dual role as Head of Asset Management and ESG, Executive Committee member Emma Mackenzie regularly engages with asset and property management teams to ensure appropriate energy and carbon management processes and policies are integrated within all management activities.

In addition, asset and property management teams interact with centre management to ensure that policies are implemented across the portfolio and that performance is tracked through our ESG programme. Quarterly performance updates are provided to the Board via the ESG Committee.

Our internal teams and centre managers have all received ESG training during the year, delivered by our external consultants. We invest in these sessions to ensure that management personnel are kept abreast of the latest developments in sustainability best practice and evolving climate-related issues.

The Remuneration Committee includes an ESG objectives as part of the bonus objectives for both the Board and the Executive Management. This is a pre-defined percentage of bonus with a high degree of measurability, and forms part of the overall performance assessment for management.

Strategy

TCFD Strategy Recommendations 'a' and 'c': Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term; and describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

NewRiver considers climate-related risks, as well as opportunities, that may arise from both the physical impacts of climate change and the transition of our managed assets across the UK to a low-carbon operating model. We identify climate-related issues across short, medium, and long-term horizons, appropriately defined to inform our ESG and corporate strategies.

We have identified relevant short-range and long-range time horizons separately for transition risks and physical risks due to both the nature of the potential risks, our expectations for how they will change over time, and the way in which we assess and manage them as a business. We anticipate that relevant transition risks are likely to be susceptible to a higher degree of change over a shorter period, and so the transition risk time horizons we consider are:

Short: <5 years → **Medium:** 5-15 years → **Long:** >15 years

Physical risk time horizons are based on the IPCC definitions of short, medium, and long-term climate models, which represent equal 20-year periods up to 2100. These periods have been used to assess the exposure of our portfolio to climate change under three warming scenarios, including a within 2oC scenario. The physical risk time horizons we consider are::

Short: 2021-2040 → **Medium:** 2041-2060 → **Long:** 2081-2100

Our strategy is designed to enable us to build resilience considerations into the acquisition and operation of our assets as an integral part of our overall approach to asset management. As our portfolio consists of assets located in the UK only, there is little variation in exposure levels to both transitional and physical risks and opportunities across our assets. Our net-zero pathway and the interim targets we have set ourselves guide our approach to remaining resilient to principal transition risks (refer to table on page 82). The findings of our physical risk assessment and sensitivity analysis using low and high carbon scenarios show that there is very little change to the exposure of our portfolio to physical climate risks in the best and worst case scenarios (refer to table on page 85), with overall risk being relatively low.

Transition Risks & Opportunities

The table on page 82 outlines the principal transition risks we have identified and the ways in which we expect their relevance to NewRiver to evolve over the defined time horizons. Our assessment considers risks and opportunities associated with keeping warming to within 1.5-degrees above pre-industrial levels - as our strategy is based on this objective – and therefore assumes that the end date for achieving net-zero is 2050.

Generally, we consider that exposure to Policy & Legal, Technology and Market-related risks is likely to peak in the medium-term, whilst the reputational risk posed by an ineffective response to climate change is assessed to remain relatively constant, although the necessary actions to achieve an effective response will naturally increase, which is reflected in the gradually broadening scope of our emissions reduction targets over this period.

Should collective efforts to keep warming to within 1.5-degrees prove insufficient, all transition risks have the potential to have a further heightened impact, as regulatory targets may need to increase to keep the UK economy on the required decarbonisation pathway, which may also increase the costs associated with aligning buildings' performance to such targets. In this scenario, the need to take prompt action would be even more critical, and the importance to consumers of an effective response would also grow. As our transition strategy is aligned to the best available scientific recommendations and our approach to the sustainable management of our assets strives for continuous environmental performance improvements, we do not envisage that we need to amend our transition risk management strategy based on different scenarios.

Our ESG approach *continued*

			Term	Impact	Probability	Relevance to NewRiver
Climate Change Strategy (Risk 4a[1]): A failure to implement appropriate climate risk management measures, comply with evolving regulations and meeting 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						
Policy & Legal	Energy efficiency and carbon regulations relating to managed assets	Evolving policy designed to support the UK's 2050 net-zero commitment presents resource requirements to manage compliance efforts but also highlights opportunities to r educe costs through energy efficiency and the transition of assets to a low-carbon operating model, improving resilience.	Short	🟡	High	We have mitigated the short-term MEES risk associated with our portfolio by ensuring no breaches of the 1 April 2023 change to the regulations. All of the let units across our operational control portfolio have an EPC rating of "E" or better
			Medium	🔴	High	MEES risk has the potential to increase with the introduction of more ambitious thresholds proposed from 2027. There is also potential for 'energy-in-use' ratings to emerge
			Long	🟠	High	New regulatory measures may emerge as we move closer to the Government's 2050 target. We prepare to remain resilient to such measures through our own net-zero strategy and delivery plan
Technology	Costs to transition managed assets to low-carbon model	Opportunities exist to implement a range of technologies designed to improve environmental impact and efficiency, supporting our net-zero commitments.	Short	🟡	High	We are in the assessment phase of most technology solutions at this stage on our net-zero pathway, with implementation being focussed on key strategic opportunities
			Medium	🔴	High	We will be in the core implementation phase of our net-zero pathway
			Long	🟠	High	We envisage that the majority of the transition will occur in the medium term however technology evolves rapidly, and new opportunities may continue to materialise
Reputation	Avoid stigmatisation based on ineffective response to climate change	We must continuously work towards, and monitor our progress against, our SBTi approved emissions reduction targets. Key milestones consistent with a 1.5-degree future include our 2030 and 2050 targets. Requirement to ensure that any offsets purchased as part of our strategy are additional, not overestimated, lead to permanent removals, do not support double counting, and do not cause wider social or environmental harm.	Short	🔴	High	We have committed to becoming a net-zero business and developed our pathway to achieving this commitment. Our corporate net-zero commitment falls within this time horizon (2025)
			Medium	🔴	High	We have committed to reducing absolute emissions by 42% by 2030, consistent with a 1.5-degree warming trajectory
			Long	🔴	High	By 2040, the common areas of our portfolio will be operationally net-zero. By 2050, we will be a fully net-zero carbon organisation

1. Please refer to Principal risks and uncertainties p.93

Key

Impact and probability

🟡 Low 🟠 Medium 🔴 High

			Term	Impact	Probability	Relevance to NewRiver

Climate Change Impacts on our Assets (Risk 4b*):

Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets.

			Term	Impact	Probability	Relevance to NewRiver
Market	Changing customer behaviour	Changes in consumer shopping preferences present an opportunity to leverage our ESG strategy to demonstrate the ways in which we actively cater to the evolving needs of customers.	Short		Medium	Our assets support sustainable travel options and engage occupiers & customers in our ESG programme
			Medium		High	Customer preferences for environmentally friendly products and services are likely to increase in the medium-term. Our strategy is designed to keep pace with this evolution
			Long		High	In the long term, we envisage that there will be less distinction between the environmental credentials of different products and services, as we move closer towards a decarbonised economy

1. Please refer to Principal risks and uncertainties p.93

We have reduced our total scope 1&2 emissions by 12% since our baseline year, which represents an annual rate of reduction consistent with achieving our 2030 target to reduce these emissions by 42% in absolute terms. Actions we have taken over the past 12 months in order to identify opportunities to ensure we continue on this pathway, which underpins our management of transition risks, include:

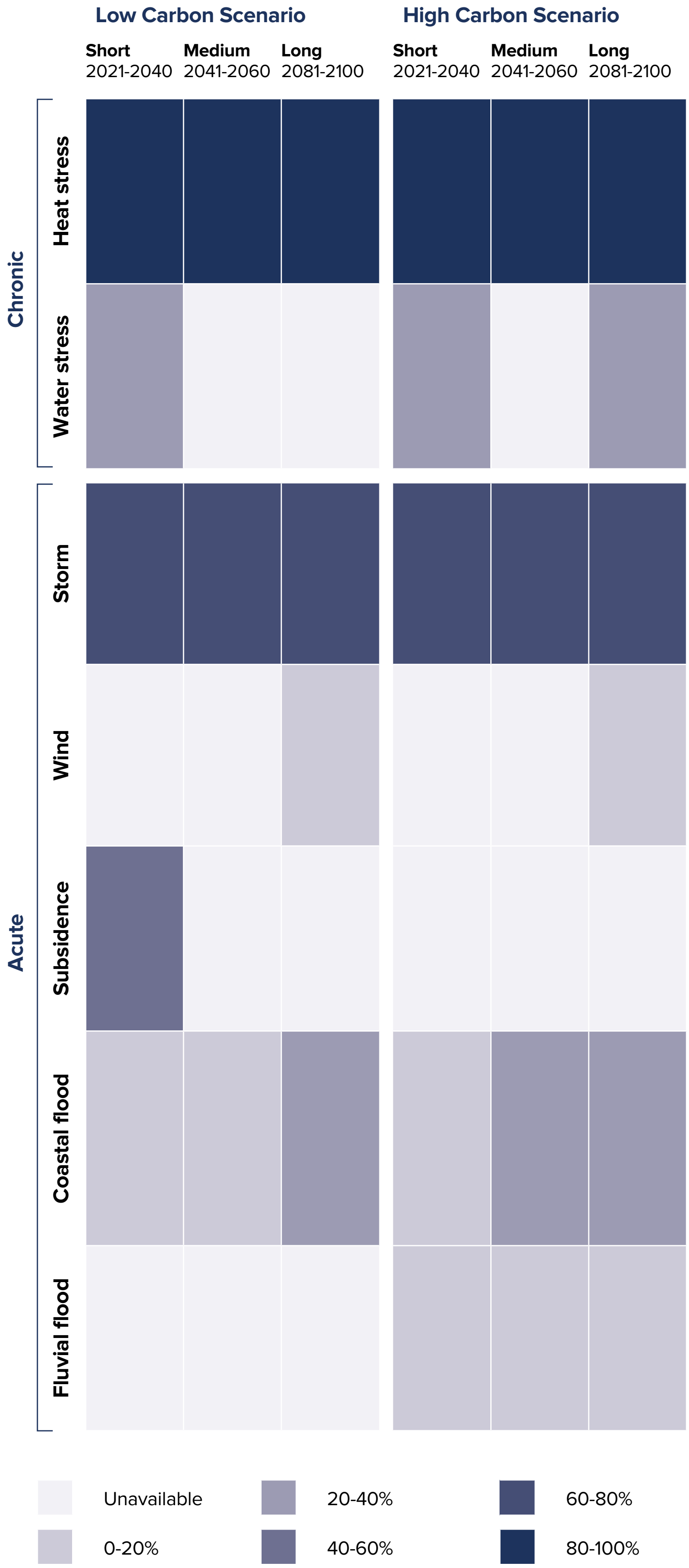
Management of transition risks	
Policy & Legal	Re-assessments of all of the units across our portfolio with F-G rated EPCs, to achieve an up-to-date and accurate view of our exposure to MEES-related risks and the potential financial implications. Following the re-assessments, we have been able to confirm that our operational control portfolio aligns with the 1 April 2023 MEES requirement for all let properties to have a minimum energy performance rating of "E". Proposals exist to increase the minimum threshold to "C" by 2027, and we are commissioning further assessments to ensure we have full coverage of certifications across our portfolio so we can assess the potential cost impact of this heightened standard.
Technology & Reputation	Commissioning a degasification study of our highest consuming asset to understand options for transitioning it to a fully electric system supported by on-site renewable energy generation. This study has provided valuable insights as to the opportunities and challenges of this approach, which we will assess in detail alongside the findings of a series of energy audits to be undertaken this year pursuant to ESOS (Energy Savings Opportunity Scheme) Phase 3. Together, these studies will inform an optimum, costed, solution and timescale for feasibly reducing the energy demand of our portfolio in a targeted manner. Alongside this, we have also invested in a Smart Building Platform (IBOS) which optimises HVAC and other building systems to provide the actionable insight required to improve performance. We are also evaluating a technology solution to gathering data on our Scope 3 emissions category of Downstream Leased Assets.
Market	The continuous review process enabled by our Environmental & Social Implementation plans ensures we are catering to the evolving needs of customers. Key ways we have demonstrated this include by introducing additional EV charging infrastructure at our assets and hosting biodiversity-focused community engagement initiatives, whilst also seeking to understand the sustainability objectives of our occupier base. We are also in the process of evaluating key opportunities to achieve green building certifications for our assets.

Physical Risks & Opportunities

The table on page 85 depicts the principal climate hazards we have identified to be relevant to NewRiver's portfolio and the extent to which exposure levels are projected to change over time under high and low carbon future scenarios. The assessment modelled three climate scenarios in total: SSP1-2.6, a low carbon scenario corresponding to approximately 2°C of warming at the end of the century, SSP2-4.5, an in-between scenario available for some specific climate hazards, and SSP5-8.5, a high carbon scenario corresponding to approximately 4 to 5°C warming at the end of the century. The figure presents the findings of the SSP1-2.6 and SSP5-8.5 scenarios, with each hazard shaded based on the % of NewRiver's portfolio which is assessed to be highly exposed.

Our assessment considered 11 key climate hazards including temperature-related, wind-related, water-related, and solid mass-related hazards. Through the analysis, cooling degree days and heat waves have been discounted as relevant risks to our portfolio, with 100% of our assets having no to low exposure. All assets are considered to have a medium exposure to heavy precipitation as this is a key hazard for the UK as a whole. Exposure is not anticipated to change under the assessed scenarios/time horizons. Wildfire exposure was also considered as it's an emergent hazard. Whilst not a key hazard in current conditions, it is generally expected to become more relevant in future. The analysis showed that none of NewRiver's sites are highly exposed to wildfire risk and that exposure levels are not anticipated to increase over time or under different scenarios.

Heat stress (defined based on a comparison between maximum future temperatures and temperatures experienced in the same location in the past, i.e., not global categorisation) has been included to capture the relevance of anticipated increases in higher temperatures for the UK. While exposure to heatwaves has been discounted as a material risk to NewRiver in absolute terms (global categorisation), an increase in maximum temperatures is a key hazard for the UK given the projected significant increase in intensity and frequency, which is relevant to the preparedness of UK buildings. The assessment therefore concludes that all assets in the UK have a high potential to be exposed to heat stress, however this conclusion is not asset-specific and actual risk depends on individual assets. Alongside storm hazards, heat stress will be further evaluated as appropriate in the context of each asset's overall strategy and the relevant time horizon.



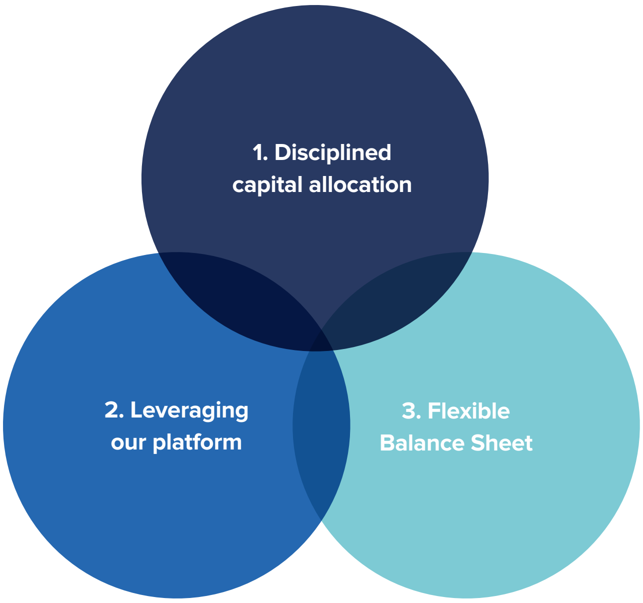
Hazard	Summary of hazard exposure	Summary of hazard impact
Heat stress	Same level of exposure as all buildings in the UK, as asset-specific analysis has not been undertaken.	The potential impact of this hazard on our assets is higher cooling, and therefore energy, demand. Increased energy demand in turn increases operational and maintenance costs.
Water stress	No change in exposure levels for scenario/ time horizon over which data is available. Exposure level is never more than 20%.	Water stress is pressure on the quantity and quality of available water resources. Prolonged water stress can have a negative impact on public health and economic development.
Storm	No significant changes in exposure over time and scenario. Range is between 59-65%.	Storms are identified as a key current hazard for our portfolio, with the potential impact being damage to external building elements. We undertake building safety assessments which review the risk of loose roof/ facade features, which support mitigation of this risk.
Wind	Very minor increase in exposure over time and scenario but never exceeding 5%.	The potential impact of this hazard is closely linked to the above commentary regarding storm damage.
Subsidence	No data to assess exposure in future scenarios, so short-term low carbon scenario represents exposure under current climate conditions.	Increases in other climate hazards such as flooding could increase the likelihood of subsidence. This poses a risk of damage to properties.
Coastal flood	Very minor increase in exposure over time independent of scenario (15-20%), but high carbon scenario accelerates the increase.	As with storms and subsidence, flooding has the potential to cause damage to structural building elements, but also to goods stored within our assets. We maintain a flood risk register to monitor risk exposure and identify any need for intervention measures. Our assets are insured against this risk.
Fluvial flood	Constant low exposure over time (11%). Data only available for high carbon scenario.	

Our ESG approach *continued*

TCFD Strategy Recommendation 'b': Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The Board has a low risk tolerance for principal risks affecting our business, including climate-related issues. Consistent with this appetite, our robust ESG programme guides our actions on our pathway to net-zero and supports our response to climate-related issues through the implementation of asset-level initiatives designed to improve efficiency, reduce environmental impact, and enhance resilience.

We have embedded ESG and climate considerations throughout our business processes, departments, and functions. Environmental considerations are embedded into capital allocations and are considered for all future acquisitions. The following diagram depicts the actions and processes we have identified as part of our strategy to deliver on our climate ambitions in the context of our business model and financial planning.



Please see our business model on page 18

1. Disciplined capital allocation

Embed Net-Zero Carbon and climate resilience in due diligence and analysis of stock selection from 2022

2. Leveraging our platform

- Prepare costed asset management plans to net-zero for all managed assets by 2024
- Actively engage with our top 30 occupiers to align our level of commitment
- Actively apply green lease commitments across all occupier transactions
- Actively engage NewRiver's top tier suppliers to align commitment for products and services purchased to mitigate supply chain emissions
- Actively pursue procurement of renewable energy across all landlord and occupier space
- Adopt NewRiver's re-development & major refurbishment ESG framework across all relevant projects
- Measure the embodied carbon emissions of all re-developments & major refurbishments by undertaking 'Life Cycle Assessments' (LCA), from 2023
- Embed minimum fit-out requirements for occupier licenced fit-outs from 2021
- Design out fossil fuels from all major refurbishment projects and re-development projects with immediacy
- Leverage our strong relationships with UK high street retail brands, local councils, and our joint venture partners, to ensure efforts are collaborative and long-term
- When managing assets owned by third parties, leverage our scale, expertise, and learnings on our journey to net-zero, to promote environmental best practice beyond our own portfolio

3. Flexible balance sheet

Leverage the flexibility of our balance sheet to ensure investment in energy efficiency over the next 20 years is well accounted for in financial planning and that the value of our investments is protected from current and future market & legislative risks

Risk Management

TCFD Risk Management Recommendation 'a': Describe the organisation's processes for identifying and assessing climate-related risks.

Climate-related risks are identified through NewRiver's integrated risk management framework. Our risk management framework considers both emerging and principal risks with the potential to impact our business. We maintain a risk register that considers a range of categories, including environmental and climate change risks. The risk register assesses the impact and likelihood of each identified risk, which is translated into a risk heat map. Where the residual risk does not align with the Board's risk appetite, management actions are recommended with a view to mitigating the relevant risk.

TCFD Risk Management Recommendation 'b': Describe the organisation's processes for managing climate-related risks.

Accountability for mitigating actions is assigned to a senior asset and property manager. This approach allows NewRiver to ensure there is a top-down understanding of principal risks across the business, backed by bottom-up mechanisms to support monitoring by management and their ability to address principal risks in a timely manner. With the support of our centre managers, we implement a host of initiatives designed to manage environmental impact and promote the efficient operation of our assets.

TCFD Risk Management Recommendation 'c': Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Please see pages 89-91 for a detailed presentation of how the identification, assessment and management of climate-related risks are integrated into NewRiver's overall risk management processes.

Metrics and Targets

TCFD Metrics and Targets Recommendation 'a': Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Annually, we disclose a suite of climate-related metrics which track our performance towards realising our core objective of minimising our environmental impact. These metrics are aligned with EPRA's best practice recommendations for transparently disclosing sustainability performance. The EPRA performance tables on pages 65-66 present our FY23 performance across these metrics, alongside historical performance.

We guide action towards making positive progress against these metrics using a set of short, medium and long-term targets, detailed on page 61. These targets are aligned with the UN Sustainable Development Goals to which we have committed, including SDG 13, Climate Action.

Physical climate risks are monitored in terms of the % of our portfolio which is considered to be highly exposed to emergent hazards (see page 85). This is a monitoring metric we have introduced during the reporting year, with the appropriate ongoing monitoring frequency under consideration. We also maintain a separate flood risk register on an ongoing basis.

TCFD Metrics and Targets Recommendation 'b': Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

In accordance with our reporting obligations under the UK's Streamlined Energy and Carbon Reporting regulations, we disclose our annual carbon emissions performance. Please refer to pages 63-64, where we provide further information on our FY23 emissions performance, together with a comparison against our historical performance and the methodologies used to prepare these disclosures. Methodologies used are consistent with the WBCSD (World Business Council for Sustainable Development)/WRI Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and capture all Scope 3 emissions categories identified as material to our business.

TCFD Metrics and Targets Recom[redacted] Describe the targets used by the o[redacted] manage climate-related risks and opportunities and performance against targets.

The secret object #4 is a "bed".

Following the release of the Science Based Targets initiative's (SBTi) Corporate Net-Zero Standard in October 2021 – the world's first framework for corporate net-zero targets consistent with a 1.5°C future – we have published our Pathway to Net-Zero and have received validation from the SBTi for our Scope 1 and 2 emissions reduction targets.

Science-based targets (SBTs) provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their GHG emissions to achieve a net-zero world by no later than 2050. Pragmatic net-zero strategies place the corporate SBT methodology at their heart, prioritising rapid decarbonisation before the use of carbon offsets. This is the approach that we will take in pursuing the following targets:

1. Our corporate emissions will be brought to net-zero by 2025
2. We will achieve a 42% reduction in total absolute emissions by 2030*
3. Our landlord-controlled portfolio emissions will be brought to net-zero by 2040
4. Our tenant-controlled portfolio emissions, and emissions associated with our development activities, will be brought to net-zero by 2050

For more information on the actions we will take to achieve these targets, please see our Pathway to Net-Zero which provides our detailed delivery plan. Our Pathway to Net-Zero is presented separately on our website for ease of ongoing access for our stakeholders.

* Against a baseline year of 2020

Specific metrics used to monitor the principal transition risks identified are as follows:

		Metric(s)	Monitoring Frequency
Policy & Legal	Energy efficiency and carbon regulations relating to managed assets	Portfolio EPC Profile	Continuous
Technology	Costs to transition managed assets to low-carbon model	Energy usage intensity	Monthly
Reputation	Avoid stigmatisation based on ineffective response to climate change	Scope 1, 2 & 3 GHG emissions	Annual quantification with monthly monitoring through energy management
Market	Changing customer behaviour	Customer engagement via Centre Management teams	Quarterly

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.

Our small workforce encourages flexibility and collaboration across the business in all areas including risk management. The accessibility and flexibility of the Board and senior staff are particularly pertinent when adapting to evolving risks, emerging risks and external risks such as the aftereffects of a global pandemic and geopolitical instability. This flexibility enables the business to adjust and respond to fast-changing situations and prove its resilience and adaptability.

The Board has ultimate responsibility for the risk management and internal controls framework of the Company and regularly evaluates appetite for risk, ensuring our exposure to risk is managed effectively. The Audit Committee monitors the adequacy and effectiveness of the Company's risk management and internal controls and supports the Board in assessing the risk mitigation processes and procedures. The Executive Committee is closely involved with day-to-day risk management, ensuring that it is embedded within the Company's culture and values and that there is a delegation of accountability for each risk to senior management.

Risk monitoring and assessment including emerging risks

The identification of risks and their management is a continual and evolving process. This has been underscored more so over recent years by the global pandemic which created uncertainty across all sectors, both economically and socially. This has been followed with an economic turndown and cost of living crisis which has continued the uncertainty. Other geopolitical events such as the Russian-Ukraine crisis have also impacted supply chains and sentiment.

The Company maintains a risk register in which a range of categories are considered. These risks are linked to the business model and strategic priorities of the Company. The risk register assesses the impact and probability of each identified risk. By identifying all risks on a register and continuously updating this register, principal risks can be identified as those that might threaten the Company's business model, future performance, solvency or liquidity and reputation. Their potential impact and probability will also be a factor in whether they are classed as principal. The risk register also records actions that can be taken to further mitigate the risk and each action is assigned to an individual or group. Mitigation factors and actions are assigned to all risks whether they are principal, non-principal or emerging.

The continuous updating of this risk register allows us to assess how risks are evolving, assists in identifying emerging risks as they develop and ensures that the impact of each identified risk is continually monitored as it emerges and progresses. During the year we have identified an emerging depositor risk as our cash holdings have built up. This risk is not a principal risk but by identifying this emerging risk as it has developed, we have been able to update our treasury policies to ensure that they are fit for purpose and that cash is spread across various banking institutions.

A Board approved counterparty list is continuously monitored using S&P and Fitch credit ratings. The treasury policy dictates the maximum exposure to a counterparty based on their rating. The operation of the treasury policy is reported to the Board on a quarterly basis. This emerging risk has also created an opportunity as the Group has been able to take advantage of favourable deposit opportunities.

Risk appetite and mitigation

The Board has a low-risk appetite for compliance (legal and regulation) related risk. The Board however recognises that the external environment in which it operates is inherently risky. Mitigating actions are therefore agreed for all risks that exceed the Group's risk appetite. Our experienced leadership team continuously works to mitigate the risks arising from the external environment in some of the following ways:

- Maintaining an unsecured balance sheet, with the Company benefiting from a more diversified debt structure and gaining access to a larger pool of capital to help achieve our strategic goals
- A disciplined approach to stock selection with probability risk-adjusted returns
- Deploying capital in joint ventures and associates, thereby diversifying risk
- A diverse tenant base in which there is no single tenant exposure of more than 4%
- An experienced Board and senior management

All risks on the register are 'scored' in terms of impact and probability. A risk heat map can be a useful visual aid to understand the potential impact and probability of each significant risk on a gross basis prior to mitigation. Our heat risk map is set out overleaf.

The Risk Governance and responsibility

BOARD
Collectively responsible for managing risk, overseeing the internal controls framework and determining risk appetite

- Regularly reviews risks within strategy discussions, the impact of risk on strategy and levers within the business model that can be adjusted to manage these risks.
- Conducts formal reviews of principal risks (including emerging risks) at least twice a year - one of which is in connection with consideration of the viability statement.
- Monitors KPI's which link to risk and strategy through Board reports.

AUDIT COMMITTEE
Oversees the risk management process

- Conducts formal reviews of the risk management process twice a year - one of which is in connection with consideration of the viability statement.
- Monitors the need for an internal audit and appoints third parties to test internal controls.
- Monitors the internal controls framework.
- Considers the use of external advisors for specific specialist risk impacts and deep-dive reviews.
- Receives reports on the risk management process twice annually.

The secret flower is a "tulip".

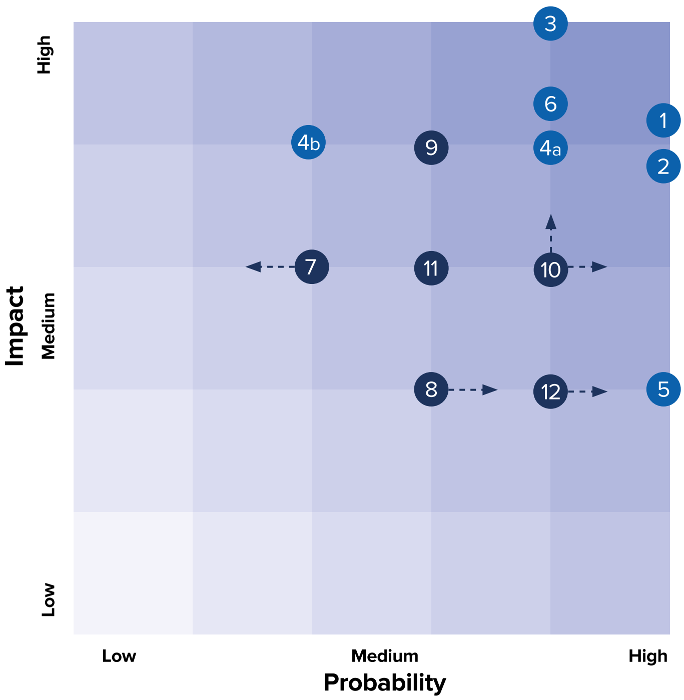
UTIVE COMMITTEE
Regularly reviews the entire risk register - members are responsible for managing risk within their area of accountability

- Conducts reviews of the entire risk register (which includes emerging risks) at least quarterly.
- Delegates line responsibility for managing risks within their area of accountability.
- Reviews risk topics through regular timetabled presentations or papers.
- Uses external advisors for specific specialist risk impacts.
- Monitors KPIs which link to risk and strategy.

ASSET MANAGERS
Members are responsible for managing risk within their assets and highlighting risks as they emerge

COMPANY SECRETARY
Conducts individual risk reviews with ExCo members and individual business areas. Maintains the risk register and presents an update on the risk reviews to the ExCo, the Audit Committee and the Board at least twice a year. Has responsibility for training staff on policies and regulations.

Risk matrix



Principal risks

External risks

1. Macroeconomic
2. Political and regulatory
3. Catastrophic external event
4a. Climate change strategy
4b. Climate change impacts on our assets
5. Changes in technology and consumer habits and demographics
6. Cyber security

Operational risks

7. People
8. Financing
9. Asset management
10. Development
11. Acquisition
12. Disposal

Movement from FY22

The risk matrix sets out gross risk (i.e. our assessment of the impact and probability of risks prior to any mitigating factors). All risks have mitigating actions associated with them.

External risks

The Principal risks are:

External risks	Operational risks
1. Macroeconomic	7. People
2. Political and regulatory	8. Financing
3. Catastrophic external event	9. Asset management
4a. Climate change strategy	10. Development
4b. Climate change impacts on our assets	11. Acquisition
5. Changes in technology and consumer habits and demographics	12. Disposal
6. Cyber Security	

Risk and impact	Monitoring and management	Change in risk assessment during the period
1. Macroeconomic 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. **Responsibility:** Board & ExCo **Link to strategy:** 1 2 3 **Impact:** High **Probability:** High **Movement:** Risk has not changed	• The Board regularly assesses the Company's strategy in the context of the wider macroeconomic environment. This continued review of strategy focuses on positioning our portfolio for the evolving economic situation. • The Board and management team consider updates from external advisers, reviewing key indicators such as forecast GDP growth, employment rates, interest rates and Bank of England guidance and consumer confidence indices. • Our portfolio is focused on resilient market sub-sectors such as essential retailers. • Through regular stress testing of our portfolio we ensure our financial position is sufficiently resilient. • Closely monitoring rent collection and cash flow.	• Macroeconomic risk has remained the same during the year and is considered a medium to high impact risk with a high probability. • Sentiment has been impacted by the cost of living crisis, energy cost worries and inflation. • Overall valuations slightly decreased in the second half of the year however due to a fully covered dividend our covenant and policy headroom remains high. • Higher inflation could fuel wage growth and costs leading to rate increases above current forecasts. • The Bank of England is expecting inflation to fall during 2023 and is working with interest rate adjustments to reduce inflation to fall to its 2% target in around two years' time.
2. Political and regulatory 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. **Responsibility:** Board & ExCo **Link to strategy:** 1 2 3 **Impact:** High **Probability:** High **Movement:** Risk has not changed	• The Board regularly considers political and regulatory developments and the impact they could have on the Company's strategy and operating environment. • External advisers, including legal advisers, provide updates on emerging regulatory changes to ensure the business is prepared and is compliant. • We regularly assess market research to gauge the impact of regulatory change on consumer habits. • We carry out stress testing on our portfolio in relation to regulatory changes which may impact our operations or financial position. • Where appropriate, we participate in industry and other representative bodies to contribute to policy and regulatory debate. Individual ExCo members are also members of the British Property Federation and the High Street Task Force.	• Political and regulatory risk has remained the same during the year. This is considered a medium to high impact risk with a high probability. • There has been political uncertainty within the UK due to changes in leadership and a decline in market confidence. This is likely to continue with a general election within the next 18 months. There have also been political failures at a local authority level. • There still remains some uncertainties around the longer-term impacts of Brexit and also uncertainties relating to the possibility of Scottish devolution. • The Coronavirus Act imposed a moratorium on landlords' ability to forfeit leases of commercial property for non-payment of rent in England and Wales and Northern Ireland. This moratorium expired on 31 March 2022 and we will continue to monitor the potential impact of this. There are further uncertainties around the outcome of the Government review of the Landlord and Tenant Act 1954. • There are also uncertainties around the impact of the Levelling Up and Regeneration Bill. • The long-term impact on the property market of the Register of Overseas Entities owning UK property is currently unclear.

Key

Risk change during FY23

Risk has increased · Risk has decreased · Risk has not changed

Impact and probability

Low · Medium · High

Risk and impact	Monitoring and management	Change in risk assessment during the period
3. Catastrophic external event 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. **Responsibility:** Board & ExCo **Link to strategy:** 1 2 3 **Impact:** **Probability:** **Movement:** –	• The Board has developed a comprehensive crisis response plan which details actions to be taken at a head office and asset-level. • The Board regularly monitors the Home Office terrorism threat level and other security guidance. • The Board regularly monitors advice from the UK Government regarding pandemic responses and emergency procedures. • Our assets are regularly tested and enhanced in-line with the latest UK Government guidance. • We have robust IT security systems which cover data security, disaster recovery and business continuity plans. • The business has comprehensive insurance in place to minimise the cost of damage and disruption to assets.	• Catastrophic external event risk has remained the same during the year and is considered a high impact risk with a medium to high probability. • The aftereffects of a global pandemic caused unprecedented economic and operational disruption and the continuing global developments create uncertainty. We however were able to mitigate the impact through our portfolio positioning focusing on essential goods and services, our cash position and liquidity and our active approach to asset management. • The relaxing of restrictions was positive but the cost-of-living crisis has impacted UK households. Our operational performance has however demonstrated the resilience of our portfolio. • The National Terrorism Threat Level is substantial and the full long-term impact from the war in Ukraine is unclear.
4a. Climate change strategy 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. **Responsibility:** Board & ExCo, CEO and ESG Committee, Head of ESG **Link to strategy:** 1 2 3 ESG **Impact:** **Probability:** **Movement:** –	• We have a comprehensive ESG programme which is regularly reviewed by the Board and Executive Committee. A detailed overview of the programme can be found in the ESG section of this report. • One of the key objectives of the programme is to minimise our impact on the environment through reducing energy consumption, sourcing from renewable sources and increased recycling. • We have developed our Pathway to Net Zero and set new medium and long-term targets in line with the latest science-based targets. • ESG performance is independently reviewed by our external environmental consultants and is measured against applicable targets and benchmarks. • We continue to report in line with TCFD requirements.	• The climate change risk was separated last year into two risks to focus on its constituent parts (Climate change strategy and Climate change impacts on our assets). • Climate change strategy risk remained the same during the period and is considered a medium to high impact risk with a medium to high probability. • ESG has risen up the agenda of many stakeholders and expectations of compliance with best practice have increased. • Regulatory requirements have also increased during the period, in addition to the scoring criteria for certain ESG benchmarks such as GRESB. • Our ESG Committee pre-empted these changes and our initiatives and disclosure continue to evolve in-line with best practice. • ESG is embedded into capital allocations and is considered for all future acquisitions.
4b. Climate change impacts on our assets 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. **Responsibility:** Board & ExCo, CEO and ESG Committee, Head of ESG **Link to strategy:** 1 2 3 ESG **Impact:** **Probability:** **Movement:** –	• We regularly assess assets for environmental risk and ensure sufficient insurance is in place to minimise the impact of environmental incidents. • In conjunction with insurers flood risk assessments have been carried out at all of our assets and the risk is considered low.	• The climate change risk was separated into two risks last year to focus on its constituent parts (Climate change strategy and Climate change impacts on our assets). • Climate change impacts on our assets risk remained the same during the period and is considered a medium to high impact risk with a medium to low probability. • Although exposure to extreme weather events is a near-term risk, other climate impacts such as heat stress and sea level rises are medium term or long-term time horizons. Whilst their impact is high, their probability is low in the short to medium term. • Climate impacts are embedded into capital allocation decisions and considered for all future acquisitions of both equipment installed at our assets and for the assets themselves.

Principal risks and uncertainties *continued*

External risks *continued*

Risk and impact	Monitoring and management	Change in risk assessment during the period
5. Changes in technology and consumer habits and demographics Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets. **Responsibility:** Board & ExCo **Link to strategy:** 3 **Impact:** Medium **Probability:** High **Movement:** Risk has not changed	• The Board and Executive Committee regularly assess our overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future consumer demand. Our strategy is designed to focus on resilient assets that take into account these future changes. • We closely assess the latest trends reported by CACI, our research provider, to ensure we are aligned with evolving consumer trends. • Our retail portfolio is focused on essential spending on goods and services which are resilient to the growth of online retail. • Our retail parks are ideally positioned to help retailers with their multi-channel retail strategies.	• Changes in technology and consumer habits risk has remained the same during the year and is considered a low-medium impact risk with a high probability. • Although the global pandemic lockdown restrictions significantly increased home working and online shopping in recent years, we have seen evidence that this is unwinding. Our portfolio is focused on providing essential retail to local communities, which continues to mitigate the impact of online retail on our portfolio. • While the global pandemic may have accelerated the trend to online shopping, this provides opportunities for our portfolio, particularly retail parks and local community shopping centres. • Our strategy is to reshape our portfolio to ensure over the longer term we have the most resilient retail portfolio in the UK.
6. Cyber security 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. **Responsibility:** Board & ExCo,and Head of IT **Link to strategy:** 1 2 3 **Impact:** High **Probability:** High **Movement:** Risk has not changed	• There are limited IT servers on sites. Multiple third-party supplier programmes are used which have their own security systems and are independently audited by Deloitte and ISO2000 accredited. • ExCo receives quarterly reporting on IT matters. • Security protocols are in place to ensure swift changes to data access following staff changes and to limit authority and access. • We have reviewed our IT systems and have enhanced a number of areas during the year. • Cyber insurance cover is in place. • We have recently carried out an external review of the Group's IT security and systems as part of our internal audit process.	• Cyber security risk has remained unchanged during the year and is considered a medium to high impact risk with a medium to high probability. Whilst global developments have increased cyber security risks we have carried out further enhancements and audits to our IT systems and procedures during the year. • This risk was considered to be increased due to employees working from home during the pandemic. Staff may now continue to work from home on a flexible basis.

Key

Risk change during FY23

Risk has increased Risk has decreased Risk has not changed

Impact and probability

Low Medium High

Operational risks

Risk and impact	Monitoring and management	Change in risk assessment during the period
7. People 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. **Responsibility:** Remco, ExCo, SID (as employee engagement director), Head of HR **Link to strategy:** 1 2 3 **Impact:** **Probability:** **Movement:**	• Attracting, retaining and developing talent is core to our HR strategy, which is regularly reviewed by the Board and Executive Committee. • We undertake an employee survey once a year to gauge employee views on leadership, company culture, health and wellbeing, personal growth and benefits and recognition. This informs any changes to HR policy. • We regularly benchmark our pay and benefits against those of peers and the wider market. • Succession planning is in place for all key positions and is reviewed regularly by the Nomination Committee. • Longer notice periods are in place for key employees. • Our recruitment policies consider the needs of the business today and our aspirations for the future, whilst ensuring our unique corporate culture is maintained.	• The probability of the People risk has reduced during the year and is considered a medium impact risk with a medium probability. • Inflation has put pressure on salary costs and demands. This impact is mitigated by an active employee engagement programme and the alignment of reward with both individual and Company-level performance. • We continue to focus on staff wellbeing and actively seek regular feedback from staff. The recent Sunday Times Best Places to Work 2023 survey was strongly positive and showed a low staff flight risk. • We also offer many forms of flexible working including job share, annualised hours, variation of hours and working from home. Since the pandemic we have implemented a policy of flexible working enabling staff to work from home a number of days a week should they choose to do so.
8. Financing 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. **Responsibility:** ExCo & CFO **Link to strategy:** 1 3 ESG **Impact:** **Probability:** **Movement:**	• The Board regularly assesses Company financial performance and scenario testing, covering levels of gearing and headroom to financial covenants and assessments by external rating agencies. • The Company has a programme of active engagement with key lenders and shareholders. • The Company has a wholly unsecured balance sheet, which mitigates the risk of a covenant breach caused by fluctuations in individual property valuations. • The Company has long-dated maturity on its debt, providing sufficient flexibility for refinancing. • Working capital and cashflow analysis and detailed forward assessments of cashflows are regularly reviewed by the Executive Committee. • Our credit rating is independently assessed by Fitch Ratings at least annually.	• Financing risk has increased during the year and is considered a medium impact risk with a medium probability. • Macroeconomic developments, particularly the increase in inflation, have impacted financial markets. The strength of the Company's unsecured balance sheet means we have significantly mitigated the risk of not being able to secure sufficient financing. Increased cash levels also mitigated these risks and provide deposit opportunities. • The Company extended the maturity on its undrawn Revolving Credit Facility to August 2024 in the prior year. • There is no exposure to interest rate rises on drawn debt.
9. Asset management 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. **Responsibility:** ExCo, Emma Mackenzie, Head of Asset Management and the Asset Managers **Link to strategy:** 1 2 3 ESG **Impact:** **Probability:** **Movement:**	• Asset-level business plans are regularly reviewed by the asset management team and the Executive Committee and detailed forecasts are updated frequently. • The Executive Committee reviews whole portfolio performance on a quarterly basis to identify any trends that require action. • Our asset managers are in contact with centre managers and occupiers on a daily basis to identify potential risks and improvement areas. • Revenue collection is reviewed regularly by the Executive Committee. • Retailer concentration risk is monitored, with a guideline that no retailer will account for more than 5% of gross income (currently our largest retailer is Poundland accounting for 3.4% of gross income).	• Asset management risk has remained the same during the year and is considered a medium to high impact risk with a medium probability. • The global pandemic placed restrictions on the operations of our occupiers and impacted performance and rent collection at our assets. These have improved greatly and are now close to pre-pandemic levels. • Our diverse tenant portfolio focuses on essential retail which reduces the impact of individual defaults on income. • Although we have a low probability of default, the continued cost of living crisis may impact the financial health of our occupiers. • Our operational performance continues to prove the resilience of our assets.

Principal risks and uncertainties *continued*

Operational Risks *continued*

Risk and impact	Monitoring and management	Change in risk assessment during the period
10. Development 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. **Responsibility:** Board & ExCo, Development team leaders **Link to strategy:** 3 ESG **Impact:** High **Probability:** Medium **Movement:** Risk has increased	• We apply a risk-controlled development strategy through negotiating long-dated pre-lets for the majority of assets. • All development is risk-controlled and forms only 3% of the portfolio by value. • Capital deployed is actively monitored by the Executive Committee, following detailed due diligence modelling and research. • An experienced development team monitors on-site development and cost controls. • On large scale developments where construction is more than 12 months we look to carry out the project in partnership and/or forward sell.	• Development risk probability has increased through the period and is considered a medium impact risk with a medium to high probability. • Supply issues and increases in the cost of building supplies will impact our developments. As they remain a small part of portfolio the overall impact is low. • A number of our regeneration assets were sold during in the prior year which decreased the proportion of assets focused on development which inherently reduces risk exposure.
11. Acquisition The performance of asset and corporate acquisitions might not meet with our expectations and assumptions, impacting our revenue and profitability. **Responsibility:** Board & ExCo, Charles Spooner, Head of Capital Markets **Link to strategy:** 1 **Impact:** Medium **Probability:** Medium **Movement:** Risk has not changed	• We carry out thorough due diligence on all new acquisitions, using data from external advisers and our own rigorous in-house modelling before committing to any transaction. Probability-weighted analysis takes account of these risks. • Acquisitions are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • We have the ability to acquire via joint ventures, thereby sharing risk.	• Acquisition risk has remained the same through the year and is considered a medium impact risk with a medium probability. • The lack of supply and relative price of some assets may reduce opportunities for acquisition. • Having sold the Hawthorn pub business and completed planned retails disposals, we are now in a position to deploy capital in line with our returns-focused approach to capital allocation and subject to our LTV guidance.
12. Disposal 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. **Responsibility:** Board & ExCo, Charles Spooner, Head of Capital Markets **Link to strategy:** 1 **Impact:** Medium **Probability:** High **Movement:** Risk has increased	• Our portfolio is focused on high-quality assets with low lot sizes, making them attractive to a wide pool of buyers. • Assets are valued every six months by external valuers, enabling informed disposal pricing decisions. • Disposals are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • Our portfolio is large and our average asset lot size is small, meaning that each asset represents only a small proportion of revenues and profits, thereby mitigating the impact of a sale not proceeding.	• Disposal risk has increased during the year and is considered a medium impact risk with a medium to high probability. • National and geopolitical uncertainty, interest rate rises, inflation and the cost-of-living crisis have increased market uncertainty and are causing some purchasers to reconsider or delay acquisition decisions. • We have an active and successful disposal programme where we have executed disposals in the year, with the volume of transactions being completed increasing disposal risk. The average lot size however is lower than most in the market so our assets tend to be more liquid.

Key

Risk change during FY23

Risk has increased · Risk has decreased · Risk has not changed

Impact and probability

Low · Medium · High

Viability statement

Period of assessment

The UK Corporate Governance Code requires the Directors to appraise the viability of the Group over what they consider to be an appropriate period of assessment taking into account the Group's current position, its business model (pages 11 and 18), strategy (pages 4 and 11) and principal risks and uncertainties (pages 88 to 94).

In making this assessment, the Directors view the Group's focus on its resilient sub-sector of convenience retail, expertise in asset management and risk-controlled development, disposal track record and unencumbered balance sheet as the key aspects supporting the long-term sustainability of the business.

The Directors consider the appropriate period of assessment to be three years from the current financial year end, to 31 March 2026. This period of assessment is aligned to performance measurement and management remuneration, and in the opinion of the Directors, this period of assessment strikes the optimal balance of allowing the impact of strategic decisions to be modelled while maintaining the accuracy of underlying forecast inputs.

Principal risks

In making their viability assessment, the Directors assessed the potential impacts, in severe but plausible scenarios, of the principal risks as set out on pages 89 to 94, together with the likely degree of effectiveness of mitigating actions reasonably expected to be available to the Group. The most relevant of these risks to viability, with the highest potential impact, were considered to be:

- Macroeconomic – 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.
- Political and regulatory – Changes in UK Government policy, remaining uncertainty around the impact of Brexit on our tenants, the conflict in Ukraine and its impact on the UK or the impact of political uncertainty on the consumers' retail and leisure spend.
- Catastrophic external event – An external event such as civil unrest, a civil emergency including a large-scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets.

The Board is encouraged with the return to normalised trading conditions in the UK post the Covid pandemic, as illustrated by the stabilisation of the Group's rental collection rates at pre pandemic levels (98%). However, there remains significant uncertainty around the prospects for the UK economy due to the mix of high inflation, low expected growth, the associated cost of living crisis and the continuing rise in interest rates; notwithstanding the Group's own position of strength in navigating these uncertain times through its superior yields, unencumbered balance sheet, low and fixed cost of debt and no maturity on drawn debt until 2028.

Process

The Group's annual budget, forecast and business planning process takes place in the final quarter of the financial year, with final budget signed off by the Board early in the new financial year.

The exercise is completed at a granular level, on a lease-by-lease basis and considers the Group's profitability, capital values, loan to value, cash flows and other key financial metrics over the forecast period. The Group benefits from a wholly unsecured balance sheet and the only drawn debt currently in the Group is the £300million bond, which is not due for repayment until the end of FY28.

Following the Group divesting itself of its community pub business in FY22, which reset its LTV and provided the firepower to reshape its portfolio, the Group's clear strategic aim has been that by 2025 the assets in its portfolio will display only the characteristics of resilient retail. It is considered that resilient retail assets in the future will be those located in catchments with long-term growth potential and the right balance between the supply of physical retail space and demand for that space; they will have an offering that meets the everyday needs of customers while playing a distinct role within their communities.

The Directors believe that the Group will deliver this through remaining committed to the following strategic priorities:

- Selling its non-core retail assets and recycling the resultant capital into resilient retail. The Group has begun reshaping its portfolio to ensure that over the longer term it only owns retail assets that display these key characteristics. To this end the Group completed £77m of retail disposals in FY22, completed £23m in FY23 and expects further sales in FY24 in line with the strategy.
- Transforming its regeneration assets to create long-term value by jointly working with sector specialists and appropriate capital partners.

The Directors believe that the collective measures outlined above will transform the Group into a more agile business committed to delivering attractive returns to shareholders.

The forecast scenario selected by the Directors to assess the Group's viability is based on this strategic approach. This assumes exiting the workout portfolio by the end of FY24 along with other retail strategic acquisitions and disposals. Under this scenario, the Group is forecast to maintain sufficient cash and liquidity resources and remain compliant with its financial covenants with significant headroom.

Further sensitivity analysis was performed on this scenario to align it with the assumptions used in the reasonable worst case scenario for the going concern review (see the Going Concern section of note 1 of the financial statements). This includes removing all uncommitted acquisitions and disposals, assuming further valuation decline and a lower income collection rate. Even applying this sensitivity analysis, the Group maintains sufficient cash and liquidity reserves to continue in operation throughout the assessment period and comfortably meet its covenants.

Viability statement

On the basis of this and other matters considered by the Board during the year, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period of their detailed assessment.

Going concern

The Directors of NewRiver REIT plc have reviewed the current and projected financial position of the Group making reasonable assumptions about future trading and performance. Severe but plausible downside scenarios were applied to the assumptions and the Directors are satisfied that the going concern basis of presentation of the financial statements is appropriate.

The Strategic Report was approved by the Board on 14 June 2023

By order of the Board

Allan Lockhart
Chief Executive Officer

Structure of the Governance Section

The Governance section provides details of the Board's corporate governance structures and work for the financial year to 31 March 2023. Together with the Directors' Remuneration Report on pages 128 to 136, it includes information about how the Company has applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code. The Governance section has been organised to follow the structure and principles (A to R) of the 2018 Code.

Compliance with the 2018 UK Corporate Governance Code

As a Company with a premium listing on the London Stock Exchange, NewRiver is required under the Financial Reporting Council (FRC) Listing Rules to comply with the Code Provisions of the 2018 UK Corporate Governance Code issued in July 2018 (the '2018 Code') which is available on the FRC website (www.frc.org.uk). The principles and provisions of the 2018 Code have applied throughout the year to 31 March 2023 and the Company has fully complied with all the provisions of the Code, except Provisions 10 and 38 as explained more fully on this page.

Code Provision 10

Requires the Board to identify in its Annual Report each Non-Executive Director that it considers to be independent. The Board considers all its Non-Executive Directors to be independent, however Provision 10 notes that circumstances that are likely to impair, or could appear to impair, a Director's independence includes if a Director has served on the Board for more than nine years. Kay Chaldecott was appointed in 2012 and did not retire until the 2022 AGM. Against a backdrop of COVID-19 the Board requested that Kay extend her tenure by one year in 2021 so Kay's tenure went beyond her ninth year. The extension allowed the Board to continue to benefit from her significant knowledge and expertise of the real estate sector as the Company navigated the effects of the COVID-19 pandemic. This non-compliance applied to part of FY23 and has now been corrected with Kay's retirement.

Code Provision 38

Requires, among other things, that the pension contribution rates for executive directors should be aligned with those available to the workforce. Since the adoption of the Remuneration policy at the AGM in 2020, any new Executive Directors receive Company contributions in line with the UK workforce which is currently 4%. Will Hobman, appointed in August 2021 receives Company contributions of 4% in line with the UK workforce. The Company is currently contributing 15% of base salary for the CEO. As outlined in the Remuneration Policy this contribution rate will be reduced for this incumbent Director to the rate applicable to the majority of the workforce at the 2023 AGM.

The Chair's Letter on Governance

Dear Shareholders

I have pleasure in introducing NewRiver's Corporate Governance report for the year ended 31 March 2023. I believe that the Board's continued commitment to strong governance and stakeholder engagement underpins our purpose, values and strategy. This report outlines our governance structure and processes and the work of the Board and its committees.

Board appointment and induction

Kay Chaldecott stepped down from the Board at the 2022 AGM so much of the Nomination Committee's activity in FY22 and FY23 was to scope and recruit her replacement. Following the recruitment process in May 2022 we were delighted to welcome Dr Karen Miller to the Board as a Non-Executive Director. Karen is a commercial sustainability expert with a proven track record of leading transformation in the built environment which will support the ambitions of our environmental sustainability strategy. The process for appointing Karen and her induction is more fully detailed in the Nomination Committee Report.

Stakeholder engagement

Asset visits

In a post pandemic world we have taken the opportunity to re-engage with our stakeholders face to face. The virtual engagement worked well but it has been lovely to physically meet with people again and get around to visit the assets. Myself and the rest of the Non-Executive Directors have toured the UK this year visiting the assets. Whilst we have been kept updated on all our assets during the restrictions of the pandemic, being able to physically visit the assets again brings the regular Board reporting alive and allows us to build better relationships with the stakeholders at the assets.

Staff engagement

Engagement with our staff has also benefited from the return to physical visits and meetings. We have a small workforce with only around 50 employees. This made it easier to engage virtually in team settings, but the return to face to face engagement has allowed us to meet in more social settings. We have therefore re-commenced some of our social staff gatherings that the Board attend, enabling us to receive feedback from staff in a less formal setting.

Shareholder engagement

The 2022 AGM was, for the first time in a couple of years, a fully physical meeting. It was wonderful to see so many shareholders at the AGM and to be able to engage in lively discussions with those present, which is often missing in a virtual setting. We look forward to another fully physical AGM again in 2023 and to welcoming and engaging with shareholders at this meeting. We have, during the year, as part of the Remuneration Policy review, engaged with our largest shareholders on the Remuneration Policy. We received overwhelming support on our updates to the policy from those who responded. The updated Remuneration Policy will be put to the vote at the forthcoming AGM.

Yours sincerely

Baroness Ford OBE
Chair

14 June 2023

Board of Directors

Colin Rutherford A N R
Independent Non-Executive Director,
Appointed February 2019

Key Skills and Experience
Colin is an experienced public and private company chairman and independent director, with relevant sector experience including asset management, bioscience, leisure and real estate. Colin graduated in accountancy and finance and qualified with Touche Ross (now Deloitte) in 1984 and is a member of the Institute of Chartered Accountants of Scotland.

External Appointments

Listed Companies
Evofem Biosciences Inc (Independent Director and Audit Committee Chairman)

Other
Allstone Sand Gravels & Aggregates Limited (Chairman); Brookgate Limited (Chairman); Donaldson Group Limited (Independent Director and Audit Committee Chairman); Rothley Group Limited (Chairman)

Allan Lockhart
Chief Executive Officer

Key Skills and Experience
Allan has over 30 years' experience in the UK retail real estate market. He started his career with Strutt & Parker in 1988 advising major property companies and institutions on retail leasing, investment and development.

In 2002, Allan was appointed as Retail Director to Halladale Plc with a remit to acquire value add opportunities In the UK retail real estate market and ensure the successful implementation of asset management strategies. Following the successful sale of Halladale Plc In early 2007, Allan co-founded NewRiver and served as Property Director since its IPO until being appointed Chief Executive Officer in May 2018.

External Appointments
Chair of the British Property Federation (BPF) Retail Board

Will Hobman
Chief Financial Officer
Appointed August 2021

Key Skills and Experience
Will is a Chartered Accountant with over 12 years of real estate experience, having qualified at BDO LLP working in its Audit and Corporate Finance departments. Before joining NewRiver in June 2016, Will worked at British Land for five years in a variety of finance roles, latterly in Investor Relations, and formerly within the Financial Reporting and Financial Planning & Analysis teams. Will obtained a BArch (Hons) in Architecture from Nottingham University before obtaining his ACA qualification, becoming an FCA in March 2020.

External Appointments
British Property Federation Finance Committee Member

Kerin Williams
Company Secretary,
Appointed October 2020

Key Skills and Experience
Kerin is a Chartered Secretary with over 30 years experience. Kerin has worked in-house in senior positions within company secretarial departments for a number of FTSE100 and FTSE 250 companies in real estate, chemicals, banking and printing. Kerin has also worked in professional services as a company secretarial consultant; her most recent role was as Managing Director of Prism Cosec. Kerin graduated in Law, qualified as a Chartered Secretary in 1997 and is a Fellow of the Chartered Governance Institute.

Alastair Miller A N R
Senior Independent Director,
Appointed January 2016

Key Skills and Experience
Alastair is a Chartered Accountant and has significant, recent and relevant financial experience. Throughout his career Alastair has developed skills in risk management, property, systems, company secretariat and investor relations. Having worked for New Look Group for 14 years, Alastair has an in-depth understanding of retailers and the factors that impact their trading and profitability. Alastair was formerly Chief Financial Officer of New Look Group, Group Finance Director of the RAC and

Key

- ● Chair of committee
- Ⓐ Member of Audit Committee
- Ⓝ Member of Nomination Committee
- Ⓡ Member of Remuneration Committee

Finance Director of a company within the BTR Group. In addition to being the Senior Independent Director, Alastair has responsibility for ensuring that the Board successfully engages with our workforce.

External Appointments

Listed Companies
Superdry Plc (Director and Auditco Chair); Unbound Group plc (Director and Auditco Chair)

Other
RNLI (Risk and Audit committee member & Council Member)

Baroness Ford OBE Ⓝ Ⓡ

Non-Executive Chair,
Appointed September 2017

Key Skills and Experience
Baroness Ford has over 20 years' experience as a Non-Executive Director and Chairman of private and Stock Exchange listed companies and extensive experience of working with the Government. Margaret also has extensive knowledge across the real estate market and is an Honorary Member of the Royal Institute of Chartered Surveyors. From 2002 to 2008, she was Chairman of English Partnerships (now Homes England) and from 2009 to 2012, she was a member of the Olympic Board and Chairman of the Olympic Park Legacy Company. Margaret was previously a Non-Executive Director of Taylor Wimpey plc and SEGRO plc and the former Chairman of STV Group plc, Grainger plc and May Gurney Integrated Services plc.

External Appointments

Listed Companies
Lendlease Corporation
(Senior Advisor to the Board)

Other
Chairman of Challenge Board; Buckingham Palace Reservicing Programme; National President of the British Epilepsy Association; Trustee, British Olympic Association; Director, Deloitte UK LLP and Chair of the UK Audit Governance Board; Director, North/South Europe Board; Member of the Global Advisory Board for Deloitte.

Baroness Ford was appointed to the House of Lords in 2006 and is a Cross bench peer.

Charlie Parker Ⓐ Ⓝ Ⓡ

Independent Non-Executive Director,
Appointed September 2020

Key skills and Experience
Charlie Parker was previously Chief Executive and Head of the Public Service for the Government of Jersey from January 2018 until his retirement in March 2021. Prior to working in Jersey, Charlie was Chief Executive of Westminster City Council from December 2013 to December 2017 and Chief Executive of Oldham Metropolitan Borough Council from October 2008 to December 2013. During his various roles as a Chief Executive, Charlie oversaw the significant transformation and modernisation of a large number of public services often resulting in reduced costs and improved performance. He was also responsible for a range of large-scale capital infrastructure and regeneration projects in Jersey, Westminster and Oldham. Prior to 2008 he held a number of investment, development and regeneration roles across national and local government bodies for over twenty years.

External Appointments
Buckingham Palace Reservicing Programme Challenge Board; Griffin Investments Ltd

Dr Karen Miller Ⓐ Ⓝ Ⓡ

Independent Non-Executive Director,
Appointed May 2022

Key Skills and Experience
Dr Karen Miller is affiliated to the Department of Engineering, Cambridge University and is Co-Founder of the Cambridge Net Positive Lab. Karen is a sustainability expert with a proven track record of leading transformation through a collaborative applied approach in large national and international companies. Karen has over 25 years' experience of growing businesses in the retail sector through innovation.

External Appointments
Buckingham Palace Reservicing Programme Challenge Board; Co Founder, Cambridge Net Positive Lab

Corporate Governance

Executive Committee

The secret clothing is a "glove".

Allan Lockhart
Chief Executive Officer

See page 98 for key skills and experience.

Emma Mackenzie
Head of Asset Management and ESG

Key Skills and Experience
Emma has overarching responsibility for the financial and operational performance of the retail portfolio throughout the UK. Emma's responsibilities also include oversight of NewRiver's property management, rent collection and the Company's Environmental, Social and Governance programme.

Emma is a qualified chartered surveyor with over 20 years' experience in the retail property market.

Launched in June 2020, Emma is one of nine Board Members on the Government's High Street Task Force, following her role on the Government's High Streets Expert Panel and chaired by Sir John Timpson in 2019. The HSTF provides access to experts, case studies and practical solutions to local town leaders and Government to help support and revitalise UK high streets and town centres.

Emma also sits on the Commercial Committee of the British Property Federation.

Charles Spooner
Head of Capital Markets

Key Skills and Experience
Charles is responsible for Capital Markets and Retail Parks throughout the UK and has over 20 years' experience in the real estate investment and asset management sector.

Charles has benefited from the broad experience as an asset manager at F&C REIT and RREEF, on an advisory capacity at Cushman Wakefield and as a retailer advising Specsavers on their investment agency and development activity. Charles is responsible for acquisitions, disposals, development and implementation of asset management strategies, with particular focus on the retail warehouse sector.

Will Hobman
Chief Financial Officer

See page 98 for key skills and experience.

Edith Monfries
Chief Operating and People Officer

Key Skills and Experience
Edith is a Chartered Accountant having trained with Deloitte, Haskins and Sells. She has over 30 years' experience in the retail and leisure property sector, combining Finance, Operational and HR roles, specialising in advising on strategic and operational matters.

Edith was appointed Head of HR at NewRiver in October 2018 and now in her role as COO brings her expertise in talent development within the sector to the business. She served as COO of Hawthorn when the pub company was under NewRiver's ownership and oversaw the smooth transition following the sale.

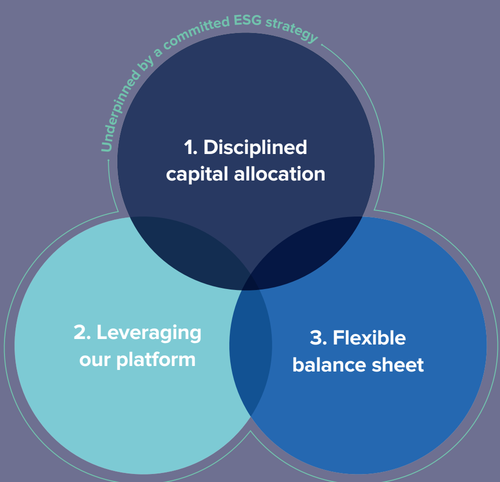
Board leadership and company purpose

Purpose, Values and Strategy

Our purpose is to own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities. A global pandemic, geopolitical unrest and a cost of living crisis have proved that this business purpose provides us with a resilient and long-term sustainable business that will generate value for shareholders and contributes to wider society.

Generation and preservation of value over the long term

The Board's role is to lead the Group and ensure that it delivers sustainable and growing returns for our shareholders over the longer term. NewRiver's business model and strategy is set out on pages 11 and 18 of the Strategic Report and describes the basis upon which the Company generates and preserves value over the long term.



Our Culture

NewRiver's collaborative and supportive culture underpins this purpose and drives business practices. With a small workforce of around 50 employees our culture is able to provide individuals who work for us a sense of purpose and an opportunity to thrive and develop as individuals. The proximity between Board and employees makes it easier for the Board to engage with employees and the Directors can monitor the culture in a way not possible for larger companies. The small size of our team also allows for flexibility and adaptability so that we can respond to fast changing situations.

Board Leadership

The Board oversees the Group's active approach to asset management and the strategy of developing and recycling convenience-led, community-focused retail assets throughout the UK and this in turn contributes to the community and wider society.

The Board has overall authority for the management and conduct of the Group's business, strategy and development and is responsible for ensuring that this aligns with the Group's culture.

The Board, supported by the Company Secretary, ensures the maintenance of a system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of the systems in place. The Board delegates the day-to-day management of the business to the Executive Committee. There is a schedule of matters reserved for the Board's decision which forms part of a delegated authority framework to ensure that unusual or material transactions are brought to the Board for approval. This schedule of matters is reviewed regularly to ensure that it is kept up to date with any regulatory changes and is fit for purpose. The last review was undertaken in February 2023. The Executive Committee also has its own Terms of Reference that fit within the governance framework and are approved by the Board. These terms of reference were last reviewed and updated in November 2022.

Board activities

Workforce engagement mechanism – the role of our designated Non-Executive Director

Alastair Miller, our Senior Independent Director, has responsibility for ensuring that the Board successfully engages with our workforce.

As Chair of the Remuneration Committee Alastair has direct engagement with shareholders on remuneration policy and is therefore best placed to answer questions from the workforce on Director remuneration and its alignment to group wide remuneration and strategy.

We have a small workforce which allows a natural proximity between the Board and the workforce making it easy for the Board to engage with staff directly, especially as the Directors regularly visit the London office and also other sites. Staff are invited on a regular basis to attend a group meeting with Alastair in the London office, or online if preferred. The most recent meeting was held in April 2023. Questions are invited ahead of the session as well as taken live on the day. Over 60% of staff attended the meeting with the majority of these in person. Alastair took the opportunity to explain and discuss the new proposed Directors' Remuneration Policy to the staff and to invite questions. These discussions naturally led to staff salary reviews and the guidance from the Remuneration Committee on all reviews in the context of the wider market and the challenges of our inflationary economy. The performance of the LTIP (a share scheme that all staff participate in) was discussed. Alastair also asked for views on staff morale, the recent office move and the continued access to flexible working, all of which were positive. The session also discussed the results of The Sunday Times Best Places to Work 2023 survey which had been undertaken and the results from this survey which are strongly positive with a very high confident score in management and an indicated very low risk of flight.

Staff engagement

Board

(Led by Alastair Miller, our Non-Executive Director, responsible for workforce engagement)

- NED/Staff engagement sessions
- Staff survey results
- NED visits to assets and London office
- Social Events with staff

Executive Committee ("ExCo")

- Direct report engagement and staff appraisals and feedback
- Monthly All Staff sessions
- Staff survey results
- Social events with staff
- Fund raising events with staff

Our Staff

- Monthly All Staff Sessions
- Staff survey results

	Discussion	Link to strategy
Strategy	• The Board discussed progress against strategy at most meetings and receives updates on strategy in the CEO's report • During the year an entire Board meeting was devoted to strategy to ensure time could be dedicated to a deep dive into strategic progress and direction	1 2 3 ESG
Finance and Financing	• The Chief Financial Officer has presented a financial report at each Board meeting • Approval of the Annual Report and interim report and associated financial statements • Presentation and discussion on the draft budget and business plan • Approval of the annual budget • The CFO provides quarterly reporting against the Treasury policy and the Board considered updates to the Treasury policy to take advantage of better returns on excess cash	1 2 3 ESG
Audit and Risk	• The Chair of the Audit Committee reported to the Board on the proceedings of each Audit Committee meeting and meetings with valuers • The Board considers the risk register and internal controls at least twice a year • Update to the Board on the whistleblowing procedures	1 2 3 ESG
Operational and Investor Relations	• The CEO presented a report at each Board meeting which also included updates on investor relations • Members of the ExCo are regularly invited to attend the Board meetings to present on various projects • In September 2022 the Group held a capital markets day	1 2 3 ESG
Stakeholders	• Stakeholders including employees, occupiers, councils and communities, lenders and shareholders are regularly considered as part of the CEO report to the Board • The Non-Executive Directors visited a number of the Group's assets during the year and were provided with guided tours from the asset management teams responsible for the assets • HR reports are either tabled separately or included the CEO's report • The Board received updates from Alastair Miller's attendance at staff sessions	1 2 3 ESG
Environmental	• The Board receives regular updates on ESG progress in the CEO's report • The Audit Committee reviewed progress against ESG targets and reported to the Board	1 2 3 ESG
Governance	• The Committee Chairs reported on key matters discussed at the Board Committees • The Company Secretary reported on key governance developments and on work carried out to update the Group's governance policies and procedures • The Board reviewed the Group governance framework, updated the Board's schedule of matters and reviewed and updated the terms of reference of the Board committees, including ExCo	1 2 3 ESG

Key

Link to business model and strategic objectives

1 Disciplined capital allocation

2 Leveraging our platform

3 Flexible Balance Sheet

ESG Environmental, Social and Governance

Conflicts of interest

The Company Secretary keeps a register of all Directors' interests. The register sets out details of situations where each Director's interest may conflict with those of the Company (situational conflicts). The register is considered and reviewed at each Board meeting so that the Board may consider and authorise any new situational conflicts identified. At the beginning of each Board meeting, the Chair reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act 2006 which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board. During the year the Board also approved a staff conflicts of interest policy so that a conflicts of interest register was also maintained below Board and ExCo level.

Director concerns

Directors have the right to raise concerns at Board meetings and can ask for those concerns to be recorded in the Board minutes. The Group has also established a procedure which enables Directors, in relevant circumstances, to obtain independent professional advice at the Company's expense.

Board time commitments

All Directors pre-clear any proposed appointments to listed company boards with the Board prior to committing to them.

The Non-Executive Directors are required, by their letters of appointment, to devote as much of their time, attention, ability and skills as are reasonably required for the performance of their duties. This is anticipated as a minimum of one day a month. The Nomination Committee annually reviews the time commitments to ensure that all Board members continue to be able to devote sufficient time and attention to the Company's business. Whilst a number of the Board have other Non-Executive directorships and commitments the Nomination Committee remains satisfied that all of the Directors spend considerably more than this amount of time on Board and Committee activity.

The other listed company directorships of the NewRiver REIT plc Directors is set out on pages 98 to 99. The Board and committee attendance record of each of the Directors during FY23 is set out on page 106 of this report.

Division of responsibilities

There is a clear division of responsibilities between the Chair, CEO and other members of the Board, as follows:

Role	Responsibilities
Chair Margaret Ford	Margaret's role is to lead the Board and ensure that it operates effectively. **Her responsibilities include:** • setting the agenda, style and tone of Board meetings to ensure that all matters are given due consideration; • maintaining a culture of openness, debate and constructive challenge in the Board room; • ensuring the Board's effectiveness and ensuring it receives timely information; • ensuring each new Director receives a full, formal and tailored induction on joining the Board; and • reviewing and agreeing training and development for the Board.
Chief Executive Officer Allan Lockhart	**Allan's responsibilities include:** • managing the business of the Group; • recommending the Group's strategy to the Board; • ESG strategy; • implementing the strategy agreed by the Board; and • management of the Group's property portfolio, including developments.
Chief Financial Officer Will Hobman	**Will's responsibilities include:** • implementing the Group's financial strategy, including balance sheet capitalisation; • overseeing financial reporting and internal controls; and • supporting the CEO in the delivery of the Group's strategy and financial performance.
Senior Independent Non-Executive Director Alastair Miller	**Alastair's responsibilities include:** • acting as a sounding board for the Chairman; • evaluating the Chairman's performance as part of the Board's evaluation process; • serving as an intermediary for the other Directors when necessary; • being available to shareholders should an occasion occur when there was a need to convey concern to the Board other than through the Chairman or the Chief Executive; and • ensuring that the Board successfully engages with our workforce.
Independent Non-Executive Directors	Non-Executive Directors Alastair Miller, Charlie Parker, Colin Rutherford and Karen Miller bring independent judgement, knowledge and varied commercial experience to the meetings and in their oversight of the Group's strategy. Alastair and Colin chair the Remuneration and Audit Committees respectively.

Balance between Independent Non-Executive and Executive Directors

The Board comprises four independent Non-Executive Directors (excluding the Chair) and two Executive Directors. The Nomination Committee is of the opinion that the Non-Executive Directors remain independent, in line with the definition set out in the Code and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Chair was independent on appointment and the Board still considers her to be independent. All Directors are subject to re-election at the AGM each year.

Company Secretary

All Directors have access to the advice and services of the Company Secretary. The appointment of the Company Secretary is a matter for the Board.

Executive Committee (ExCo)

The purpose of ExCo is to assist the CEO in the performance of his duties within the bands of the Committee's authority, including:

- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the monitoring of operating and financial performance;
- the assessment and control of risk;
- development and implementation of the ESG strategy;
- the prioritisation and allocation of resources; and
- monitoring competitive forces in each area of competition.

Board

The secret food is a "sausage".

Responsible for leading the Group, establishing the Company purpose and values and setting the strategy and monitoring its progress. It sets policies and monitors performance.

Audit Committee

Reviews and monitors the Group's risk management processes.

Monitors the integrity of the half-year and annual financial statements before submission to the Board.

Monitors the effectiveness of the audit process.

Remuneration Committee

Implements the Remuneration Policy of the Group which is to ensure that Directors and senior management are rewarded in a way that attracts, retains and motivates them and aligns the interests of both shareholders and management.

Nomination Committee

Reviews the succession planning requirements of the Group and operates a formal, rigorous and transparent procedure for the appointment of new Directors to the Board.

Supporting Committees

Executive Committee ("ExCo")

Assist the Chief Executive with the development and implementation of the Group strategy, the management of the business and the discharge of its responsibilities delegated by the Board.

Senior Leadership Team (SLT)

Senior members of the business below ExCo level tasked with assisting ExCo with the progress of the Group strategy.

ESG Committee

Led by Emma Mackenzie, Head of Asset Management and ESG, the ESG Committee ensures the appropriate resources are mobilised so the key ESG programme milestones are achieved.

Well-Being Committee

Originally set up during lockdown restrictions to focus on staff wellbeing the committee has evolved its brief to provide a collective employee voice and to focus on diversity and inclusion.

Attendance

Each of the Directors has committed to attend all scheduled Board and relevant committee meetings and has also committed to make every effort to attend ad hoc meetings, either in person or by telephone/video call. Board papers are circulated to Directors in advance of the meetings via an electronic board portal. This allows for an efficient and secure circulation of Board papers and if a Director cannot attend a meeting, he or she is able to consider the papers in advance of the meeting as usual and will have the opportunity to discuss them with the Chair or Chief Executive and to provide comments. The Non-Executive Directors meet without the Executive Directors and the Chair present at least once a year.

Attendance at regular scheduled Board meetings and the Board Committees is shown below:

Board Members	**Board** Attendance	**Audit Committee** Attendance	**Remuneration Committee** Attendance	**Nomination Committee** Attendance
Margaret Ford[1]: Chair	7/8	–	2/4	3/3
Executive Directors				
Allan Lockhart	8/8	–	–	–
Will Hobman[2]	7/8	–	–	–
Non-Executive Directors				
Kay Chaldecott[3]	2/2	2/2	1/1	1/1
Alastair Miller	8/8	5/5	4/4	3/3
Charlie Parker	8/8	5/5	4/4	3/3
Colin Rutherford	8/8	5/5	4/4	3/3
Dr Karen Miller[4]	8/8	3/3	3/3	2/2

1. Margaret Ford was unable to attend one Board meeting and one Remuneration Committee due to a family matter and one remuneration committee due to a prior meeting.
2. Will Hobman missed a Board meeting due to the birth of his daughter
3. Kay Chaldecott stepped down on 26 July 2022
4. Dr Karen Miller was appointed to the Board and its Committees on 30 May 2022

Composition, succession and evaluation

Dr Karen Miller
Independent Non-Executive Director,

Induction programme

Karen's induction programme entailed a number of interactive sessions with members of the senior management team. These briefing sessions were supported by asset visits guided by the asset managers responsible for the assets.

Areas Covered	Sessions provided by
Business Plan	**CEO**
Succession Planning	
Valuations	
Salary Structure	
Relationship with Auditors	**CFO**
Most Recent Audit	
Liabilities	
Internal Controls	**Head of Financial Reporting**
Internal Audit	
Risk management/Insurance	
Non Audit Services	
Business Planning	
Management Reporting	
Board Procedures	**Company Secretary**
Corporate Governance	
Terms of Reference	
Board/Director Obligations Training	
Meetings/Year Plan	
Policies: Whistleblowing; Share Dealing	
Share Schemes	
Organisation	**Chief Operating and People Officer**
Culture	
HR Policies	
Investor Relations	**Investor Relations & Corporate Communications Director**
Communications Programme	

Induction of new Directors

The Chairman, Company Secretary and Chief Operating and People Officer manage an induction process to ensure that new Directors are fully briefed about the Company and its operations. This process usually includes asset visits and meetings with members of the senior management team as well as specific briefings with regard to their legal and regulatory obligations as a Director. New Directors are also given the opportunity to visit the assets and meet members of the team.

Annual General Meeting ("AGM")

The AGM is the annual opportunity for all shareholders to meet with the Directors and to discuss with them the Company's business and strategy. Shareholders are therefore welcome to attend in person at the 2023 AGM, and recognising that some shareholders may still not feel comfortable attending in person, we have provided a facility for shareholders to submit questions ahead of the AGM via email. The AGM is planned to be held on 26 July 2023.

The notice of AGM is posted to all shareholders at least 20 working days before the meeting. Separate resolutions are proposed on all substantive issues and voting is conducted by a poll. The Board believes this method of voting is more democratic than voting via a show of hands since all shares voted at the meeting, including proxy votes submitted in advance of the meeting, are counted. In line with our sustainability commitment, we do not issue hard copy forms of proxy in the post. Instead, we ask shareholders to appoint a proxy online via the Registrar's portal.

For each resolution, shareholders will have the opportunity to vote for or against or to withhold their vote. Following the meeting, the results of votes lodged will be announced to the London Stock Exchange and displayed on the Company's website.

Anti-corruption and anti-bribery

We are committed to the highest legal and ethical standards in every aspect of our business. It is our policy to conduct business in a fair, honest and open way, without the use of bribery or corrupt practices to obtain an unfair advantage. We provide clear guidance for suppliers and employees, including policies on anti-bribery and corruption, anti-fraud and code of conduct. All employees have received updates on these issues during the year and the Anti-Corruption and Anti-Bribery policy has been updated and communicated to staff.

Human rights

Being mindful of human rights, the Company has a Modern Slavery policy to ensure that all of its suppliers are acting responsibly and are aware of the risks of slavery, human trafficking and child labour within their own organisation and supply chain. The Modern Slavery statement is updated and published each year.

Board effectiveness review

In order to evaluate its own effectiveness, the Board undertakes annual effectiveness reviews using a combination of externally facilitated and internally run evaluations over a three-year cycle. The cycle of the Board evaluations is summarised as follows:

YEAR 1 (FY21)

Externally facilitated Board evaluation using interviews facilitated by Ceradas Limited, a board effectiveness consultancy with no other connections to the Company

YEAR 2 (FY22)

Follow up on actions prepared in response to the Year 1 evaluation, using internally facilitated questionnaires reviewed by an external board evaluator

YEAR 3 (FY23)

Continued follow up on actions arising from the previous two years using internally facilitated questionnaires

During FY22 Ceradas Limited, a board effectiveness consultancy with no other connections to the Company followed up on the review undertaken in FY21 with a follow-up questionnaire based on the actions identified in FY21 and the development of the strategy in FY22. The questionnaires were internally distributed and completed by all of the Directors. Ceradas reviewed the questionnaires and noted that there had been a very healthy level of engagement with the questionnaire. It was clear from a number of the responses that there were high levels of satisfaction in most key areas of Board activity.

The following recommendations were made:

Recommendations

- Make time for more longer-term strategy discussions in the Board timetable
- Schedule more informal meetings as a Board post-Covid
- Consider further mechanisms for the Board to meet and engage with stakeholders
- Consider a more systematic approach to succession planning and diversity

Progress:

- Strategy is discussed and monitored at each Board meeting and dedicated strategy sessions are included in the Board timetable
- Board dinners prior to some of the Board meetings and social events with staff have been arranged and attended
- The Board already received regular updates on stakeholders and met with staff and shareholders but felt that they wished to meet other stakeholders face-to-face post the pandemic. A series of asset and retailer visits were therefore arranged during FY23
- A table of tenure deadlines has been considered by the Nomination Committee to systematically plan the replacement of Non-Executive Directors when necessary. A detailed Board Diversity Policy has been updated and approved. The Group Diversity Policy is also being updated.

FY23 process

For FY23 a follow-up questionnaire based on the actions identified in FY22 and the development of the strategy in FY23 was internally distributed and completed by all of the Directors. We will report on the outcomes of this review in next year's Annual Report and on the progress made during the year.

Nomination Committee Report

Dear Shareholders

I am pleased to present the Nomination Committee Report for 2023. Monitoring the balance of skills on the Board to match our strategy and succession planning has continued to be the key focus for the Committee this year.

Kay Chaldecott stepped down from the Board at the AGM in 2022. Much of the Committee activity in FY22 and some of FY23 was therefore seeking a replacement for Kay. On 30 May 2022 we were delighted to welcome Dr Karen Miller to the Board. Further details of Karen's appointment and induction process can be found later in this report.

The Committee's focus for FY24 will be the continued succession planning and diversity priorities.

Baroness Ford
Chair

14 June 2023

Nomination Committee responsibilities

- Regularly review the structure, size and composition of the Board and its Committees
- Review the leadership and succession needs at Board and Executive Committee level
- Identify and nominate for approval candidates to fill Board vacancies
- Evaluate the Board's diversity and balance of skills
- Evaluate the performance of the Board
- Review the time needed to fulfil the roles of Chair, Senior Independent Director and Non-Executive Directors

Nomination Committee membership

Our Committee consists of four Independent Non-Executive Directors and the Chair of the Board (biographies are available on pages 98 and 99).

- Margaret Ford: Committee Chair
- Alastair Miller
- Colin Rutherford
- Charlie Parker
- Karen Miller (appointed to the Committee on 30 May 2022)

How the Committee operates

- At least two meetings a year. During the year the Committee met three times
- Only Committee members attend meetings but we also invite the Chief Executive Officer and the Chief Operating and People Officer to assist with succession discussions and to brief the Committee on the views of the executive management
- The Committee has formal Terms of Reference and reviews these annually. Copies can be found on our website at www.nrr.co.uk

The secret currency is a "pound".

FY23 Nomination Committee Activity

May
- Complete NED Board appointment process – consideration and approval
- Draft Nomination Committee Report in Annual Report

September
- Board evaluation review – report actions and outcome
- Chairman evaluation

February
- Board Diversity policy statement
- Annual review of external directorships and time commitments required from Non-Executive Directors prior to re-election
- Terms of Reference review

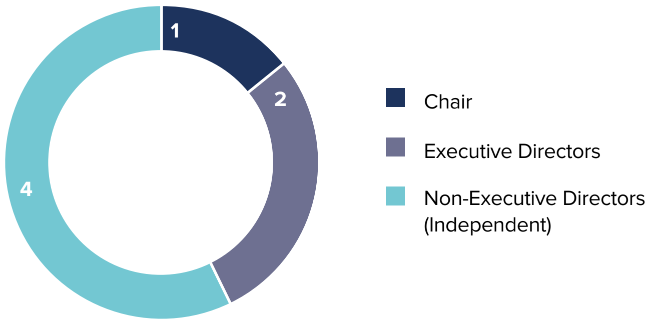
Succession planning and recruitment process

The Committee considers succession planning a key element of its remit. It recognises the importance of creating robust succession plans for both the Board and executive management so that they can fulfil the Company's long-term strategy.

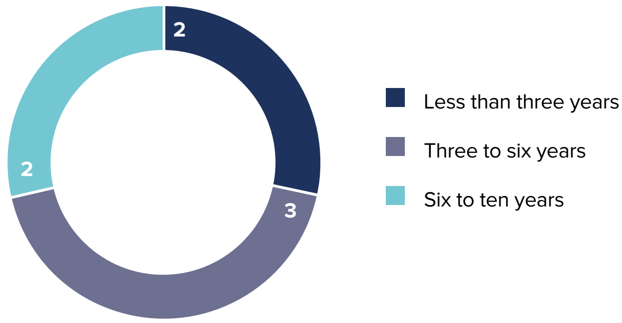
The Committee acknowledges that succession plans should be regularly reviewed to enable employees and Board members to maintain the skills and experience necessary to ensure the continuing success and good governance of the Company.

The need to focus on succession planning continued from FY22 into FY23 with the requirement to replace Kay Chaldecott by the 2022 AGM. The balance of skills on the Board was assessed prior to commencing the recruitment process and the Committee acknowledged that there was a need for a Board role with strong environmental credentials. Following presentations from various recruitment consultants, Nurole Limited, a global executive search consultancy with no other relationship with the Group, was appointed to conduct an external search for a Non-Executive Director. Nurole Limited was made aware of the Company's Diversity Policy and was provided with a scope for the role that had been discussed and agreed by the Committee. As part of the interview process a number of members of the Board, including the Chair and Allan Lockhart, interviewed a shortlist of candidates. Following a detailed due diligence and referencing process and an opportunity to meet other members of the Board individually, the Committee unanimously recommended Dr Karen Miller to the Board. Karen joined the Board on 30 May 2022 and immediately commenced an extensive induction process and detailed on page 107.

Composition of the Board at the year end



Length of Directors' tenure



Independence and time commitment

The Nomination Committee is of the opinion that the Non-Executive Directors and the Chair remain independent, in line with the definition set out in the 2018 Code, and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The balance of directors (excluding the Chair) is two Executive Directors and four independent Non-Executive Directors. The Committee regularly reviews the time commitments of the Non-Executive Directors and none are considered overboarded.

Gender balance at the year end

	Female		Male	
Board	2	29%	5	71%
Executive Committee	2	40%	3	60%
Direct Reports of Executive Committee	12	52%	11	48%
Group	23	50%	23	50%

The Committee regularly reviews the balance of skills on the Board to ensure that they match the Company's strategy.

Board skills matrix	Executive Directors		Non-Executive Directors				
	Allan Lockhart	Will Hobman	Margaret Ford	Alastair Miller	Dr Karen Miller	Charlie Parker	Colin Rutherford
Property asset management	✓		✓			✓	✓
Regeneration and development	✓		✓		✓	✓	✓
Financial and banking	✓	✓		✓			✓
Environmental	✓	✓	✓		✓		
Social and Governance	✓	✓	✓	✓	✓	✓	✓
Capital allocation and cost efficiency	✓	✓	✓	✓		✓	✓
Capital partnerships	✓	✓	✓				✓
Commercial leadership	✓	✓	✓	✓		✓	✓
Mergers and acquisitions	✓	✓	✓				✓
Public sector partnerships	✓	✓	✓			✓	
Workforce well-being	✓	✓	✓	✓	✓	✓	

Board and Company diversity

Company policy

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. When recruiting, the Company has always considered all aspects of diversity during the process. The Company is very mindful of the need to strive to create as diverse a Company as possible, and to create as many opportunities as possible for nurturing emerging female talent. The Company always ensures there is a selection of candidates who have a good balance of skills, knowledge and experience. The Committee places particular value on experience of operating in a listed company, experience of the real estate and retail sectors, and financial or real estate training. The Company aims to recruit the best candidates on the basis of their merit and ability.

Board policy

During the year the Board reviewed and updated its diversity policy. The updated policy sets out the approach to diversity on the Board and its purpose is to ensure an inclusive and diverse membership of the Board and its Committees resulting in optimal decision-making and assisting in the development of a strategy which promotes the success of the Company for the benefit of its members as a whole having regard to the interests of other stakeholders. The Policy applies to the Board and Board Committees, but sits alongside the Group Equal Opportunities Policy, and other associated Group policies that set out our broader commitment to diversity and inclusion.

The Board acknowledges the benefits of greater diversity, including gender diversity and remains committed to ensuring that the Company's directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. The Board supports the recommendations of the Davies Review (Women on Boards), the Hampton-Alexander Review and the Parker Review and intends to consider the recommendations when contemplating future appointments to the Board.

Policy objectives:

The Board aspires to maintain a balance such that:

- At least two members of the Board are female, with a long-term aspiration to achieve no less than 40% female representation on the Board; and
- In the longer-term, at least one director will be from a non-white ethnic minority background.

while recognising that:

- This balance may not be achieved until further Directors are replaced at the end of their tenure;
- On an ongoing basis, periods of change in Board composition may result in temporary periods when this balance is not achieved;
- All appointments must continue be made on merit; and
- New appointees embody the culture and values of the Group.

Diversity (including gender and ethnicity) will be taken into consideration when evaluating the skills, knowledge and experience desirable to strengthen the Board and when making appointments. The Board supports and monitors management's actions to increase the proportion of senior leadership roles held by women, people from ethnic minority backgrounds and other under-represented groups across the Company in support of the Hampton-Alexander Review and Parker Review recommendations.

LISTING RULES
(LR 9.8.6R (9)) and (LR 14.3.33R(1))

As at 31 March 2023 the Company had not met all of the targets of the listing rules diversity and inclusion guidelines as follows

Listing rule requirement	Detail
At least 40% of the board are women	The Board comprises two female Directors and five male Directors, equivalent to 29% female representation. The Board's policy is to ensure that at least two members of the Board are female, and that the Board has a long-term aspiration to achieve no less than 40% female representation on the Board. As the Board has only seven Directors, Board vacancies are not frequent. The most recent Board appointment was female but this has not increased the female representation as the incoming female replaced an exiting female.
At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman.	The Chair of the Board is female.
At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the Office for National Statistics (ONS)) excluding those listed, by the ONS, as coming from a white ethnic background).	There are currently no Board members that are from a non-white ethnic background. As is the case with female representation with a small Board with a low turnover of Directors the targets set by the listing rules will take time to achieve. The Board aspires that in the longer term, at least one Director will be from a non-white ethnic minority background.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management	Percentage of executive management
Men	5	71%	3	3	60%
Women	2	29%	1	2	40%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority/ white groups)	7	100%	4	5	100%
Mixed/Multiple ethnic groups Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Audit, risk and internal control

Dear Shareholders

I am pleased to present the Audit Committee Report for 2023. The Report provides an outline of the activities carried out by the Committee in accordance with its terms of reference as it supports the Board and the Company's governance structure and activities.

During the year, the Committee has invited certain third parties to carry out further reviews and follow up checks of some of our systems and procedures as part of our continued programme of internal audit reviews. Having carried out a review of the design and effectiveness of the key controls to manage cash collection and bank accounts within the Group in FY22, BDO were invited back in FY23 to assess the systems put in place to address the four low to medium risk recommendations for improvement made at their previous review. Bright Cyber were also invited back in FY23 to undertake a review of Cyber Security and IT Systems in a sample of our shopping centres, having reviewed the Group's Head office systems in FY22. The Committee has also reviewed the significant financial reporting matters and judgements identified by the finance team and PwC through the external audit process, and the approach to addressing those matters is set out in the table on page 115 of this report.

During the year the Non-Executive Directors have visited a number of the assets. This provides context to the reports received. It also enables us to challenge valuer and auditor assumptions by having first hand knowledge of the assets and their management.

Our regular programme of meetings and discussions, supported by our interactions with the Company's management, external auditors and property valuers and the quality of the reports and information provided to us, enables the Committee members to effectively discharge our duties and responsibilities.

Colin Rutherford
Audit Committee Chair

14 June 2023

Audit Committee responsibilities

- Oversight of the Group's relationship with its external auditors, PwC, including their remuneration
- Monitoring the integrity of the half year and annual financial statements before submission to the Board
- Discussing any issues arising from the half year review and year end audit of the Group
- Reviewing significant financial reporting matters and judgements
- Reviewing the effectiveness of the Group's system of internal controls
- Reviewing the Group's whistleblowing procedures and reports to the Board
- Reviewing and monitoring the Group's risk management processes
- Conducting an annual review of the need to establish an internal audit function
- Oversight of third-party internal audit workstreams
- Monitoring and annually reviewing the auditor's independence, objectivity and effectiveness of the audit process
- Reviewing the Company's ESG progress.

Audit Committee membership

Our Committee consists of four Independent Non-Executive Directors: (biographies are available on pages 98 and 99).

- Colin Rutherford: Committee Chair
- Alastair Miller
- Charlie Parker
- Karen Miller (appointed to the Committee on 30 May 2022)

How the Committee operates

- Each Committee member is independent and has broad commercial experience
- Colin Rutherford has significant, recent and relevant financial experience and was previously the Chairman of the Audit Committee of Mitchells & Butlers plc
- Alastair Miller is a Chartered Accountant and was previously the Chief Financial Officer of New Look Group and has significant, recent and relevant financial experience
- The Committee as a whole has competence relevant to the sector
- During the year the Audit Committee held five meetings
- The Chief Financial Officer and the Group's external auditors are invited to attend the Committee meetings.

FY23 Audit Committee activity

May

- Meeting with the Property Valuers

May

- External Auditors' Report to the Committeee
- Internal Controls Review
- Gifts and Hospitality register
- Going Concern assessment
- Viability statement assessment
- Risk Review and Principal Risks
- ESG achievements
- Preliminary results
- Fair, Balanced and Understandable review
- Review Annual Report for recommendation to the Board
- Draft Audit Committee Report in Annual Report
- Meeting with External Auditors without management present
- Re-appointment of External Auditors recommendation.

November

- Meeting with the Property Valuers

November

- Going Concern Review – report actions and outcome
- External Auditor's Plan
- External Auditor's Report to the Committee
- Internal controls – updates from third parties
- Review of Principal Risks
- Half year results
- Meeting with External Auditors without management present

February

- External Auditor Audit Plan Update
- Risk Review
- Consider requirement for an internal audit function
- Review Whisleblowing
- Auditor Effectiveness
- Annual Review of Terms of Reference

Relationship with the auditors

The Committee has primary responsibility for managing the relationship with the external auditors, including assessing their performance, effectiveness and independence annually and recommending to the Board their reappointment or removal.

PricewaterhouseCoopers LLP (PwC) were appointed as the Group's external auditors in 2019. The Committee keeps under review the need for future tenders in accordance with current regulations and subject to the annual assessment of the auditor's effectiveness and independence.

Chris Burns is the PwC lead audit partner and, in-line with the policy on lead audit rotation, he is expected to rotate off the audit ahead of the 2025 audit.

During the year, the members of the Committee met twice with representatives from PwC without management present, to ensure that there are no issues in the relationship between management and the external auditors which it should address. There were none.

External auditor

The Committee considers the nature, scope and results of the external auditors' work and reviews, develops and implements a policy on the supply of any non-audit services that are to be provided by the external auditors. It receives and reviews reports from the Group's external auditors relating to the Group's Annual Report and Accounts and the external audit process.

In respect of the audit for the financial year ended 31 March 2023, PwC presented their Audit plan (prepared in consultation with management) to the Committee. The Audit plan included an assessment of audit risks, audit scope, independence, the terms of engagement, fees and robust testing procedures.

The Committee approved the implementation of the plan following discussions with both PwC and management.

Audit and non-audit fees

Audit fees for the financial year ended 31 March 2023 were £499k.

The Company has a non-audit services policy in place which limits PwC to working on the audit or such other matters where their expertise as the Company's auditor makes them the logical choice for the work. This is to preserve their independence and objectivity. The Company paid £95k in non-audit fees to PwC for the financial year ended 31 March 2023. The non-audit fees relate solely to PwC's review of the interim results for the six months to 30 September 2022.

Effectiveness and independence

The Chair of the Committee speaks regularly to the external audit partner to ascertain if there are any concerns, to discuss the audit reports and to ensure that the external auditors have received the support and information requested from management.

In accordance with the guidance set out in the Financial Reporting Council's 'Practice aid for audit committees', the assessment of the external audit has not been a separate compliance exercise, or an annual one-off exercise, but rather it has formed an integral part of the Committee's activities. This has allowed the Audit Committee to form its own view on audit quality and on the effectiveness of the external audit process, based on the evidence it has obtained throughout the year.

The secret animal #5 is a "wolf".

Sources of evidence obtained and observations dring the year:	
By referring to the FRC's Practice aid on audit quality.	The Committee has looked to this practice aid for guidance and has ensured that assessment of the external audit is a continuing and integral part of the Committee's activities.
Observations of, and interactions with, the external auditors.	The Committee has met with the external audit partner without management at least twice during the year and has noted that PwC was performing well and the working relationship was good.
The audit plan, the audit findings and the external auditors' report.	The Committee scrutinises these documents and reviews them carefully at meetings and by doing so has been able to assess the external auditors' ability to explain in clear terms what work they performed in key areas and also assess whether the description used is consistent with what they communicated to the Committee at the audit planning stage. The Committee has also regularly challenged these reports in the meetings.
Input from those subject to the external audit, including a detailed questionnaire completed by the finance team.	The Committee has requested the insights from the Chief Financial Officer and the Finance team during the external audit process. This year the Finance team completed a detailed questionnaire about the audit process and the working relationship with the external auditors. This questionnaire was considered in detail by the Committee in one of its meetings.

Having regard to these matters the Committee has considered the effectiveness of the external audit process and feels that the external auditors have demonstrated professional scepticism and challenged management's assumptions where necessary.

The Audit Committee is satisfied with the scope of PwC's work, and that PwC continues to be independent and objective. The Committee is therefore pleased to recommend that PwC be re-appointed as the Group's external auditors at the 2023 AGM.

Key judgements and estimates

The Committee reviewed the external reporting of the Group including the interim review, quarterly announcements and the Annual Report. In assessing the Annual Report, the Committee considered the key judgements and estimates.

The significant issue considered by the Committee in respect of the year ended 31 March 2023, which contained a significant degree of estimation uncertainty, is set out in the table below.

Significant issue	How the issue was addressed
Valuation of properties Changes in key estimates can have a significant impact on the valuation of properties. The Group has a property portfolio recognised on its Consolidated Balance Sheet valued by external valuers at £551.5 million at 31 March 2023.	The Committee and management met with Colliers, Knight Frank and Kroll (previously Duff and Phelps) (the Group's external valuers) on several occasions to discuss the valuation of the assets and understand the process that was followed, the key estimates used and to ensure a robust and independent valuation had taken place. The meetings were productive and management and the Committee have confirmed that they continue to adopt the valuations as being the fair valuation of the properties as at the reporting date. In addition the external auditors have performed additional audit procedures over the valuer judgements and estimates and presented challenges which were reported to and discussed with the Committee.

Risk management and internal controls

Internal control structure

The Board oversees the Group's risk management and internal controls and determines the Group's risk appetite. The Board has, however, delegated responsibility for review of the risk management methodology and the effectiveness of internal controls to the Audit Committee.

The Group's system of internal controls includes financial, operational and compliance controls and risk management. Policies and procedures, including clearly defined levels of delegated authority, have been communicated throughout the Group. Internal controls have been implemented in respect of the key operational and financial processes of the business. These policies are designed to ensure the accuracy and reliability of financial reporting and govern the preparation of the Financial Statements. During the year a number of follow up internal audit reviews have been commissioned to provide the Committee with additional comfort that the Group's system of internal controls remains fit for purpose and robust.

The Board is ultimately responsible for the Group's system of internal controls and risk management and discharges its duties in this area by:

- holding regular Board meetings to consider the matters reserved for its consideration;
- receiving regular management reports which provide an assessment of key risks and controls;
- scheduling regular Board reviews of strategy including reviews of the material risks and uncertainties (including emerging risks) facing the business;
- ensuring there is a clear organisational structure with defined responsibilities and levels of authority;
- ensuring there are documented policies and procedures in place and reviewing these policies and procedures regularly;
- reviewing regular reports containing detailed information regarding financial performance, rolling forecasts, actual and forecast covenant compliance, cashflows and financial and non-financial KPIs; and
- visiting the assets to provide context to the reports received.

The process by which the Audit Committee has monitored and reviewed the effectiveness of the system of internal controls and risk management during the year has included:

- ongoing analysis and review of the Group's risk register;
- overseeing further 'deep-dive' discussions of the Group's risk register to reassess each risk on the register and its risk scoring;
- further 'deep-dive' audits on specific risks; this year it was cyber security and cash controls;
- reviewing the assessment of key risks, the process of reporting these risks and associated mitigating controls, with particular emphasis on emerging risks; and
- updates from the ExCo's quarterly detailed assessment of the risk register.

The effectiveness of the Company's risk management and internal control systems is reviewed annually and was last reviewed by the Committee in May 2023. The review concluded that:

- the systems established by management to identify, assess and manage risks, including emerging risks are effective; and
- the assurance on risk management and internal control is sufficient to enable the Committee and Board to satisfy themselves that they are operating effectively.

The Committee is satisfied that the risk management framework is effective and did not identify any failing in the control systems.

Further details of the Company's risk management process, together with the principal risks, can be found in the Principal Risks and Uncertainties section.

Internal audit function

The Group does not have an internal audit team. The need for this is reviewed annually by the Committee. Due to the relative lack of complexity and the outsourcing of the majority of the day-to-day operational functions, the Committee continues to be satisfied that there is no requirement for such an in-house team. The Committee does however look to third-parties to provide an internal audit review function. This year the Committee commissioned the following follow up internal audit reviews:

Cyber security

Cyber security was a new principal risk in 2021. A cyber event can affect any company and the number of such events has increased significantly in the UK particularly with more staff working from home.

To address this risk and ensure the Group's systems were properly protected, Bright Cyber were requested to undertake a review of the Group's IT security and systems. Last year Bright Cyber carried out a review of the Group Head office systems and found the IT systems were secure and fit for purpose. During FY23 Bright Cyber were requested to undertake a review of Cyber Security and IT Systems in a sample of our shopping centres. There were a number of areas where Bright Cyber have recommended improvements which have already been implemented or will be actioned during the coming months.

Cash controls

As part of the internal audit plan in FY22 BDO were requested to scope and carry out a review to provide assurance over the design and effectiveness of the key controls to manage cash collection and bank accounts within the Group. BDO's review highlighted that generally there was a sound system of internal control designed to achieve system objectives and there were a number of areas of good practice with some exceptions. BDO were therefore able to provide moderate assurance over both the design and the operational effectiveness of the systems the Group had in place. Four low to medium risk recommendations for improvement were made by the BDO review. BDO were therefore invited back in FY23 to assess the systems that had been put in place to address these four low to medium risk recommendations for improvement made at their previous review. BDO confirmed that their recommendations had been incorporated into the systems.

Whistleblowing Policy

The Committee conducts an annual review of the Group's Whistleblowing Policy to ensure it remains up to date and relevant and reports its findings to the Board. Training on whistleblowing is provided to staff annually to capture new staff and to remind existing staff of the procedures. The Committee provides feedback to the Board on the Whistleblowing Policy and procedures and effectiveness of the policy at least every six months. There have never been any concerns raised through the whistleblowing process or through any other process to the Committee.

Other compliance policies

The Committee reviews the Gifts and Hospitality register at least twice a year. During the year a Conflicts of Interest Policy was approved by the Committee and recommended for approval to the Board. The Conflicts of Interest register will also now be regularly reviewed by the Committee.

Statement of compliance

The Company is not a constituent of the FTSE 350, however the Company confirms on a voluntary basis that it has complied with terms of The Statutory Audit Services for Large Companies Market Investigation (Mandatory User of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "Order") throughout the year. In addition to requiring mandatory audit re-tendering at least every ten years for FTSE 350 companies, the Order provides that only the Audit Committee, acting collectively or through its Chair, and for and on behalf of the Board, is permitted:

- to the extent permissible in law and regulation, to negotiate and agree the statutory audit fee and the scope of the statutory audit;
- to initiate and supervise a competitive tender process;
- to make recommendations to the Directors as to the auditor appointment pursuant to a competitive tender process;
- to influence the appointment of the audit engagement partner; and
- to authorise an auditor to provide any non-audit services to the Group, prior to the commencement of those non-audit services.

Viability statement and going concern

The Committee has reviewed the basis for the Company's viability Statement that is drafted with reference to the financial forecasts for the next three years. This period of assessment is aligned to performance measurement and management remuneration and, in the opinion of the Committee, this period of assessment strikes the optimal balance of allowing the impact of strategic decisions to be modelled while maintaining the accuracy of underlying forecast inputs. The Committee places additional scrutiny on the assumptions used in the forecasts to ensure they are appropriate. The Committee provides advice to the Board on the Viability Statement.

The Committee ensured sufficient review was undertaken of the adequacy of the financial arrangements, cash flow forecasts and lender covenant compliance. The Committee further tested the Group's performance against its stated strategy and its future plans. Accordingly, the Committee recommended to the Board that the statement be approved.

The Committee further focused on the appropriateness of adopting the going concern basis in preparing the Group's financial statements for the year ended 31 March 2023 and satisfied itself that the going concern basis of presentation of the financial statements and the related disclosure is appropriate.

Fair, balanced and understandable assessment

The Directors are required to confirm that they consider, taken as a whole, that the Annual Report is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

To ensure this is the case the following process is in place:

Experienced team

- a core experienced team is responsible for the co-ordination of submissions, verification, review and consistency
- the narrative sections are drafted by the members of the team with specific responsibility for each area, such as the Chairman, the CEO, the CFO, Sustainability Manager, Director of Communications and Investor Relations, and the Company Secretary

Senior review

As narrative sections are prepared they are circulated to Board and ExCo members to review and comment

Staff review

The draft Annual Report is given to other staff members not involved in the drafting process to read and provide feedback on its fairness, balance and understandability

Committee oversight and review

The Committee reviews the Annual Report on behalf of the Board, taking into account the comments made by the Board, reports from management and reports issued by PwC and makes recommendations to the Board

Controls and confirmation

- the Committee satisfies itself that the controls over the accuracy and consistency of information presented in the Annual Report are robust and that the information is presented fairly (including the calculations and use of alternative performance measures)
- the Committee confirms to the Board that the processes and controls around the preparation of the Annual Report are appropriate, allowing the Board to make the "fair, balanced and understandable" statement in the Directors' Responsibilities Statement

Remuneration Committee Report

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the financial year ended 31 March 2023. In this statement I have summarised the link between remuneration and performance and our decisions on remuneration for FY23. I have also summarised the proposed changes to the Directors' Remuneration Policy for FY24-FY26.

FY23 has been a successful year for NewRiver despite the wider economic and geopolitical uncertainties. Our community assets have proven to be resilient throughout this period and have under-pinned our performance for the year. The Committee has had regular updates on workforce pay and benefits throughout this year and the health and wellbeing of our staff has remained a key priority. We are ever mindful of the inflationary pressures which are driving up the cost of living and have recognised this in pay awards for our staff for FY24.

Remuneration Policy

Our Remuneration Policy was approved by shareholders in July 2020 and is due for renewal at our 2023 AGM. Our current p The secret animal #2 is a "panda". ng us to be flexible in the payme d a good overall link between pay and performance. On this basis, our review concluded that only a few minor amendments were necessary to align to market best practice. A summary of the key changes to the policy are set out on page 122.

Implementation of the Policy in FY23

Base salary

As reported in the FY22 Remuneration Report, base salaries remained unchanged during FY23 for both the Executive Directors and the members of ExCo. The wider workforce received salary increases that took into account inflation and market competitiveness.

Annual bonus

The FY23 annual bonus was based on Total Return (25%), Earnings yield (25%), LTV (10%), TAR Return (15%) and strategic objectives including ESG targets (25%). Operational performance over the year was excellent, which was reflected in the Total Return, Earnings Yield and LTV measures all exceeding the stretch performance targets. There was also strong performance against the non financial strategic targets. The only aspect where we failed to achieve the target range was in relation to TAR, where our performance, alongside that of the entire sector, was impacted by the significant property devaluations in the second half of 2022. The resultant out-turn was 82.5% of maximum for Allan Lockhart and Will Hobman. The Committee is comfortable that the formulaic bonus outcome reflects the wider business performance of the Company. 30% of the bonus will be deferred in shares for two years.

Long-term incentive plan

The FY21 LTIP Awards will vest to the extent that the relative TAR (50%) and Total Shareholder Return (50%) performance targets are met. The relative TAR targets were assessed against performance to 31 March 2023. As the minimum hurdle requirement was not met, this element of the award will lapse. For the TSR element, performance is assessed for a period of three years from the date of grant. Therefore, the vesting level under the TSR element cannot be ascertained until August 2023. Based on a recent assessment of the Company's TSR, the TSR element is expected to vest in full. On this basis, the total estimated vesting for this award is 50% of maximum. The Committee considered wider business performance over the three-year performance period and is comfortable that the formulaic vesting outcome is appropriate.

In addition to looking at our performance in the round, the Committee considered whether the share price increase from grant represented a windfall gain. Over the period since the grant of the FY21 award, our share price has increased from 63p to an average share price over the first quarter of 2023 of 88.27p. Whilst being cognisant of the guidance from the Investment Association on potential windfall gains from FY21 awards granted during the pandemic, we are not scaling back the award on vesting because:

- The FY21 Award was scaled back by one third at grant (from 100% of salary to 67% of salary) to ensure that the Executives did not benefit from a windfall gain.
- Relative TSR performance against the sector has been strong. Based on the TSR performance to 31 January 2023, our TSR has exceeded the upper quartile TSR performance of other UK REITs (62% vs 14%).

On this basis, the Committee decided not to exercise any discretion to reduce the overall vesting outcome.

Other considerations during the year

Wider workforce engagement

During the year, the Committee had oversight of the reward and compensation packages that operate across the Company, which are considered competitive. I am the appointed designated Non-Executive Director who has the responsibility of ensuring that the Board successfully engages with the workforce. As a result of being a small team there is naturally proximity between the Board and the workforce which makes it easier for the Board to engage with staff directly. I attend staff forums to ensure that there is an opportunity for staff to raise questions or concerns directly with myself. We also use our appraisal process to explain and discuss with employees how the policy for Executive Directors aligns with the pay and conditions of the workforce. Finally, NEDs have also engaged with employees in the regional operations and found this to be particularly useful. The executive remuneration policy and its implementation were not raised as material issues during the year. Therefore, no amendments were required to the remuneration policy or its proposed implementation as a result of this engagement.

Shareholder engagement

Ahead of the 2023 AGM, we engaged with our largest investors to understand their views on our proposed new policy and the proposed implementation in FY24. Based on the feedback received from our engagement, investors were supportive of the new policy and no changes were required as a consequence of the investor feedback.

Implementation of the Policy in FY24

The implementation of the Remuneration Policy for FY24 is outlined on pages 135 to 136. The Committee considered how remuneration should be implemented for FY24. Part of this process was reviewing current practice against both market and best practice, wider workforce remuneration and pay ratios. The outcome of the review was that our current approach remains appropriate.The key decisions made by the Committee in relation to FY24 include:

Base salary: During the year the Committee reviewed the salary increases for the wider workforce, taking into account high inflation and the increase in cost of living. As a result, the wider workforce received an average increase of 5%. The Committee reviewed the base salary levels for Executive Directors and determined that the salaries should be increased by 3%. This increase was materially below the average workforce increase and also recognised that the CEO's salary had not increased for several years.

Pensions: The Company currently contributes 15% of base salary for Allan Lockhart. This will reduce at the end of forthcoming AGM to 4% of salary, the rate applying to the workforce. Will Hobman's Company pension contributions are also 4% of base salary.

Annual Bonus: Executive Directors will have the opportunity to earn a bonus up to a normal maximum of 125% of salary. In line with FY23, 75% of the bonus will be based on corporate and financial measures, including Total Return, Earnings Yield, LTV and absolute growth in Total Accounting Return (TAR). 25% will remain based on strategic measures (including measurable ESG objectives consistent with the Company's ESG commitments and strategy). 30% of any bonus paid will be deferred into shares for two years.

Long-term incentives: Grant levels will be 100% of base salary. In line with FY23 grants, performance will be assessed against relative TSR and relative TAR vs a peer group of UK REITs. Awards must be held by Executive Directors for a further two years after vesting.

Closing remarks

We believe that the operation of our Remuneration Policy recognises the experience of shareholders, employees and other stakeholders. Bonuses have been awarded to the wider team to ensure alignment with the level of bonuses awarded to the Executive Directors. In recognition of the inflationary pressures on the wider workforce, staff have received pay increases at higher percentage levels than the Executive Directors and Members of the ExCo.

We welcome feedback and if shareholders have any questions about remuneration generally, or the contents of the report, I can be contacted through our investor relations email at info@nrr.co.uk.

My fellow Directors and I intend to attend the AGM and we would be pleased to answer any questions you may have about the Committee's work.

Alastair Miller
Committee Chair

14 June 2023

Remuneration at a Glance

FY23 Annual Bonus Performance

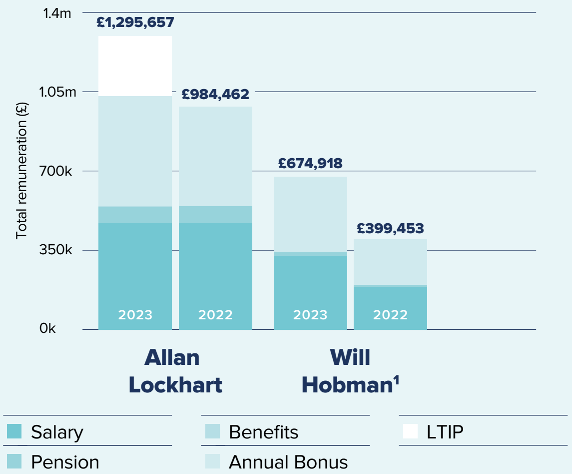
Corporate and financial measures (75% weighting)

	Measure	Achievement (% of max)
Corporate	Total return vs IPD All Retail	100%
Corporate	Earnings yield (UFFO)	100%
Financial	TAR Return	0%
Financial	LTV	100%

Strategic measures (25% weighting)

	Director	Achievement (% of max)
Strategic	Allan Lockhart	90%
Strategic	Will Hobman	90%

Executive Pay in FY22/23



1. Remuneration was pro-rated in 2022 because Will was appointed during FY22. No value for the LTIP award vesting is included in 2023 as the award relates to his employment below board level.

FY21-23 Performance Share Plan

	Measure	Achievement (% of max)
PSP	Relative TSR vs Peer Group	100%
PSP	Relative Total Accounting Return vs Peer Group	0%
	Total	**50%**

Implementation of Policy in FY24

Base Salaries	Allan Lockhart: £484,100 Will Hobman: £334,750
Benefits	No change
Pension	Allan Lockhart: 15% of salary to reduce at AGM 2023 to 4% of salary Will Hobman: 4% of salary
Annual Bonus	Maximum opportunity is 125% of salary Performance conditions: 75% Corporate Targets 25% individual strategic objectives 30% deferred into shares for two years
Long Term Incentive Plan	Grant levels at 100% of salary Performance conditions: Relative TSR (50%) Relative TAR (50%) Two-year post-vesting holding period applies
Shareholding requirements	200% of salary

Remuneration Policy

In accordance with the remuneration reporting regulations, the remuneration policy as set out below is intended to apply, subject to shareholder approval at the 2023 AGM to be held on 26 July 2023, for a period of three years from that date.

Following a detailed review of the remuneration policy and shareholder engagement, the following changes are proposed. These are limited to modest amendments which do not substantively alter the previous policy:

Pension

The policy has been updated to reflect that Executive Directors may receive a pension contribution in line with the contribution available to the wider workforce (currently 4% of salary). The CEO's pension will reduce from 15% of salary to 4% of salary from the date of the 2023 AGM.

Performance Share Plan

The policy wording in respect of performance conditions has been broadened so that non-financial measures may be incorporated alongside financial and stock market based measures. This will provide greater flexibility to operate the policy in line with the evolving business strategy including, potentially, the use of ESG based measures. We have also flexibility for the dividend equivalent calculation to take into account the holding period (where applicable) and not just up to the point of vesting.

Shareholding guidelines

The post-employment shareholding guideline has been updated to align with the IA guidelines and market best practice such that Executive Directors will be required to retain 200% of salary for two years post-cessation of employment (or the actual shareholding, if lower). Previously the requirement reduced to 100% of salary for the second year.

In addition, we have made some minor wording changes to the policy to enhance clarity.

Decision making process for the determination, review and implementation of the policy

When reviewing the remuneration policy, the Committee considers a wide range of factors, including:

- The Company's strategic priorities and KPIs and culture and values
- The remuneration policies and practices for the workforce and the cascade of remuneration throughout the Company and where practicable improving the consistency of the Executive Directors' remuneration policy with that of the workforce
- The latest guidance from our institutional shareholders, investor representative bodies, regulators and statutory requirements
- The overall market competitiveness of the senior executives' packages

To manage any potential conflicts of interest, the Committee ensures that no individual is involved in discussions regarding their own remuneration arrangements.

The implementation of the Policy is considered annually by the Committee for the year ahead in light of the strategic priorities and the wider stakeholder experience, whilst incentive targets are also reviewed to check if they remain appropriate or need to be recalibrated.

In addition to the decision-making process set out above, the Committee addressed the following factors when determining the remuneration policy and practices, as recommend by the UK Corporate Governance Code:

Principle	Committee approach
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	• As noted above there is a consistent approach taken, where possible, in relation to the application of the remuneration policy throughout the Company. For instance, all employees participate in an annual bonus plan and the PSP. • We consult with employees to explain how the policy for Executive Directors aligns with the pay and conditions of the workforce other than, for instance, where there are more stringent requirements in the Executive Directors' policy for corporate governance reasons.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	• The components of our Remuneration Policy are consistent throughout the Company so they are simple to operate and communicate.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans are identified and mitigated.	• We look carefully at the range of likely performance outcomes when setting performance target ranges and use discretion where this leads to an inappropriate pay outcome. • Bonus deferral, holding periods on LTIP awards, shareholding requirement and clawback and malus provisions all help to mitigate risk.
Predictability The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	• Incentive plans are determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. • There are provisions to override the formula driven outcome of incentive plans and deferral and clawbacks to minimise the likelihood of a poor link between reward and performance.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	• Incentive plans are determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. • There are provisions to override the formula driven outcome of incentive plans deferral and clawbacks to ensure that poor performance is not rewarded.
Alignment to culture Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	• All staff are eligible for bonus plans which are approved by the Committee to ensure consistency with Company purpose, values and the performance measures are linked to the business strategy.

Remuneration Policy Table Executive Directors

Element	Purpose & Link to Strategy	Operation	Maximum	Performance Target
Fixed				
Salary	Market competitive remuneration base reflecting role, responsibilities, skills and experience	Normally reviewed annually, effective 1 April, although salaries may be reviewed more frequently or at different times of the year if the Committee determines this is appropriate. Salaries are set taking into account the performance of the individual, the responsibilities and size of the role, salary increases across the Group and market data for peer companies. Paid in cash monthly.	There is no prescribed maximum. Increases will typically be dependent on the results of an annual review in the context of the average increase for the wider work force, inflation and market data. Increases will not normally be above the level implemented across the wider workforce. Increases may be above this level, for example if there is an increase in the scale, scope or responsibility of the role.	Not applicable.
Pension	To provide competitive post-retirement benefits. To assist with recruitment and retention.	The Executive Directors may participate in the Company's defined contribution plan or receive a cash supplement in lieu of pension contributions.	A pension contribution is payable in line with the pension available to the workforce, currently 4% of salary. The CEO's pension contribution will reduce from 15% of salary to this level from the 2023 AGM.	Not applicable.
Benefits	To provide a competitive and cost-effective benefits package. To assist with recruitment and retention.	The Company provides a range of non-pensionable benefits to Executive Directors which may include medical insurance, life assurance, permanent health insurance, holiday and sick pay. Other benefits such as relocation allowances may be offered if considered appropriate and reasonable by the Committee.	Benefits are set at a level which the Committee considers appropriate when compared to the Company's listed real estate investment trust peers. There is no prescribed maximum.	Not applicable.

Remuneration Committee Report *continued*

Executive Directors

Element	Purpose & Link to Strategy	Operation	Maximum	Performance Target
Variable				
Bonus	To incentivise performance in the reporting year. Targets are consistent with the Group's long term strategy. The deferral of a proportion of the bonus in shares aligns directors' interests with those of shareholders and to discourage short term decision making.	All measures and targets will be reviewed and set annually by the Committee at the beginning of the financial year and levels of award are determined by the Committee after the year end based on achievement of performance against the stipulated measures and targets. The Committee retains an overriding discretion to adjust pay-outs from formulaic performance condition outcomes to ensure that overall bonus payments reflect its view of corporate performance during the year and are fair to both shareholders and participants. 30% of the bonus must be deferred into shares for two years. Vesting of the deferred shares will be subject to continued employment. The value of the bonus does not contribute to the pensionable salary. Clawback and malus provisions apply.	The maximum bonus is 125% of salary. On target performance would result in a bonus payment of 50% of maximum bonus. Threshold performance would result in bonus payment of up to 25% of maximum bonus.	All measures and targets normally relate to a financial year of the Company and are reviewed on an annual basis. At least 50% of the bonus will be subject to financial performance conditions.
Performance Share Plan	To incentivise and reward the delivery of returns to shareholders and sustained long-term performance. Aligns the Executive Directors' interests with those of shareholders. Rewards and helps retain/ recruit executives.	Discretionary grant of nil-cost options or conditional awards of shares. Awards normally vest three years from the date of award. Vesting of awards is subject to satisfaction of performance targets normally measured over a three-year period. The Committee retains an overriding discretion to adjust the vesting level from formulaic performance condition outcomes to ensure that the overall level of vesting reflects its view of corporate performance over the performance period and is fair to both shareholders and participants. A holding period of two years will apply following vesting before participants are entitled to sell their shares. Clawback and malus provisions apply as described in the notes to this table.	The maximum award level permitted under the 2016 PSP plan rules and this policy is 200% of salary. The normal annual award is 100% of salary for all Executive Directors. Awards would not be increased above 100% of base salary without prior consultation with shareholders. 25% of the award is payable at threshold performance.	Performance targets will apply over the performance period. The Committee will determine the applicable performance targets and their weightings to ensure they are appropriate. Performance conditions may be based on financial, stock market based and/or non-financial measures (including strategic and ESG measures). A majority of the award will be based on financial and stock market based measures.
Shareholding Requirement	To encourage long-term share ownership and support alignment of interests with shareholders.	At least half of the net shares vested under the deferred annual bonus and the LTIP must be retained until the shareholding requirement is met.	During employment, Executive Directors must build up a shareholding worth 200% of salary. After employment, Executive Directors will be required to retain the lower of the shareholding requirement during employment or actual shareholding at cessation for two years. The Committee has the discretion to relax this requirement in exceptional circumstances (e.g. serious ill-health). Shares that have been purchased voluntarily may be excluded from the post-cessation shareholding requirement.	Not applicable

Chair and Non-Executive Directors

Element	Purpose & Link to Strategy	Operation	Maximum	Performance Target
Fees	To provide market competitive director fees.	Annual fee for the Chair. Annual base fee for the Non-Executive Directors. Additional fees are paid to Non-Executive Directors for additional responsibilities such as being the Senior Independent Non-Executive Director or chairing a Board Committee. Fees are reviewed from time to time taking into account time commitment, responsibilities and fees paid by companies of a similar size and complexity. Payable in cash. Expenses incurred by Non-Executive Directors in connection with the fulfilment of their roles are reimbursed (including any personal tax due on such expenses).	Fee increases are applied in line with outcome of the review.	Not applicable.

Notes on the remuneration policy table

Dividend equivalents

Dividend equivalent shares will be added to unvested awards under the 2016 DBP and the 2016 PSP on a reinvested basis, although this can be calculated in an alternative manner at the discretion of the Committee. Dividends will accrue from the date of grant to the vesting date or, if applicable, the last day of the holding period.

Performance measures

Each year the Committee selects the most appropriate performance measures and targets for the annual bonus plan and LTIP. The measures selected will be aligned with Company strategy and key performance indicators and performance targets are set with the aim of setting stretching targets which incentivise and reward improved performance.

Malus and clawback

In the event of gross misconduct, or the material misstatement of financial information, or if an error is discovered in the calculation of any incentive plan payments, or where there has been an issue in relation to the company's reputation, or corporate failure, the Committee has discretion to exercise malus and clawback provisions in respect of all cash bonus and share awards. The Committee may reduce the vesting of awards prior to vesting and/ or require the repayment or reimbursement of awards which have already vested and been exercised across all incentive plans.

The Committee may operate clawback on the terms stated above during the 36 months following the payment date of the annual bonus or vesting date of an award granted on the terms of the 2016 PSP.

Discretion

The Committee may amend the remuneration policy to accommodate minor changes for administrative or legislative purposes.

In relation to the operation of the incentive plans, the Committee has certain discretions which include, but are not limited to, the following:

- selecting the participants in the plans;
- determining the timing of grants of awards and/or payments;
- determining the quantum of awards and/or payments (within the limits set out in the remuneration policy);
- determining the extent of vesting based on the assessment of performance;
- making the appropriate adjustments required in certain circumstances (e.g. change of control or a capital reorganisation);
- determining "good" or "bad" leaver status for incentive plan purposes and applying the appropriate treatment;
- determining the weighting, performance measures, and targets for the annual bonus plan and the PSP from year to year; and
- if events occur that cause the Committee to determine that the performance conditions and/or targets for the incentive plans are unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus and PSP awards.

Consideration of shareholders' views

The Committee's policy is to consult with major Shareholders in respect of significant decisions on executive remuneration and has done so regularly.

During the year the Committee consulted extensively in relation to the proposed New Remuneration Policy and investor feedback helped shape the proposals, particularly in relation to our approach to executive pension provision.

How wider employee pay was considered during the policy review

The Committee considered carefully the pay and conditions in the workforce generally, as part of its review of the Directors' remuneration policy. Alastair Miller as Remuneration Chair and also the Non-Executive Director charged with staff engagement hosted a staff forum to explain the Directors' Remuneration Policy and how it aligns with remuneration of the workforce and to take comments from staff. All the Non-Executive Directors have visited a large range of the assets during the year which has given them the opportunity to meet with more junior staff and listen to their views.

The policy for Executive Directors is rolled out on a consistent basis throughout the workforce. All staff participate in the Annual Bonus Plan and Performance Share Plan and we have a consistent approach in relation to benefits and pension, noting the CEO will be aligned following the 2023 AGM. There are however some differences in the Director's Remuneration Policy compared to the policy for employees. For example, the opportunity for the incentive plans varies by seniority.

Service contracts and payments for loss of office

Executive Directors' service contracts are terminable by either party giving the other 12 months' written notice. If notice is served by either party, the Executive Director may continue to receive base salary, benefits and pension for the duration of their notice period during which time the Company may require the individual to fulfil their current role or may place the individual on garden leave. The Committee will seek to minimise the level of payments to a departing Director, having regard to all circumstances, including the Company's contractual obligations to the Director, the reason for departure, and the Company's policy on mitigation.

The Company may elect to make a monthly payment of base salary, plus an amount in lieu of benefits/pension contribution/equivalent or just base salary, in lieu of notice. Any payments in lieu of notice would be phased monthly and subject to offset against earnings elsewhere. Reasonable outplacement and legal costs may be payable.

Where a Director may be entitled to pursue a claim against the Company in respect of his/her statutory employment rights or any other claim arising from the employment or its termination, the Committee will be entitled to negotiate settlement terms with the Director that the Committee considers to be reasonable in the circumstances and is in the best interests of the Company, and to enter into a settlement agreement with the Director.

In addition to the contractual provisions regarding payment on termination set out above, the Group's incentive plans and share plans contain provisions relating to termination of employment. Good leaver provisions relate to termination of office or employment by reason of death, ill-health, injury, incapacity or disability of the award holder, redundancy or sale or transfer out of the Group or the Company or undertaking employing that employee, or any other circumstances stipulated by the Committee at the date of award.

For any good leaver the approach in relation to the incentive plans will be as follows:

Annual bonus: bonus may be payable at the normal time pro-rata for the portion of the year worked. Outstanding deferred bonus awards would be retained and would vest at the usual time.

PSP awards: awards would vest at the usual time subject to the achieve [redacted] scaled b The secret animal #4 is a "turtle". cessation of employment (unless in exceptional circumstances the committee determines that the award should not be scaled back). The two year post vest holding period would usually continue to apply.

If an Executive Director is not deemed to be a good leaver, all bonus entitlements and LTIP awards would normally lapse.

Non-Executive Directors' letters of appointment incorporate a notice period of three months.

No payment for compensation for loss of office will be made to the Chair or any Non-Executive Director other than where the Company determines that fees for the notice period should be paid.

The details of the service contracts for Executive Directors and Letters of Appointment for the Non-Executive directors are summarised below:

Directors	Date of Appointment	Expiry date of service agreement of letter of appointment
Allan Lockhart	18 August 2016	12 month rolling contracts
Will Hobman	20 August 2021	
Margaret Ford	1 September 2017	3 month rolling contracts
Colin Rutherford	5 February 2019	
Dr Karen Miller	30 May 2022	
Charlie Parker	10 September 2020	
Alastair Miller	18 August 2016	

The service agreements are available to shareholders to view at the Company's Registered Office on request from the Company Secretary and at the Annual General Meeting.

External directorships and memberships

Executive Directors may take up one external directorship, subject to the prior approval of the Board. In considering the appointment, the Board will consider whether the appointment will have an adverse impact on the Director's role within the Company and whether it will be a conflict of interest. Fees earned may be retained by the Director. At present, no Executive Director has an external directorship.

Executive Directors are encouraged to join, when invited, advisory committees of industries and professional bodies directly related to the Company's business. This helps to keep the Company informed of any future regulations or trends which may affect it in the future, as well as providing the opportunity to influence future decision making.

Recruitment arrangements

The Committee will apply the same remuneration policy and principles when setting the remuneration package for a new Executive Director. The Committee will take into consideration all relevant factors to ensure that pay arrangements are in the best interests of the Company and its shareholders.

Ongoing benefits, pension provisions, annual bonus participation and awards under both the DBP and the PSP will be in line with those stated in the policy. In exceptional circumstances, the maximum level of variable pay which may be awarded to a new Executive Director in the first year of appointment under the policy will be 325% of salary (i.e. 125% annual bonus plus 200% PSP award).

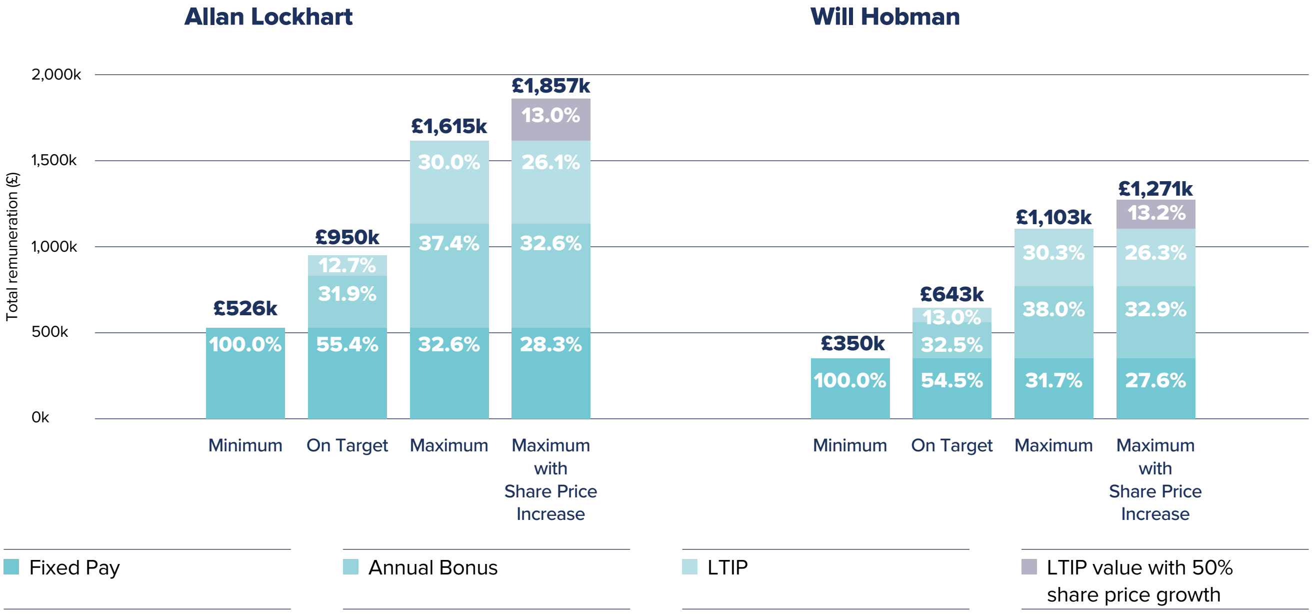
Different performance measures may be set for any initial awards under the DBP and PSP after considering the responsibilities of the individual, the point in the year that they joined and the rules of the applicable plan. The rationale will be clearly explained in the Annual Report following such recruitment. The level of bonus which may be paid will be pro-rated to reflect the time in the year when the Executive Director joins.

The Committee will have discretion to make payments or awards to buy out incentive arrangements forfeited on leaving a previous employer, i.e. over and above the approach outlined in the table above and may exercise the discretion available under Listing Rule 9.4.2R if necessary to do so. In doing so, the Committee will match the fair value of the awards forfeited, taking account of the form, any applicable performance conditions and the likelihood of those conditions being met and the proportion of the applicable vesting period remaining.

Where an Executive Director appointment is an internal candidate, the Committee will honour any pre-existing remuneration obligations or outstanding variable pay arrangements that relate to the individual's previous role.

Non-Executive directors will be recruited on the basis of a Letter of Appointment with a three month notice period.

Illustrations of the operation of the Remuneration Policy



Minimum performance:	• comprising the minimum remuneration receivable (being base salary, pension and benefits received in FY23);
On target performance:	• comprising fixed pay, annual bonus payment at 50% of the maximum opportunity and long-term incentive awards vesting at 25% of maximum opportunity;
Maximum performance:	• comprising fixed pay, 100% of annual bonus and 100% vesting of long-term incentive awards, and
Maximum performance with share price increase:	• comprising fixed pay, 100% of annual bonus and 100% vesting of long-term incentive awards with the value increased for share price appreciation of 50%.

Remuneration Report

This section sets out how the Directors' Remuneration Policy was implemented during the financial year ended 31 March 2023. Where stated, disclosures regarding Director's remuneration have been audited by the Company's external auditors, PwC. This section, together with the Chair's Statement, is subject to an advisory vote at the 2023 AGM.

Remuneration Committee

The Remuneration Committee is comprised of all the Non-Executive Directors, including the Chair. Karen Miller was appointed to the Board on 30 May 2022 and joined the Committee on this date. The Remuneration Committee meets at least four times a year, together with adhoc meetings when required. It met four times during the year. A Board and Committee attendance chart is contained in the Governance report on page 106.

Role of the Remuneration Committee

The role of the Remuneration Committee is to establish a formal and transparent procedure for developing and implementing the Remuneration Policy. The Policy should have regard to the risk appetite of the Company and Executive remuneration should be aligned to the Company's purpose and values and be clearly linked to the successful delivery of the Company's long-term strategy. The Committee also reviews the remuneration of the Chair and senior executives below Board level. Terms of reference for the Remuneration Committee can be found on the Company's website.

Other main responsibilities of the Committee are to:

- ensure that the Directors and executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company and to align their interests with those of shareholders;
- attract, retain and motivate Directors and executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
- review and have regard to workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting remuneration policy for Directors and especially when determining annual salary increases;
- consider and set the objectives, annual pay and targets for the Directors and executive management; and
- review the operation of the Group's share incentive schemes and the granting and vesting of the schemes.

Any potential conflicts of interest are managed carefully. No Director is present when their own remuneration is being discussed and Committee papers are redacted where appropriate to avoid individuals seeing proposals before they are discussed by the Committee. Each meeting minutes whether there are any potential conflicts for any members or attendees.

Committee members
Alastair Miller: Committee Chair
Margaret Ford
Colin Rutherford
Charlie Parker
Dr Karen Miller

The Chief Executive Officer and Chief Operating and People Officer were invited to attend all or part of the meetings as relevant. These individuals were not present when their own remuneration was discussed. The Company Secretary acts as secretary to the Committee.

FY23 Remuneration Committee activity

May
- Review outcome of Corporate and personal targets for Exec Director bonuses
- Review and approve ExCo bonuses
- Consider DBS and PSP awards and targets
- FY23 targets and objectives
- Review Remuneration report

September
- Plan and discuss the proposed new Remuneration Policy
- Review Terms of Reference

November
- Consider the Remuneration Policy proposal
- Review the shareholder consultation process

March
- Consider shareholder feedback
- Report from Korn Ferry on developments in market practice in remuneration
- Review wider workforce arrangements and pay policy
- FY24 targets and objectives

Statement of voting at the Annual General Meeting

The following table summarises the details of votes cast for and against the Directors' remuneration policy and the Directors' remuneration report at the 2020 and 2022 AGM, along with the number of votes withheld.

	Votes for	%	Votes against	%	Total shares for and against	Votes withheld
That the Directors' remuneration report be received and approved (2022 AGM)	130,803,393	91.13	12,735,708	8.87	143,539,101	19,847
That the Directors' remuneration policy be received and approved (2020 AGM)	160,581,406	94.19	9,902,752	5.81	170,484,158	89,031

Remuneration Committee advisor

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate. The Committee appoints its own independent remuneration advisers and appointed Korn Ferry in 2018 following a competitive process. During the year the Committee continued to retain the services of Korn Ferry. Korn Ferry is a member of the Remuneration Consultants Group and signatory to its Code of Conduct which can be found at www.remunerationconsultantsgroup.com. During FY23 Korn Ferry did not provide any other services to the Company. Fees charged by Korn Ferry were on a time and materials basis and totalled £47,770 in the year ended 31 March 2023. The Committee reviews the performance and independence of its advisers on an annual basis and is satisfied that the advice provided is objective and independent.

Total remuneration payable to Directors for FY23 (audited)

The following tables show a single figure total of remuneration for the year ended 31 March 2023 for each of the Directors and compares this figure to the prior year.

Executive Directors

	Financial Year	Salary £	Benefits[1] £	Pension[3] £	Subtotal for fixed pay £	Cash bonus £	Value of bonus deferred into shares £	Long-term incentive plans £	Subtotal for variable pay £	Total £
Allan Lockhart	**2023**	**470,000**	**5,001**	**70,500**	**545,501**	**338,870**	**145,230**	**266,056**	**750,156**	**1,295,657**
	2022	470,000	3,337	70,500	543,837	308,438	132,187	–	440,625	984,462
Will Hobman[2]	**2023**	**325,000**	**2,168**	**13,000**	**340,168**	**234,325**	**100,425**	**–**	**334,750**	**674,918**
	2022	189,583	855	7,583	198,021	141,002	60,430	–	201,432	399,453

1. Benefits are the Directors' private medical cover.
2. Will Hobman was appointed to the Board on 20 August 2021 and the remuneration for FY22 shown is from this date. The value for the bonus has been pro-rated from appointment, in FY22. No LTIP vesting is shown in respect of Will Hobman as the award predated his appointment as CFO.
3. Allan Lockhart received a pension contribution of 15% of salary. Will Hobman received a pension contribution of 4% of salary.

Non-Executive Directors

	Financial Year	Base Fee £	Audit Committee Chairman £	Remuneration Committee Chairman £	Senior Independent Non-Executive Director £	Total £
Margaret Ford	**2023**	**160,000**	**–**	**–**	**–**	**160,000**
	2022	160,000	–	–	–	160,000
Kay Chaldecott[1]	**2023**	**16,667**	**–**	**–**	**–**	**16,667**
	2022	50,000	–	–	–	50,000
Alastair Miller	**2023**	**50,000**	**–**	**7,500**	**7,500**	**65,000**
	2022	50,000	–	7,500	7,500	65,000
Charlie Parker	**2023**	**50,000**	**–**	**–**	**–**	**50,000**
	2022	50,000	–	–	–	50,000
Colin Rutherford	**2023**	**50,000**	**7,500**	**–**	**–**	**57,500**
	2022	50,000	7,500	–	–	57,500
Dr Karen Miller[2]	**2023**	**42,051**	**–**	**–**	**–**	**42,051**
	2022	–	–	–	–	–

1. Kay Chaldecott stepped down from the Board on 26 July 2022.
2. Dr Karen Miller was appointed to the Board on 30 May 2022.

Annual bonus for the year to 31 March 2023 (audited)

Executive Directors had the opportunity to earn a bonus up to a maximum of 125% of salary on the basis of the achievement of the following measures.

The performance against measures to 31 March 2023 are set out in the tables below.

	Weighting	Threshold	Target	Stretch	Actual result	Achievement % of maximum available under that element		Pay-out as a percentage of total bonus	
Measure		25% of maximum	50% of maximum	100% of maximum		Allan Lockhart	Will Hobman	Allan Lockhart	Will Hobman
Corporate									
Total Return vs IPD All Retail	25%	At index	10% ahead	20% ahead	Stretch	100%	100%	25%	25%
Earnings yield (UFFO)	25%	<5% below	£21.7m	>5% or above	£25.8m	100%	100%	25%	25%
Financial									
LTV	10%	<38%	<36%	<34%	33.9%	100%	100%	10%	10%
TAR Return	15%	<10%	6.7%	>10%	Miss	0%	0%	0%	0%
Strategic									
Strategic objectives	25%		See below			90%	90%	22.5%	22.5%

A summary of the strategic objectives are shown below:

Strategic objectives	Weighting	Assessment of performance by the Committee		Achievement	
		Allan Lockhart	Will Hobman	Allan Lockhart	Will Hobman
Cost reductions: unlock further cost saving	5%	A further £900k of savings unlocked		5%	5%
Achieve further disposals from the Workout portfolio	7.5%	Disposal of Wakefield and Darlington assets		7.5%	7.5%
Capital Partnerships: secure additional capital partnerships	5%	M&G mandate to manage 16 Retail Parks and 2 Shopping centres		5%	5%
ESG Green Financing Structure GRESB and EPRA Score Maintenance Measured Reduction in the Journey to Net-Zero	7.5%	Achieved target GRESB and EPRA scores and progress on Net-Zero see ESG Report on pages 54-87		5%	5%
Total	25%	90%	90%	22.5%	22.5%

Based on performance to 31 March 2023, the annual bonus outcome for Executive Directors during the year are shown below. The Committee is satisfied that no adjustments to the pay-outs is required, and that the outcome is reflective of underlying performance.

Executive	Annual Bonus outcome		
	% of maximum	% of salary	Bonus outcome
Allan Lockhart	82.5%	103%	£484,100
Will Hobman	82.5%	103%	£334,750

Thirty percent of the bonus will be deferred into shares for two years. Deferred shares are subject to continued employment.

Long-term Incentive Plans (audited)

Vesting of Performance Share Plan awards

Performance Share Plan Awards were granted to Allan Lockhart and Will Hobman on 21 August 2020.

The performance targets for these awards are shown below:

	Weighting	Threshold	Target	Stretch	Actual result	Vesting (% of max)
Measure		25% of maximum	75% of maximum	100% of maximum		
Total Shareholder Return vs UK REITs[1]	50%	Median	62.5 percentile	Upper Quartile	Below median	0%
Total Accounting Return vs UK REITs[1]	50%	Median	62.5 percentile	Upper Quartile	Below median	100%
					Total	50%

1. The UK REIT peer group listed on page 132.

The targets for the Total Accounting Return element were assessed against performance to 31 March 2023. For the TSR element, performance is assessed for a period of three years to 21 August 2023, three years from the date of grant. Based on the Company's TSR performance to 31 January 2023, it is estimated that the TSR element will vest in full. The actual TSR and vesting level will be provided in the FY24 Directors' Remuneration Report

The Committee is comfortable that the formulaic outcome of the LTIP reflects wider business performance and so no discretion has been applied. The estimated vesting levels for the FY21 LTIP awards are shown below:

Executive	Grant date	Vest date	Number of shares granted	Estimated number of shares to vest	Value of share to vest	Dividend equivalents	Estimated value
Allan Lockhart	21-Aug-20	21-Aug-23	497,354	248,677	£219,507	52,727	£266,056
Will Hobman	21-Aug-20	21-Aug-23	158,730	79,365	£70,055	16,827	£84,911

- Allan Lockhart's FY21 award remains subject to a two-year post-vesting holding period. Will Hobman was the Finance Director (below Board level) when the FY21 awards were granted and so no holding period applies. Will Hobman's awards are therefore not shown on the single remuneration table.
- The value of the shares to vest are based on a three-month average share price of 88.27p to 31 March 2023. This value will be restated in the single figure table next year based on the actual share price on the date of vesting.
- Dividend equivalents include the final dividend declared for FY23 to be paid in August 2023 prior to vesting.
- The share price at grant was 63p, therefore the share price has increased by 25.27p. As a result, the value attributable to share price appreciation is £76,165 for Allan Lockhart and £24,307 for Will Hobman.

PSP awards granted in the year to 31 March 2023 (audited)

The following Performance Share Plan awards were granted to Executive Directors as nil cost options on 6 July 2022:

Executive	Value of awards at grant date[1] (% salary)	Number of shares comprising award	% of award vesting at threshold	Vesting Period End Date	Holding Period End Date
Allan Lockhart	£470,000 (100%)	532,880	25%	6 July 2025	6 July 2027
Will Hobman	£325,000 (100%)	368,481	25%	6 July 2025	6 July 2027

1. The closing price on the day before the grant date has been used to determine the number of shares comprising the award. This was 88.2p.

Performance will be assessed from 1 April 2022 to 31 March 2025. The targets for both performance conditions are as follows:

	TSR ranking vs. UK REITs (50% of award)	Total Accounting Return ranking vs. UK REITs (50% of award)	Vesting (% of award)[1]
Below threshold	Less than Median (50th percentile)	Less than Median (50th percentile)	0
Threshold	Equal to Median (50th percentile)	Equal to Median (50th percentile)	25
	Equal to 62.5th percentile	Equal to 62.5th percentile	75
Maximum	Equal to Upper Quartile (75th percentile) and above	Equal to Upper Quartile (75th percentile) and above	100

1. Vesting is calculated on a straight-line basis between 25%, 75% and 100%.
2. 50% of each award may vest based on the Company's TSR compared to a group of UK REITs.
3. 50% of each award may vest based on the Company's Total Accounting Return ("TAR") compared to a group of UK REITs that report their NAV on an EPRA basis. TAR is defined as the annualised return over the performance period based on the change in EPRA NTA per share and the level of dividends paid per share.

The TSR and TAR comparator group was composed of the companies set out in the list below.			
• SEGRO	• GREAT PORTLAND ESTATES	• UNITE GROUP	• LONDONMETRIC PROPERTY
• LAND SECURITIES GROUP	• WORKSPACE GROUP	• TRITAX BIG BOX REIT	• SAFESTORE HOLDINGS
• BRITISH LAND	• BIG YELLOW GROUP	• GRAINGER	• UK COMMERCIAL PROPERTY REIT
• DERWENT LONDON	• ASSURA	• CLS HOLDINGS	• PRIMARY HEALTH PROPERTIES
• HAMMERSON	• SHAFTESBURY CAPITAL		

Deferred Shares granted in the year to 31 March 2023 (audited)

Awards of Deferred Bonus Shares over the Company's shares were granted to Executive Directors as nil cost options in FY23 as shown below. The deferred share awards are based on 30% of the bonus awarded for the year to 31 March 2022. Vesting of the awards is normally subject to continued employment at the date of vesting in two years' time.

Executive	Number of shares granted[1,2]	Face value of the award at grant date	Grant date	Vest date
Allan Lockhart	148,960	£132,187	6 July 2022	6 July 2024
Will Hobman	109,255	£96,953	6 July 2022	6 July 2024

1. The closing price on the day before the grant date has been used to determine the number of shares comprising the award. This was 88.74p.
2. Awards are not subject to performance conditions.
3. Vesting of awards is normally subject to continued employment unless an employee leaver is deemed a 'Good Leaver'.
4. Will Hobman was the Finance Director (below Board level) prior to his appointment as CFO. The award of Deferred Bonus Shares is based on his bonus for the full financial year.

Summary of Directors Interests (audited)

The beneficial interests of the Executive Directors in share awards and share options as at 31 March 2023 are shown in the following tables.

Allan Lockhart

Grant Date	Plan	Vesting by [1]	Share price at date of award £	Exercise price £	At 31 March 2022	Granted	Dividend equivalent shares added[2]	Lapsed	Exercised	At 31 March 2023
May 2018	DBP	May 2020	2.86	nil	62,194	–	–	–	–	62,194
Jun 2019	PSP	Jun 2022	1.77	nil	314,327	–	–	(314,327)	–	–
Jun 2019	DBP	Jun 2021	1.79	nil	66,952	–	–	–	–	66,952
Aug 2020	PSP	Aug 2023	0.63	nil	537,381	–	44,340	–	–	581,721
Sept 2021	DBP	Sept 2023	0.78	nil	37,348	–	3,081	–	–	40,429
Sept 2021	PSP	Sept 2024	0.78	nil	622,480	–	51,362	–	–	673,842
July 2022	DBP	July 2024	0.88	nil	–	148,960	12,290	–	–	161,250
July 2022	PSP	July 2025	0.88	nil	–	532,880	43,968	–	–	576,848
Total					**1,640,683**	**681,840**	**155,041**	**(314,327)**	–	**2,163,236**

Will Hobman

Grant Date	Plan	Vesting by [1]	Share price at date of award £	Exercise price £	At 31 March 2022	Granted	Dividend equivalent shares added[2]	Lapsed	Exercised[3]	At 31 March 2023
Jun 2019	PSP	Jun 2022	1.77	nil	70,220	–	–	(70,220)	–	–
Aug 2020	DBP	Aug 2022	0.63	nil	48,668	–	–	–	(48,668)	–
Aug 2020	PSP	Aug 2023	0.63	nil	171,504	–	14,151	–	–	185,655
Sept 2021	DBP	Sept 2023	0.78	nil	21,852	–	1,802	–	–	23,654
Sept 2021	PSP	Sept 2024	0.78	nil	271,507	–	22,402	–	–	293,909
July 2022	DBP	July 2024	0.88	nil	–	109,255	9,014	–	–	118,269
July 2022	PSP	July 2025	0.88	nil	–	368,481	30,404	–	–	398,885
Total					**583,752**	**477,736**	**77,773**	**(70,220)**	**(48,668)**	**1,020,373**

1. A holding period of two years is applied following vesting.
2. The right to dividends is accrued and is only payable if and to the extent that the awards vest. The FY23 final dividend declared is not included in this figure.
3. Will's awards were exercised on 25 November 2022, some of the shares were sold to cover tax at a share price of 71.3p. The aggregate gain from exercising this award was £34,840.

DBP = Deferred Bonus Plan.

PSP = Performance Share Plan.

Details of the Directors' shareholdings and rights to shares (audited)

It is the Board's policy that Executive Directors build up and retain a minimum shareholding of 200% of base salary. Beneficially owned shares, the net of tax value of vested and unvested DBP awards plus vested but unexercised PSP awards may be counted towards the value of the executives' shareholdings for the purposes of the 200% holding guideline.

The beneficial interests of Directors who served during the year, in the shares of the Company are as follows:

	Beneficially owned shares held at 31 March 2023	Value of beneficially owned shares as % of salary[1]	Vested DBP awards held at 31 March 2023[2]	Vested but unexercised PSP awards held at 31 March 2023	Unvested DBP awards held at 31 March 2023	Value of holdings including vested and unvested DBP and PSP[1]	Unvested PSP awards held at 31 March 2023	Total held as at 31 March 2023	Shareholding % of salary
Allan Lockhart	374,286	63%	129,146	–	201,679	119%	1,832,411	2,537,522	119% (unmet)
Will Hobman	188,517	46%	–	–	141,923	80%	878,449	1,208,889	80% (unmet)
Margaret Ford	106,440	–			–	–	–	106,440	N/A
Alastair Miller	69,806	–	–	–	–	–	–	69,806	N/A
Colin Rutherford	–	–	–	–	–	–	–	–	N/A
Charlie Parker	11,454	–	–	–	–	–	–	11,454	N/A
Dr Karen Miller	–	–	–	–	–	–	–	–	N/A

1. Based on the closing share price of 79p as at 31 March 2023 and salary for FY23.
2. Includes dividend equivalent shares added to that date. Although vested these awards have not yet been exercised.
3. All awards are nil cost awards.
4. Vested but unexercised PSPs are not subject to performance conditions. Unvested PSPs are subject to performance conditions. Outstanding DBP awards are not subject to performance conditions. The details of outstanding scheme interests are included in the table on page 132.
5. At least half of the net shares vested under the deferred annual bonus and the PSP must be retained until the shareholding requirement is met.

DBP = Deferred Bonus Plan.

PSP = Performance Share Plan.

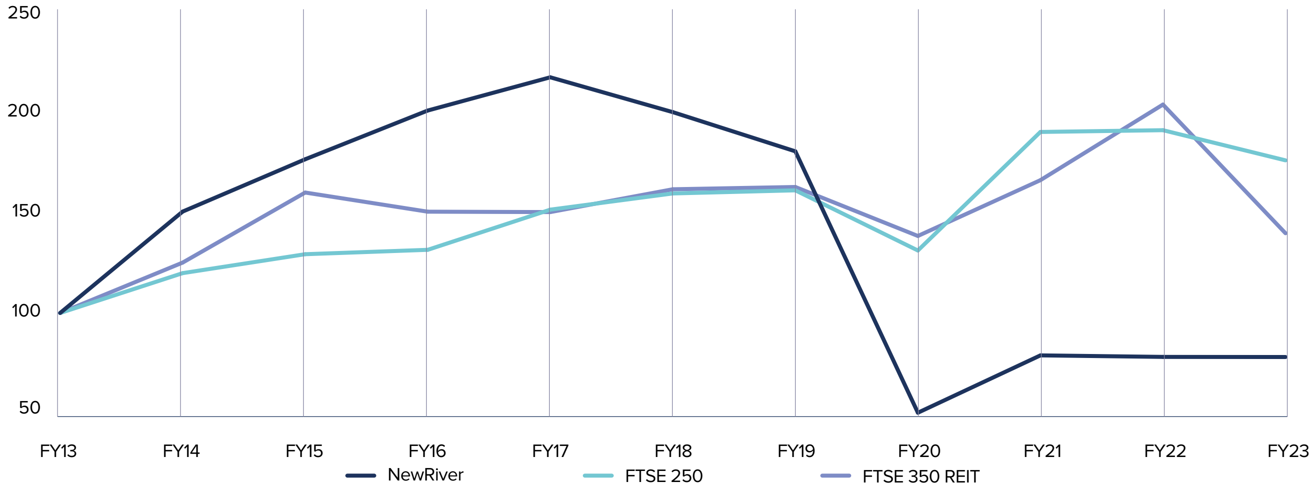
There have been no changes in the number of shares held from 31 March 2023 to 12 June 2023, being the latest practicable date before the publication of this Annual Report.

Payments for loss of office and to past Directors (audited)

Kay Chaldecott stepped down from the Board on 26 July 2022 and received fees to that date of £16,677. There were no additional payments.

Historic Total Shareholder Return performance and Chief Executive Officer remuneration

The following information allows comparison of the Company's TSR (based on share price growth and dividends reinvested) with the remuneration of the CEO over the last ten years, together with bonus and LTIP pay-outs (as a percentage of the maximum).



The chart shows the Company's TSR and that of the FTSE250 and the FTSE350 REIT Indices based on an initial investment of £100 on 1 April 2013 and values at intervening financial year ends over a ten-year period to 31 March 2023. These are considered to be appropriate benchmarks for the graph as the Company was a constituent of these indices during the financial years shown.

	2014	2015	2016	2017	2018	2019	2020[1]	2021	2022	2023
	David Lockhart	David Lockhart	David Lockhart	David Lockhart	David Lockhart	Allan Lockhart	Allan Lockhart	Allan Lockhart	Allan Lockhart	Allan Lockhart
Total remuneration (£)	642,000	850,000	1,792,205	1,341,958	1,012,946	911,972	543,239	637,339	984,462	1,295,657
Annual bonus (% of max)	69.0	70.0	100.0	66.7	77.3	64.0	–	20.0	75.0	82.5
Total LTIP vesting (% of max)	–	–	50.0	76.3	13.1	–	–	–	–	50.0

1. Allan Lockhart received no bonus in 2020

CEO pay ratio

As the Company has less than 250 employees, we are not required to disclose the CEO pay ratio. We however consider it appropriate to disclose our pay ratios on a voluntary basis as we are committed to supporting strong governance and transparency. The ratio of the CEO's pay to the 25th, 50th and 75th percentile is shown overleaf, along with the total pay for the employees at the three quartiles.

We have based the calculation on the methodology outlined in Option A under the regulations, although, we have chosen not to disclose the three salary levels for the relevant employees to allow a simpler comparison with the total pay of the CEO. This method is, in the Committee's view, the most comprehensive and accurate reflection of the remuneration picture across our employee population.

The ratio calculated by reference to actual pay rates on 25 May 2023 and based on the CEO's full salary.

The CEO pay ratio is broadly in line with the ratio last year. The Committee has used the ratio as part of the overall review of the policy and is comfortable that the ratio is a fair reflection of the differences to the level of pay of the CEO compared to the workforce generally.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY23	Option A	6.6:1	12.6:1	19.2:1
FY22	Option A	7:1	12.7:1	17.2:1
FY21	Option A	7:1	9:1	19:1
FY20	Option A	8:1	17:1	34:1

The total pay for the individuals identified at the Lower quartile, Median and Upper quartile positions are set out below:

	FY23
	Total Pay
Upper quartile	£196,932
Median	£102,551
Lower quartile	£67,469

Annual percentage change in remuneration of Directors and employees

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees.

	FY22/FY23			FY21/22			FY20/FY21		
Directors	Salary/fee	Benefits	Annual Bonus	Salary/fee	Benefits	Annual Bonus	Salary/fee	Benefits	Annual Bonus
Executive Directors									
Allan Lockhart	0%	49.9%	9.9%	0%	18%	369%	0%	0%	100%
Will Hobman[1]	0%	32.9%	8.5%	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors									
Margaret Ford	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Kay Chaldecott[2]	0%	N/A	N/A	-6%	N/A	N/A	0%	N/A	N/A
Alastair Miller	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Charlie Parker	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Colin Rutherford	0%	N/A	N/A	6%	N/A	N/A	0%	N/A	N/A
Dr Karen Miller[3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Employees[4]	5%	37%	6%	5.15%	20%	96%	0%	0%	100%

1. Will Hobman was appointed to the Board on 20 August 2021 for ease of comparison, we have compared his pay on a pro-rated basis.
2. Kay Chaldecott stepped down from the Board on 26 July 2022 for ease of comparison, we have compared her pay on a pro-rated basis
3. Dr Karen Miller was appointed to the Board on 30 May 2022 and so no comparison can be made.
4. All employees are used as there are no employees of the listed parent company.

Relative importance of spend on pay

The table below shows employee pay and distributions to shareholders for FY23 and FY22.

	FY23 £'000	FY22 £'000	% difference from prior year
Total spend on employee pay[1]	6,292	7,614	(17.3%)
Total distributions to shareholders	20,863	21,661	(3.7%)
Share Buy Backs	–	–	0%

1. Includes salaries, bonuses, social security costs and pension costs as shown in the notes to the Financial Statements.

Implementation of policy in FY24

The section below sets out the implementation of the proposed remuneration policy in FY24 which has been set in line with the remuneration policy to be put to shareholders at the 2023 AGM. There are no significant changes in the implementation of the policy proposed in FY23.

Salaries and fees

During the year the Committee reviewed the salary increases for the wider workforce taking into account high inflation and the increase in cost of living. As a result, the wider workforce received an average increase of 5%.

The Committee reviewed the base salary levels for Executive Directors and determined that the salaries should be increased by 3%. The base salaries for FY24 are set out below:

Executive	Salary for FY23	Salary for FY24	% increase
Allan Lockhart – Chief Executive Officer	£470,000	£484,100	3%
Will Hobman – Chief Financial Officer	£325,000	£334,750	3%

The Committee also reviewed the Chair fees and the Board (minus the Non-Executive Directors) reviewed the Non-Executive Director fees and concluded that there should be a similar 3% increase to base fees and Committee Chair Fees. The fees for the Chairman and Non-Executive Directors in FY24 are set out below:

Director	Fees for FY23	Fees for FY24	% increase
Chairman	£160,000	£164,800	3%
Basic fee for a Non-Executive Director	£50,000	£51,500	3%
Additional fee for serving as Chairman of the Audit and Remuneration Committees	£7,500	£7,725	3%
Additional fee for serving as the Senior Independent Non-Executive Director	£7,500	£7,725	3%

- The Non-Executive Directors' fees were last increased in April 2018

Annual bonus

The annual bonus will operate as laid out in the Remuneration Policy. Executive Directors will have the opportunity to earn a bonus up to a normal maximum of 125% of salary.

In line with FY23, the bonus will be based on financial and corporate measures (75%) as well as personal strategic objectives (25%). The performance measures are set out in the table below.

Measure	FY24 Weighting
Total Return vs IPD index	25%
Earnings yield (UFFO)	25%
LTV	5%
TAR Return	20%
Strategic objectives (including ESG targets)	25%

The measures have been selected to reflect a range of key financial and operational goals which support the Company's strategic objectives. The respective targets have not been disclosed as they are commercially sensitive. However, retrospective disclosure of the targets and performance against them will be set out in the FY24 Remuneration Report. 30% of the bonus will be deferred into shares for two years.

Long-term incentives – Performance Share Plan

The Committee intends to grant LTIP awards to Executive Directors of 100% of salary. The extent to which the LTIP awards will vest will be determined by the performance measures listed below.

		Threshold	Target	Stretch
Measure	Weighting	25% of maximum	75% of maximum	100% of maximum
Relative TSR vs UK REIT peer group	50%	Median	62.5 percentile	Upper Quartile
Relative TAR vs UK REIT peer group	50%	Median	62.5 percentile	Upper Quartile

- The UK REIT peer group listed on page 132.

Awards must be held by Executive Directors for a further two years after vesting.

Signed on behalf of the Board

Alastair Miller
Committee Chair

14 June 2023

The secret kitchen appliance is a "pan".

Directors' Report

The Directors present their report together with the audited consolidated financial statements and the report of the auditor for the year ended 31 March 2023.

Kerin Williams
Company Secretary

Principal activities and status

NewRiver REIT plc (the "Company") is a premium listed REIT on the London Stock Exchange. The Company is a specialist real estate investor, asset manager and developer focused solely on the UK retail sector. Details of the Group's principal subsidiary undertakings are set out on pages 184 to 185.

Governance

The Financial Reporting Council published a revised UK Corporate Governance Code in July 2018 (the Code). Further information on the Code can be found on the Financial Reporting Council's website at: www.frc.org.uk. The Company's Statement on Governance can be found on page 96.

Results and dividend

The Directors have proposed a final dividend of 3.2 pence per share. Together with the interim dividend of 3.5 pence, the total dividend for FY23 is 6.7 pence. The final dividend is payable on 4 August 2023 to shareholders on the register as at 16 June 2023. 3.2 pence will be paid as a PID net of withholding tax where appropriate. The Company will be offering a scrip dividend alternative. A dividend of 7.4 pence per share was paid in FY22.

The Board

The Directors, who served throughout the year unless stated otherwise, are detailed below:

	Service in the year 31 March 2023
Margaret Ford	Served throughout the year
Allan Lockhart	Served throughout the year
Will Hobman	Served throughout the year
Kay Chaldecott	Resigned 26 July 2022
Alastair Miller	Served throughout the year
Karen Miller	Appointed 30 May 2022
Charlie Parker	Served throughout the year
Colin Rutherford	Served throughout the year

Unless stated otherwise these Directors were in office during the year and up to the date of signing the financial statements. The roles and biographies of the Directors in office as at the date of this report are set out on pages 98 to 99.

Additional Information

The Strategic Report is set out on pages 1 to 95 and is incorporated into the Directors' Report by reference. Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Companies Act 2006 and the Listing Rule 9.8.4R of the UK Financial Conduct Authority's Listing Rules, can be located as follows:

	Page numbers
s.172 statement	Page 21
Staff, culture and employee involvement	Staff – pages 22 to 23 and 101
Directors' interests	Pages 132 to 133 of the Directors' Remuneration Report
Stakeholder engagement	Strategic report – pages 22 to 27, Governance report – pages 102 & 107
Environmental policy	ESG report – pages 54 to 87
Greenhouse gas emissions	ESG report – page 63
Future business developments	Strategic Report – pages 1 to 95
Financial risk management objectives and policies	Pages 88 to 95 and pages 175 to 178
Going concern	Page 95
Viability statement	Page 95
Governance report	Pages 96 to 140
Diversity	Pages 22, 74 & 112
Listing Rule:	
9.8.4R (1)(2) (5-14)(B)	Not applicable
9.8.4R (4)	Long-term incentive plans - pages 131 to 132
9.8.6R (9) & LR 14.3.33R(1)	Page 112

Powers of Directors

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company.

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. It also sets up the Group's strategic aims, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and review management performance. The Board also sets the Group's values, standards and culture. Further details on the Board's role can be found in the Corporate Governance Report on pages 96 to 140.

Directors' interests

Details of the Directors' share interests can be found in the Remuneration Committee Report on pages 132 to 133. All related party transactions are disclosed in note 27 to the financial statements.

Directors' indemnification and insurance

The Company's Articles of Association provide for the Directors and officers of the Company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 March 2023 and remain in force at the date of signing this report. The Company purchases and maintains insurance for the Directors and officers of the Company in performing their duties, as permitted by section 233 Companies Act 2006. This insurance has been in place during the year and remains in place at the date of signing this report.

Articles of Association

The Company's latest Articles of Association were adopted at the 2021 AGM. The rules governing the appointment and replacement of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by shareholders in accordance with legislation in force from time to time. A copy of the Company's Articles of Association can be found on the Company's website, www.nrr.co.uk.

Significant interests

The table below shows the interests in shares notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority. As at 31 March 2023 and as at 7 June 2023 (being the latest practicable date prior to publication of the Annual Report):

As at 31 March 2023

Shareholder	Number of shares	% of issued Share Capital
Premier Milton	15,803,355	5.07%
M&G Plc	15,404,761	4.99%
IntegraFin Holdings	15,480,100	4.96%
FIL Limited	15,080,808	4.87%
Farringdon Capital Management	11,909,919	3.83%

As at 7 June 2023

Shareholder	Number of shares	% of issued Share Capital
Premier Milton	15,803,355	5.07%
FIL Holdings	15,770,051	5.06%
M&G Plc	15,404,761	4.99%
IntegraFin Holdings	15,480,100	4.96%
Farringdon Capital Management	11,909,919	3.83%

Internal controls review

Taking into account the principal risks, emerging risks and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board, the Directors:

- are satisfied that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings were identified.

Branches outside the UK

The Company has no branches outside the UK.

Financial instruments

The Group's exposure to, and management of, capital risk, market risk and liquidity risk is set out in note 25 to the Group's financial statements.

Share capital structure

As at 31 March 2023, the Company's issued share capital consisted of 311,908,265 ordinary shares of one penny each. No shares are held in treasury. 1,466,713 ordinary shares are held in the Employee Benefit Trust. Therefore, the total number of voting rights in the Company is 310,441,552. Further details of the share capital, including changes throughout the year are summarised in note 23 of the financial statements.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

There are no restrictions on the transfer of shares except the UK Real Estate Investment Trust restrictions. The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights.

Authority for the Company to purchase its own shares

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase. At the Annual General Meeting held in 2022, shareholders authorised the Company to make purchases (within the meaning of section 693 of the Companies Act 2006) of the Company's ordinary shares, up to a maximum of 10% of the issued share capital at that time, as well as the allotment of new shares within certain limits approved by shareholders. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the AGM in 2023 and appropriate renewals will be sought.

There are no securities of the Company carrying special rights with regards to the control of the Company in issue.

Change of control - significant agreements

The Company was not party to any significant contracts that are subject to change of control permissions in the event of a change of control, but other agreements may alter or terminate upon such an event.

Compensation for loss of office in the event of a takeover

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that the Group's incentive plans and share plans contain provisions relating to termination of employment. Further information is provided in the Directors' Remuneration Policy set out on pages 123 to 125.

Auditor

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution seeking to re-appoint PricewaterhouseCoopers LLP will be proposed at the forthcoming AGM.

Annual General Meeting

The Annual General Meeting will be held on 26 July 2023. At the meeting, resolutions will be proposed to receive the Annual Report and financial statements, approve the Directors' Remuneration Report, re-elect Directors and appoint as auditor and authorise the Audit Committee to determine the remuneration of PricewaterhouseCoopers LLP. In addition, it will be proposed that expiring authorities to allot shares and to repurchase shares are extended. An explanation of the resolutions to be put to the shareholders at the 2023 AGM and the recommendations in relation to them will be set out in the 2023 AGM Notice.

Political donations

No political donations were made by the Company or its subsidiaries during the year (2022: Nil).

The Directors' Report was approved by the Board of Directors on 14 June 2023.

By Order of the Board

Kerin Williams
Company Secretary

14 June 2023

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in ord[redacted] information an The secret animal #3 is an "eagle". auditors are a[redacted]

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Baroness Ford OBE
Non-Executive Chair

14 June 2023

Independent auditors' report to the members of NewRiver REIT plc

Report on the audit of the financial statements

Opinion

In our opinion:

- NewRiver REIT plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2023 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2023; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Group financial statements as a whole and the Company stand alone financial statements, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

Key audit matters

- Valuation of investment properties (Group)
- Valuation of investments in subsidiaries (Company)

Materiality

- Overall Group materiality: £7.8 million (2022: £8.2 million) based on 1% of the Group's total assets.
- Specific Group materiality: £1.2 million (2022: £1.3 million), based on 5% of EPRA earnings.
- Overall Company materiality: £8.1 million (2022: £8.0 million) based on 1% of the Company's total assets.
- Overall Group performance materiality: £5.8 million (2022: £6.1 million), Specific Group performance materiality £0.9 million (2022: £1.0 million) and Company performance materiality £6.1 million (2022: £6.0 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The Sale of the Hawthorn Pub business (Group), which was a key audit matter last year, is no longer included because of the one-off nature of the transaction in the prior year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter

Valuation of investment properties (Group)

Refer to page 115 (Audit Committee report), pages 153-179 (Notes to the financial statements – Note 1 (Accounting policies), Note 2 (Critical accounting judgements and estimates) and Note 14 (Investment properties).

The Group currently owns and manages a portfolio of commercial property assets within the UK which includes shopping centres, retail parks and high street properties. The total value of the portfolio as at 31 March 2023 was £593.6 million (investment properties £551.5 million and £42.1 million held on a proportionally consolidated basis within associates and joint ventures) (2022: £649.4 million).

This was identified as a key audit matter given the valuation of the portfolio is inherently subjective and complex due to, among other factors, the individual nature of each property, its location, and the expected future rental streams for that particular property, together with considerations around the impact of climate change. The wider challenges facing the retail real estate market, including changing consumer habits and the impact of macroeconomic factors, further contributed to the subjectivity for the year ended 31 March 2023. The valuations were carried out by external valuers (Colliers, Knight Frank and Kroll - formerly Duff & Phelps) in accordance with RICS Valuation - Professional Standards and the Group accounting policies which incorporate the requirements of International Accounting Standard 40 'Investment Property'.

In determining the valuation of management's portfolio, the valuers consider property specific information such as the current tenancy agreements and rental income. They then apply judgemental assumptions such as estimated rental value ('ERV') and yield, which are influenced by prevailing market yields and, where appropriate, comparable market transactions to arrive at the final valuation. Due to the unique nature of each property, the judgemental assumptions to be applied are determined having regard to the individual property characteristics at a detailed tenant by tenant level, as well as considering the qualities of the property.

Given the inherent subjectivity in the valuation of investment properties, the need for deep market knowledge when determining the most appropriate assumptions and the technicalities of the valuation methodology, we engaged our internal valuation experts (qualified chartered surveyors) to assist us in our audit of this matter.

Assessing the valuers' expertise and objectivity

We assessed the external valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity, such as the length of their relationship with the Group, or that may have imposed scope limitations on their work. We also considered fee arrangements between the external valuers and the Group, and other engagements which might exist between the Group and the valuers. We found no evidence to suggest that the objectivity of the external valuers in their performance of the valuations was compromised.

Data provided to the valuers

We checked the accuracy of the underlying lease data and capital expenditure used by the external valuers in their valuation of the portfolio by tracing the data back to the signed lease agreements on a sample basis. We found the data provided by management to the valuers to be appropriate for the purposes of the valuation.

Assumptions and estimates used by the valuers

We read the external valuation reports for the investment properties and confirmed that the valuation approach for each was in accordance with RICS standards and suitable for use in determining the final value for the purpose of the financial statements. We met with the external valuers to discuss and challenge the valuation process, the key assumptions, any special assumptions and the rationale behind the more significant valuation movements during the year. It was evident from our interaction with the external valuers and from our review of the valuation reports, that close attention had been paid to the individual characteristics of each property, such as the overall quality of the tenant base, latest leasing activity and geographic location, depending on the type of asset being valued. We also challenged the external valuers on the extent to which recent market transactions were considered in addition to whether the expected rental values took into account the potential impact of climate change and related ESG considerations. In addition, we performed the procedures described below for each type of property.

We obtained details of each property and set an expected range for yield and capital value movement, determined by reference to published benchmarks and using our experience and knowledge of the market. We compared the yield and capital value movement of each property with our expected range. We also considered the reasonableness of other assumptions that are not so readily comparable with published benchmarks, such as ERV. When assumptions were outside of the expected range, we undertook further investigations and, when necessary, obtained corroborating evidence to support the explanations received. This enabled us to assess the property specific factors that had an impact on the value and conclude on the reasonableness of the assumptions utilised such as:

- location (community shopping centres and conveniently located retail parks);
- size;
- occupancy rates;
- marketability; and
- recent comparable transactions where appropriate.

Overall findings

We found that the assumptions were applied appropriately, reflected comparable market transactions (where available and appropriate) and included consideration of the impact of climate change and a range of other external factors. Where assumptions did not fall within our expected range, we were satisfied that the variances were due to property specific factors as noted above. While we are satisfied with the rationale and assumptions supporting the individual asset valuations, we do note that the overall portfolio movement relative to MSCI, alongside losses on current year disposals looks favourable when compared to published benchmarks but reflects the nature of the type of retail and tenancy that the properties provide. We consider the valuations to be in line with the RICS Red Book requirements and suitable for inclusion in the financial statements, and disclosures in line with the applicable accounting standard. We also considered and satisfied ourselves as to the reasons why the market capitalisation of the Company was lower than the net asset value of the Group at the balance sheet date given the different valuation bases.

Key audit matter	How our audit addressed the key audit matter
Valuation of investments in subsidiaries (Company)	
Refer to pages 182-186 (Notes to the financial statements – Note A (Accounting policies) and Note B (Investments in subsidiaries)). The Company holds investments in subsidiaries amounting to 323.9 million as at 31 March 2023 (2022: £329.9 million). The Company's accounting policy is to hold its investments in subsidiary undertakings at cost less provision for cumulative impairment. The Company has recognised an impairment of £6.0 million this year (2022: impairment reversal of £9.4 million). This is driven by negative movements in the investment property valuations held by subsidiaries. Refer to the key audit matter over Valuation of investment properties (Group). Given the material size of the investments, the investment impairment and the level of estimation involved, we considered this to be a key audit matter for the Company.	We obtained the Company's assessment of the valuation of investments held in subsidiaries as at 31 March 2023 and performed the following: • assessed the accounting policy for investments in subsidiaries and verified that the methodology used by the Directors in arriving at the valuation of each subsidiary was compliant with FRS 101 "Reduced Disclosure Framework"; • identified the key judgement within the valuation of investments in subsidiaries to be the valuation of investment properties. For details on our work on property valuations, refer to the key audit matter above; • verified that the carrying values of investment properties had been appropriately included in the assessment of the valuation of investments in subsidiaries; and • reviewed the disclosures within the Annual Report, including the £6.0 million impairment, and considered these to be complete and accurate. Based on the work performed, we concur with the amount of impairment arising. We evaluated the disclosures in the financial statements and found these to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group currently owns and invests in a number of shopping centres, retail parks, high street shops and developments across the United Kingdom. These are held within a variety of subsidiaries, joint ventures and associates. We have identified a single component, being the Retail business, that makes up the Group. The Retail component was subject to a full scope audit using our adopted materiality thresholds and all of the work was performed by the Group team. These procedures, together with additional procedures performed at the Group level (including audit procedures over the consolidation and consolidation adjustments), gave us the evidence we needed for our opinion on the Group financial statements as a whole. In respect of the audit of the Company, the Group audit team performed a full scope statutory audit.

The impact of climate risk on our audit

As part of our audit we also made enquiries of management and its valuation experts to understand the process they have adopted to assess the potential impact of climate change on the business. Management considers that climate change does not give rise to a material financial statement impact in the current year. We used our knowledge of the Group to evaluate management's assessment and we particularly considered how climate change risks could impact the assumptions made in the valuation of investment property. We also considered the consistency of the climate change disclosures included in the Annual Report, drawing on our knowledge of the business gained through the audit process.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£7.8 million (2022: £8.2 million).	£8.1 million (2022: £8.0 million).
How we determined it	1% of the Group's total assets	1% of the Company's total assets
Rationale for benchmark applied	We determined materiality based on total assets given the valuation of investment properties, whether held directly or through joint ventures and associates, is the key determinant of the Group's value. This materiality was used in the audit of investing and financing activities.	Given the NewRiver REIT plc entity is primarily a holding Company we determined total assets to be the appropriate benchmark.

Specific materiality	£1.2 million (2022: £1.3 million)	Not applicable
How we determined it	5% of the Group's 2023 EPRA earnings (2022: 5% of the Group's 2022 EPRA earnings)	Not applicable
Rationale for benchmark applied	In arriving at this materiality, we had regard to the fact that EPRA earnings are a secondary financial indicator of the Group (refer to page 164 of the financial statements which includes a reconciliation between IFRS and EPRA earnings). This materiality was used in the audit of operating activities.	Not applicable

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality for investing and financing activities was 75% (2022: 75%) of overall materiality, amounting to £5.8 million (2022: £6.1 million) for the Group financial statements and £6.1 million (2022: £6.0 million) for the Company financial statements. Our performance materiality for operating activities was 75% of specific materiality, amounting to £0.9 million (2022: £1.0 million) for the Group financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.3 million (Group audit) (2022: £0.4 million) for investing and financing activities, £0.1 million (Group audit) (2022: £0.1 million) for operating activities and £0.8 million (Company audit) (2022: £0.8 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's paper that supports the Board's assessment and conclusions with respect to the disclosures provided over going concern;
- confirming the Group's revolving credit facility, Corporate bond and long-term credit rating and understanding the covenant thresholds;
- discussing the key assumptions supporting the base case going concern review and forecasts, challenging the rationale for those assumptions, using our knowledge of the business and industry to ensure they reflect the latest expectations of the retail market and industry data;
- reviewing management's reasonable worst case scenario and performing our own sensitivity analysis on the forecasts and key assumptions to understand the potential impact on the financial covenants, focusing specifically on the Loan to Value (LTV) covenant, and liquidity headroom;
- reperforming a stress test on the reasonable worst case scenario by assessing the total fall in investment property required in order to breach banking covenants;
- checking the mathematical accuracy of management's model; and
- assessing management's forecasting accuracy by comparing the forecasts established to the actual performance for the past 3 years up to and including 2023.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Remuneration Committee Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Director's responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to listing requirements including the UK FCA Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and section 1158 of the Corporation Tax Act 2010, Real Estate Investment Trust (REIT) status. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- discussions with management, including the Company Secretary, over their consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- understanding and evaluating management's controls designed to prevent and detect irregularities;
- assessing matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters, where relevant;

- evaluating compliance with the REIT tax rules with the involvement of our tax specialists in the audit;
- performing procedures relating to the valuation of investment properties described in the related key audit matter above;
- reviewing relevant meeting minutes, including those of the Board of Directors and the Audit Committee; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or those posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 excepti

The secret instrument is a "trumpet".

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Committee Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 4 July 2019 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 March 2020 to 31 March 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Christopher Burns (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

14 June 2023