NEW RIVER

660 PUBS

CONVENIENCE & COMMUNITY

Half Year Results Presentation

Six months to 30 September 2019

21 November 2019

33 SHOPPING CENTRES

24 RETAIL PARKS

www.nrr.co.uk

Introduction

Allan Lockhart: Chief Executive

Delivering on our strategies to grow Underlying Funds From Operations and rebuild dividend cover

Diversified and differentiated portfolio, with high yields and small lot sizes, supportive of valuations

Focus on growing, resilient sub-sectors, enhanced by active asset management, delivering sustainable cash flows

NEW RIVER

Good progress with strategies to deliver Underlying FFO growth and restore full dividend cover

- In FY20 to date, disposals completed, exchanged or under offer total £59.5 million, reflecting a blended NIY of 5.4%
- Proceeds recycled into JV with BRAVO; has so far acquired five retail parks for £105.1 million (NRR share: £34.7 million), reflecting blended NIY of 9.0%
- Further expansion of 3rd party asset management platform; agreement with Knowsley Council to become strategic asset manager to Kirkby Town Centre

Proven business model delivering sustainable cash returns, underpinned by unsecured balance sheet

- Underlying FFO ('UFFO') of £26.4 million (HY19: £25.6 million); UFFO per share of 8.6 pence (HY19: 8.4 pence)
- DPS held at 10.8 pence (HY19: 10.8 pence); 80% covered by UFFO (HY19: 78% covered)
- EPRA NAV per share of 244 pence (March 2019: 261 pence), impacted by portfolio valuation decline of 3.3%

Strong operational metrics show resilience of retail portfolio focus on convenience, value and services

- Retail occupancy remains high at 95.6% (March 2019: 95.2%); affordable average retail rent of £12.49 psf (March 2019: £12.52 psf)
- 337,900 sq ft of leasing activity; long term deals on terms 2.5% ahead of previous rent and 0.5% ahead of ERV
- Like-for-like net rental income decline of 3.5%, principally driven by CVAs and Administrations

Hawthorn Leisure: continued growth driven by scale-based synergies secured in FY19 and active asset management

- Community pub portfolio delivered LFL EBITDA growth per pub of +5.5%, as it continued to benefit from the scale-based synergies secured in FY19
- Pub occupancy remained high at 96.7% (March 2019: 97.9%) across our 660 community pubs
- Highly active six months for M&A in the sector; supportive of valuations and presenting attractive investment opportunities

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STRATEGIES TO DELIVER UFFO GROWTH AND A FULLY-COVERED DIVIDEND

Maintain a conservative balance sheet + **Target full dividend cover through Underlying FFO growth**

Disposal target Yield 5-7%

1. Disposal programme
2. Recycling capital primarily into JVs

Acq'n target Yield 9-15%

→ Underlying FFO +£3-6m

3. Asset management platform → Underlying FFO +£3-5m
4. Sharper asset management & operational efficiencies → Underlying FFO +£1-3m
5. Growth from our pubs → Underlying FFO +£1-2m

Medium term Underlying FFO target +£8-16m

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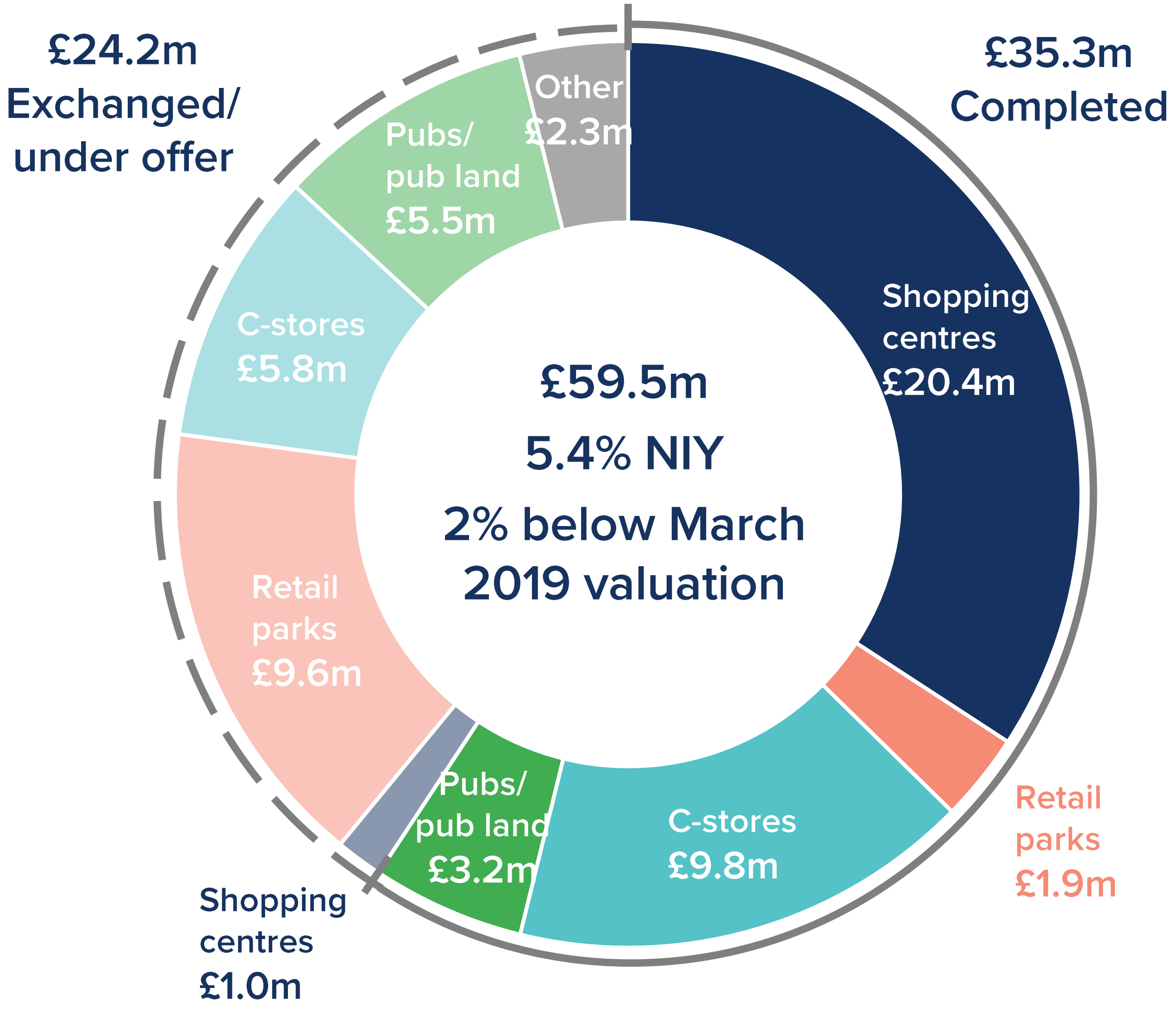
DISPOSAL PROGRAMME - PROGRESS IN FY20

- At Full Year Results in May 2019, NewRiver announced its target to recycle a minimum of 5% of its portfolio in FY20 (c.£64m)
- So far in FY20 we have completed £35.3m of capital recycling, with a further £24.2m exchanged or under offer
- Completed disposals on terms in line with book value, demonstrating the conservative nature of valuations; overall disposal pipeline at a 2% discount to valuation
- Sold assets where:
  - We have completed asset management/ risk-controlled development initiatives, or
  - They no longer meet our required return rates



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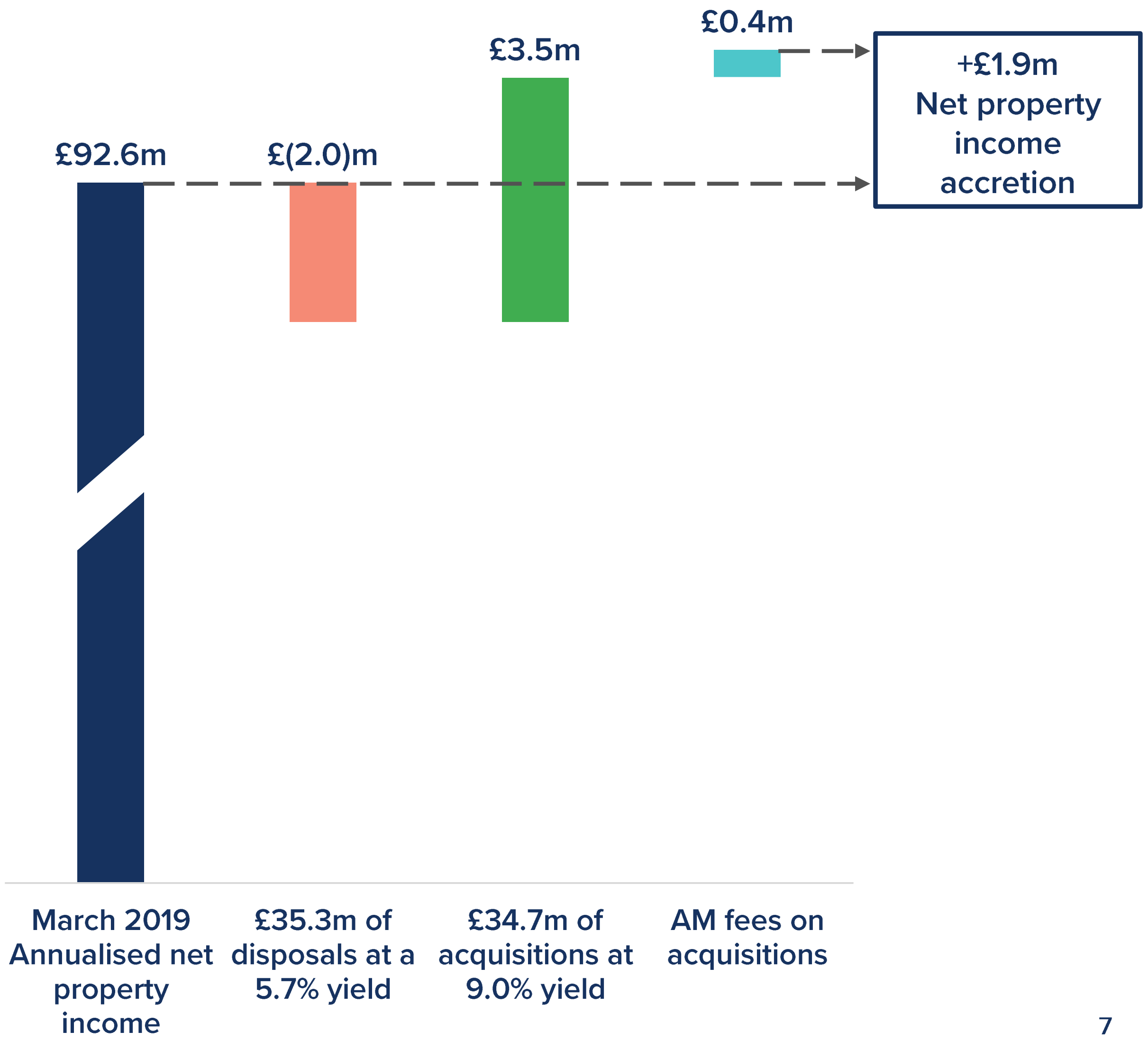
CAPITAL RECYCLING PRIMARILY INTO JVs

- In May 2019, formed a new joint venture with BRAVO, re-establishing successful partnership dating back to 2012
- To date, the joint venture has acquired five retail parks for total consideration of £105.1 million (NRR share: £34.7 million), representing a NIY of 9.0%
- In addition to a share of rental income, JV relationship generates asset management fees and promotes, increasing overall returns
- Ability to take either 10% or 50% stake in JVs provides flexibility and ensures we maintain a conservative balance sheet position

Net income impact of net neutral investment



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- In November 2019, NRR appointed by Knowsley Council to become strategic asset manager to Kirkby Town Centre
- We will provide strategic asset management and business planning advice to the Council, and ongoing asset management services, for an annual fee
- Agreement includes the potential for NewRiver to provide development monitoring services for construction of a 45,000 sq ft Morrisons superstore
- Fourth mandate to be signed to our third-party asset management platform

Proposed development at Kirkby Town Centre, Merseyside

"In NewRiver we have found a highly experienced asset manager with the scale and retailer relationships to ensure that Kirkby town centre thrives with an attractive retail offer."

Mike Harden, Chief Executive, Knowsley Council

Knowsley Council

NEW RIVER

Finance Review

Mark Davies: Chief Financial Officer

NEW RIVER

RESILIENT FINANCIAL PERFORMANCE

- Underlying Funds From Operations ("UFFO") increased from £25.6 million in HY19 to £26.4 million, as net property income growth more than offset increases in administrative expenses and finance costs

- Administrative expenses increase principally due to a full half of costs relating to Hawthorn Leisure, and the movement of pub management from a third-party platform to Hawthorn Leisure, which also decreased property operating expenses

- Increase in net finance costs entirely due to implementation of IFRS 16, which requires head lease payments to be recognised as an interest expense

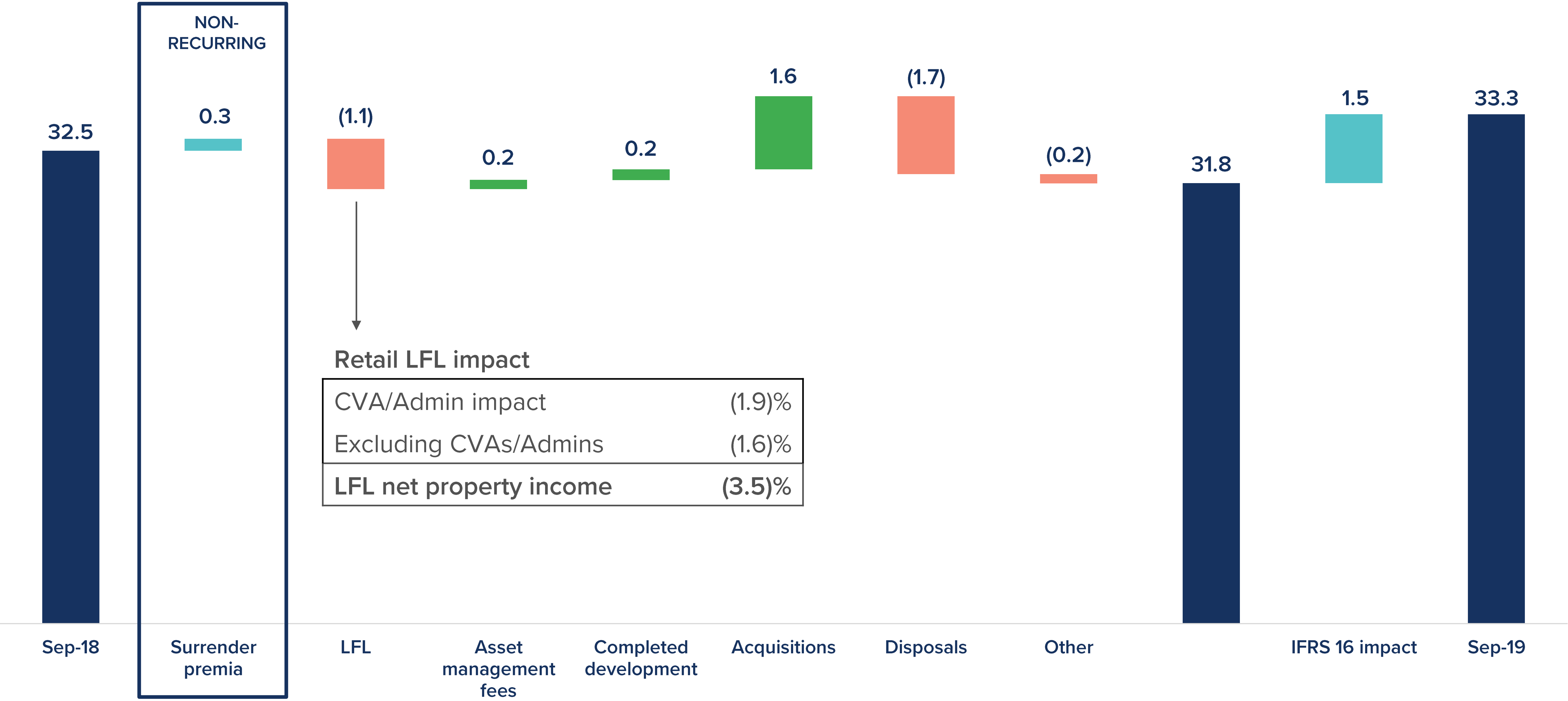
- Ordinary dividend per share maintained at 10.8 pence

- Ordinary dividend cover[1] improved to 80%, from 78% in HY19

Proportionally consolidated	HY20 £m	HY19 £m
Revenue	71.2	59.7
Property operating expenses	(24.3)	(16.5)
Net property income	**46.9**	**43.2**
Administrative expenses	(9.7)	(7.7)
Net finance costs	(10.8)	(9.4)
Taxation	-	(0.5)
Underlying Funds From Operations	**26.4**	**25.6**
Loss on disposals	(0.8)	(0.3)
Funds From Operations	**25.6**	**25.3**
Underlying FFO per share	**8.6p**	**8.4p**
FFO per share	**8.4p**	**8.3p**
Ordinary dividend per share	**10.8p**	**10.8p**
Ordinary dividend cover[1]	**80%**	**78%**
Weighted average # shares	306m	304m

1. Calculated with reference to Underlying Funds From Operations.

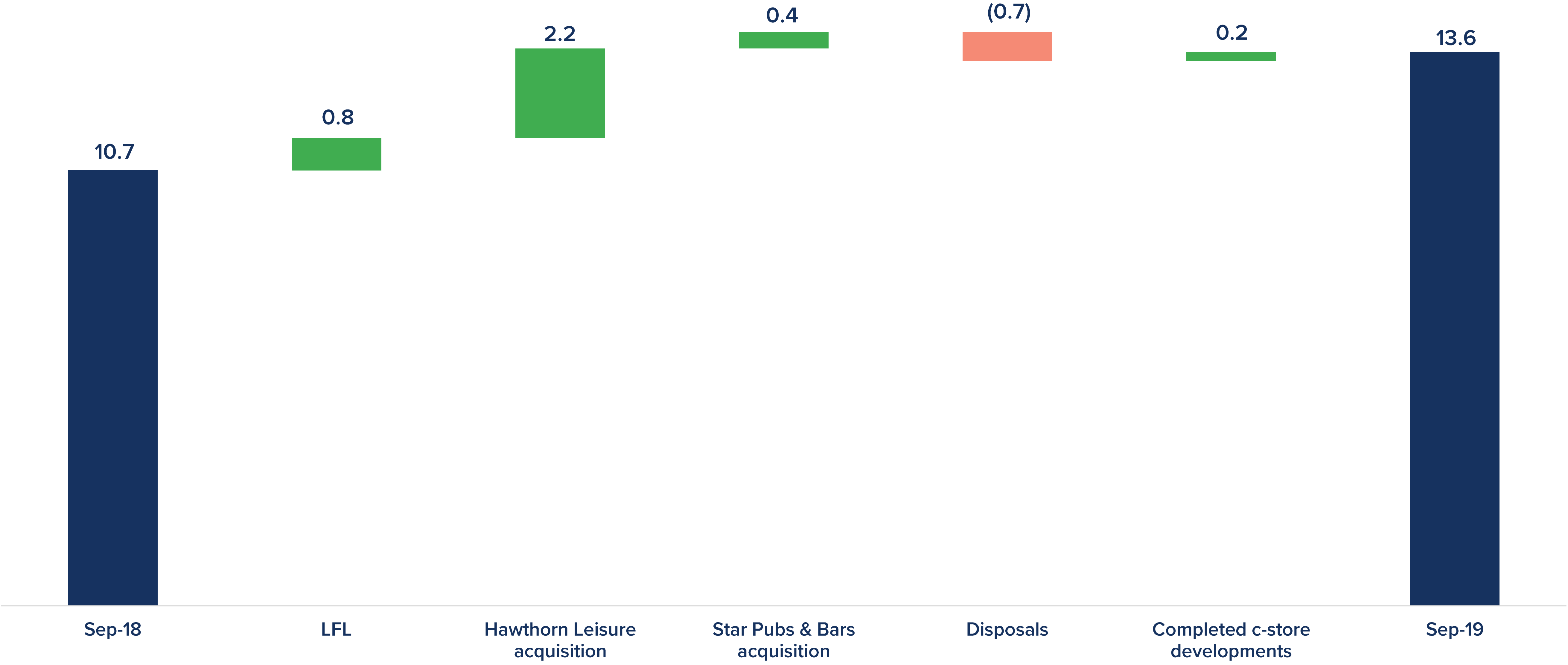
NET PROPERTY INCOME (£M): RETAIL PORTFOLIO



Retail LFL impact

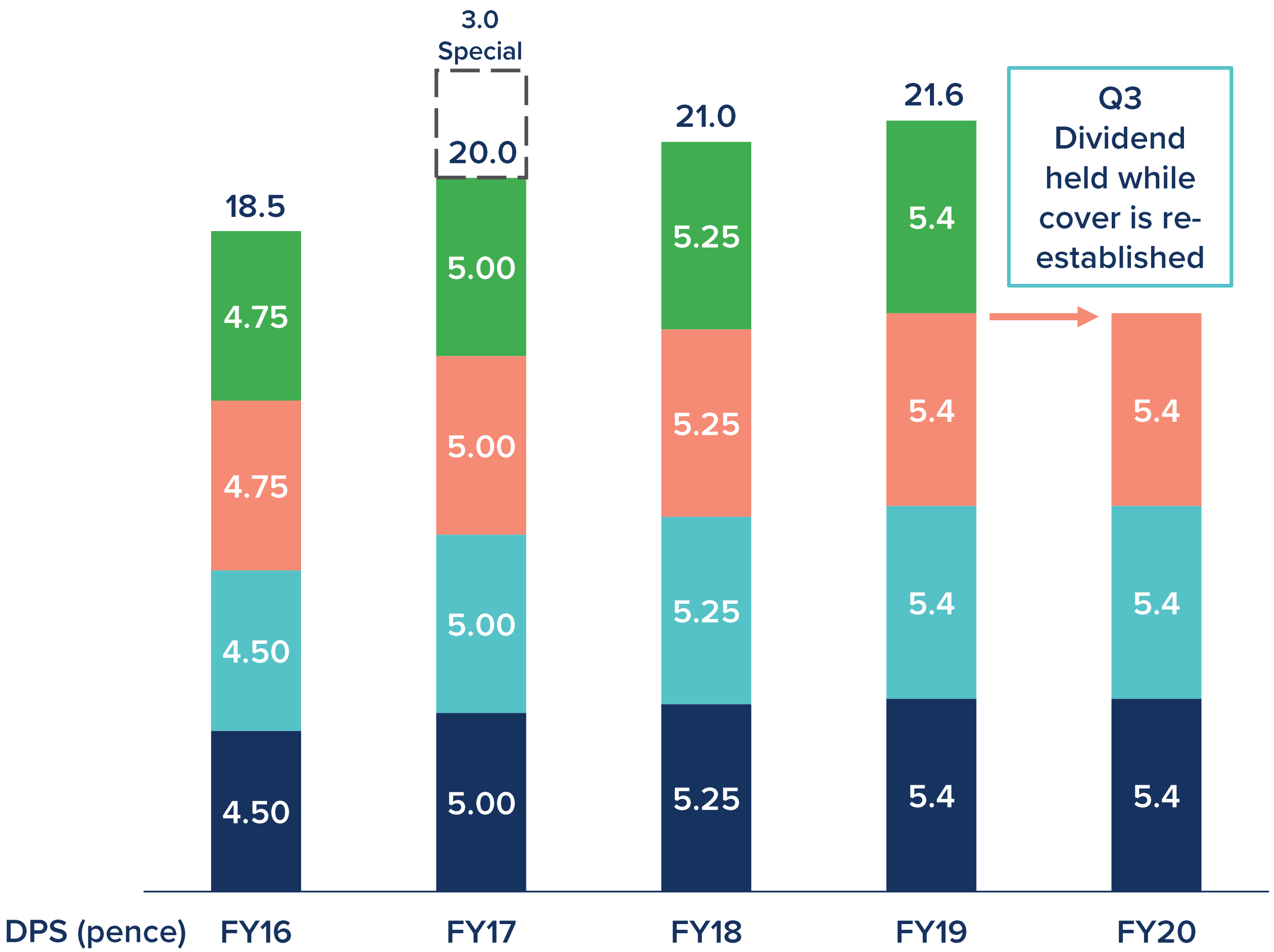
CVA/Admin impact	(1.9)%
Excluding CVAs/Admins	(1.6)%
LFL net property income	**(3.5)%**

NET PROPERTY INCOME (£M): PUB PORTFOLIO



ORDINARY DIVIDEND POLICY

- Total ordinary dividend per share of 10.8p (HY19: 10.8p)
- Dividend is 80% covered by UFFO (HY19: 78%); further improvement expected as we continue the execution of strategies to deliver UFFO growth
- Q3 FY20 dividend maintained at 5.4p
- Committed to establishing a fully covered dividend



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WELL-POSITIONED BALANCE SHEET

- Our balance sheet is fully unsecured and our assets are unencumbered
- Investment property decreased to £1.26bn, from £1.29bn due to net acquisitions, offset by a 3.3% decline in portfolio valuation
- EPRA NAV per share decreased by 6.5% to 244 pence per share compared to 261 pence per share at 31 March 2019, of which 14p related to portfolio valuation decline
- LTV at 38%, increased from 37% at 31 March 2019, also due to portfolio valuation decline

Proportionally Consolidated	September 2019 £m	March 2019 £m
Properties at valuation	1,255.3	1,288.4
Other Assets	118.2	21.0
Cash	25.7	27.6
Borrowings	(508.2)	(502.7)
Other Liabilities	(145.6)	(38.2)
IFRS net assets	**745.4**	**796.1**
EPRA NAV per share	**244p**	**261p**
LTV	**38%**	**37%**

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- Cost of debt of 3.2% vs portfolio yield of 7.9% and with debt maturity of 6.4 years
- Covenant light debt structure and significant covenant headroom

Benefits of an unsecured balance sheet include:

- Increased operational flexibility
- Lower cost of debt
- Reduced management time

	Facility £m	Drawn £m	Maturity[1]	Covenants LTV	Covenants Interest Cover
RCF	215	58	4.8 yrs	<60%	>1.75x
Term Loan	165	165	4.8 yrs	<60%	>1.75x
Bond	300	300	8.4 yrs	<65%	>1.5x
NRR Reported	**680**	**523**	**6.4 yrs**	**38%**	**3.8x**

1. Assuming one-year extension options are bank approved

Sensitivity analysis – as at 30 September 2019

- **LTV Covenant:** Would require a c.36% reduction in portfolio valuation
- **ICR Covenant:** Would require a c.47% reduction in net property income

Pubs Review – Hawthorn Leisure

MARKET BACKDROP FOR PUBS: SUPPORTING VALUATIONS AND PROVIDING GROWTH OPPORTUNITIES

Capital market for pubs

- Highly active two years for transactional activity in the pub capital markets, with both foreign and domestic investment in pub operators and pub portfolios
- Deals have been highly supportive of valuations and provide opportunities for further expansion of our portfolio

Operating market for pubs

- LFL sales growth of 1.8% in 12 months to September 2019, according to Coffer Peach Business Tracker
- Wet-led pubs continue to outperform, as food-led pubs face headwinds of market overcapacity and the growing home delivery market

Recent pub sector deals

August 2017
Patron Capital & Heineken acquire Punch Taverns for EV of £1.8bn

May 2018
NewRiver acquires Hawthorn Leisure (7.4x EBITDA)

December 2018
Hawthorn Leisure acquires 76 pubs from Star Pubs & Bars (6x EBITDA)

January 2019
Davidson Kempner buys portfolio from Ei for £348m (13x EBITDA)

July 2019
Ei acquired by Stonegate for EV £3.0bn (11x EBITDA)

August 2019
Greene King acquired by CK Asset Holdings for EV £4.6bn (9.5x EBITDA)

November 2019
Marston's sells 137 pubs to Admiral Taverns for £44.9m (10x EBITDA)

Portfolio deal | Corporate deal

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OVERVIEW OF HAWTHORN LEISURE

- Community pubs now account for 22% of NRR portfolio
- 660 pubs, of which >90% operate under leased and tenanted model, with the remainder operating under managed or franchised model
- Portfolio is predominantly wet-led; occupancy remains high at 96.7%
- Pubs are typically located in community / neighbourhood locations, surrounded by residential areas, and have good roadside visibility
- Many have excess land available for development
- Pub portfolio has been very profitable, and now has scale and management platform to deliver further growth

Portfolio key figures at 30 September 2019	
Proportion of NRR portfolio by value (excl. c-stores)	22%
Number of pubs	660
LFL EBITDA performance	+5.5%
Valuation performance in HY20	+0.3%
Blended acquisition yield	13.5%
Occupancy	96.7%

Nevile Arms, Kinoulton

NEW RIVER

Targeted capex

Aimed at enhancing the customer experience, improving trade and increasing capital values

Completed 26 projects in first half at a total cost of £1.4 million; return on investment of 24%

Online toolkit

Gives pub partners access to marketing materials and how-to guides for drinks offers, entertainment, sport events and functions

Will expand to provide consumables, utilities, and supplies before end of the year

Loyalty scheme

EPOS-integrated loyalty scheme across operator managed pub estate

Over 6,000 cards in circulation, with 50% used in the last four weeks

Driving loyalty and providing actionable insights

Staff training

Established pub partner training centre in Macclesfield

Paid for by partners and provides induction into Hawthorn Leisure

Training encompasses sales, marketing and business planning; business set-up and financial control; and legal compliance

RISK-CONTROLLED DEVELOPMENT IN HAWTHORN LEISURE

- Started on-site at the Sea View Inn in Poole, Dorset with the development of 10 residential units and a Co-op c-store
- Completion expected in early 2020, and will result in a £275k premium from the Co-op
- Accelerated our c-store disposal programme during the period, with the sale of nine c-stores for £9.8 million, bringing total sold to date to 17
- Continuing to review the pub portfolio for additional c-store development sites

Development at the site of former Sea View Inn in Poole, Dorset

Following completion of the Sea View Inn:

26 C-stores developed

£2.2m of performance receipts generated

Property Review - Retail

Allan Lockhart: Chief Executive

NEW RIVER

DIVERSIFIED INCOME STREAMS: FOCUSED ON CONVENIENCE, VALUE AND SERVICES

- 1,800 leases with >900 occupiers
- Top occupiers focused on convenience, value and services
- Deliberately limited exposure to casual dining, department stores and mid-market fashion
- Top 10 retailers account for just 15% of total rental income, top 100 account for <50%
- Policy that no occupier >5% of total rent (Poundland currently 2.1%)
- Average retail rent of £12.49 per sq ft
- Average Rent to Sales ratio of 7.5%, Affordable Rent to Sales ratio of 10.6% as calculated by Harper Dennis Hobbs[1]

	Retailer	% NRR total rental income	Number of stores	Rent/ Sales ratio[1]
1	Poundland	2.1%	21	6.5%
2	wilko	1.9%	8	12.8%
3	Superdrug	1.7%	16	7.0%
4	b&m	1.6%	11	3.4%
5	Boots	1.5%	16	7.0%
6	PRIMARK	1.5%	4	3.2%
7	TK maxx	1.4%	7	4.0%
8	NEW LOOK	1.2%	14	6.8%
9	M&S	1.2%	4	2.5%
10	Iceland	1.1%	13	3.5%
	Subtotal	15.2%		
11-25	Sainsbury's, co op	12.0%		
26-100	TESCO, COSTA COFFEE, GREGGS	18.8%		
		46.0%		

1. Harper Dennis Hobbs analysis conducted in May 2019. Based on occupier level analysis of 50% of shopping centre portfolio & representative sample of retail parks

NEW RIVER

Market sentiment has impacted valuations

30 Sep 2019	Valuation NRR share £m	Valuation movement %	NEY %	Yield movement bps	ERV movement %
Shopping centres	692	(5.0)	7.9	24	(2.8)
Retail parks	188	(4.4)	7.2	6	(2.2)
High street	16	(5.1)	8.3	(3)	(2.6)
Pubs & c-stores	283	0.3	10.2	N/A	N/A
Development	76	1.8	N/A	N/A	N/A
Total	**1,255**	**(3.3)**	**8.3**	**20**	**(2.7)**

Portfolio outperformed the MSCI-IPD Index across all key return measures

- Total return +0.3%: +320 bps outperformance
- Income return +3.6%: +100 bps outperformance
- Capital growth –3.2%: +210 bps outperformance

Retail valuations underpinned by alternative uses[1]

1. Alternative use valuation calculated internally by NewRiver

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- Portfolio of four retail park assets from an institutional investor for £60.5 million in JV with BRAVO. NewRiver holds a 50% interest
- Acquisition comprises Kittybrewster Retail Park, Aberdeen; Glendoe & Telford Road Retail Parks, Inverness; Units in Kingsway East Retail Park, Dundee; and Wakes Retail Park, Isle of Wight

Deal rationale

- Attractive NIY of 9.8%, plus asset management fees and promotes
- Affordable average rent of £14.77 per sq ft and WAULT of 6.3 yrs
- Rent to Sales ratios[1] ranging from 6.0 - 7.6% across portfolio
- Land capital value of £57 per sq ft
- Strong occupier covenants and a well-diversified line-up that complements our existing portfolio
- Base case levered IRR of 17%, including asset management fees and promotes

Wakes Retail Park, Isle of Wight

Glendoe & Telford Retail Parks, Inverness

1. Calculated by Harper Dennis Hobbs

NEW RIVER

- In October 2019, acquired Poole Retail Park in Dorset in a 10% investment with BRAVO for £44.7 million, representing a NIY of 8.0%
- Retail park is adjacent to the A35 and in close proximity to a large residential area; comprises 14 units offering 208,000 sq ft of retail space and an 805-space car park

Deal rationale

- Attractive NIY, plus asset management fees and promotes
- Average rent of £18.24 per sq ft with an affordable Rent to Sales ratio[1] of 7.8% overall; a WAULT of 6.7 yrs
- Strong occupier covenants and a well-diversified line-up that complements our existing portfolio
- Development opportunities to introduce new occupiers

Poole Retail Park, Dorset

1. Calculated by Harper Dennis Hobbs

NEW RIVER

ACTIVE ASSET MANAGEMENT: PRIORY MEADOW SHOPPING CENTRE, HASTINGS

Leasing deals in the past 12 months

PRIMARK

YOURS

JD

locker

MUFFIN BREAK

Superdrug

hmv

Clarks

Other active asset management initiatives:

- Secured planning permission for a gym on first floor of existing unit
- Improving centre facilities and signage
- Active member of the local Business Improvement District

+2%

Increase in annualised rent roll in HY20

+10%

Increase in LFL footfall in HY20

-13%

Reduction in service charge budgets over the last three years

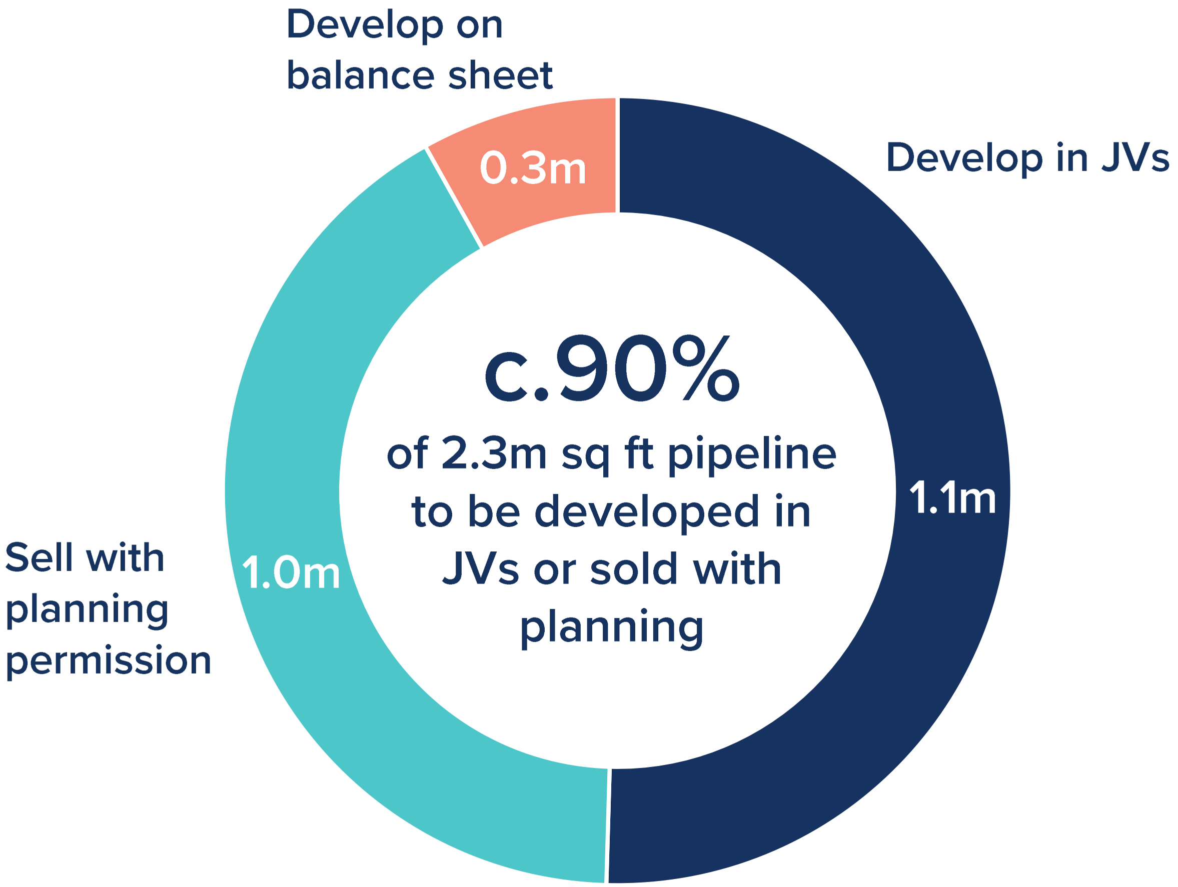
Pipeline segmented by development type

- Includes 0.9 million sq ft of valuable planning consents

2.3m sq ft
risk-controlled development pipeline

Pipeline segmented by planned delivery method

- Future pipeline development will be focused on development in JVs and crystallising value through disposals



RISK-CONTROLLED DEVELOPMENT: GRAYS SHOPPING CENTRE

- Acquired Grays Shopping Centre in June 2018 for £20.2 million, representing a NIY of 9.4%
- Provides majority of retail footprint in Grays town centre, and in close proximity to Grays Railway Station, with direct links to London Fenchurch Street in 35 minutes
- Low capital value per sq ft and low WAULT means we have identified alternative use potential as a major residential scheme
- Since acquiring the site, we have been working closely with Thurrock Council to bring forward conceptual ideas that bring wide-ranging improvements to town centre
- Currently working designs into a Phase 1 joint outline planning application between NewRiver and Thurrock Council

Artists impression of the Grays Shopping Centre development

NEW RIVER

COMMITTED TO OUR COMMUNITIES

- Our comprehensive ESG programme is designed to enhance the lives of the communities we serve and minimise our impact on the environment
- ESG objectives underpin every aspect of our business and we publish a standalone ESG report each year
- Our ESG activities are informed and shaped by both external benchmarks and guidance, and our own internal ESG targets
- Highest standards of ESG a prerequisite for partnering with Local Authorities

Our ESG objectives

- Minimising our environmental impact
- Engaging our staff and occupiers
- Supporting our communities
- Leading on governance and transparency

GRESB

In September 2019, achieved an 13% improvement in GRESB Score compared to the prior year and received our second consecutive Green Star

INSTAVOLT

Partnership with Instavolt has seen 18 electrical vehicle chargers, powered by renewable energy, installed across our portfolio

Way of the Roses

£862,700 raised for charities in FY19, including over £30,000 raised from NewRiver's 'Way of the Roses' 3 Day Cycle Challenge

Autism Impact Award Champion
Investing in Autism Awareness & Training Excellence

In October 2019, the Abbey Centre, near Belfast recognised for its efforts to make the centre a more autism-friendly environment.

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- Accelerating disposal programme through the second half
- Recycling capital into attractive opportunities arising from dislocation in retail asset prices
- Execution of strategies expected to be accretive to UFFO growth
- Challenges in UK retail market expected to remain, although we expect a robust Christmas trading period
- NewRiver remains well positioned due to focus on resilient market sub-sectors and market-leading platform

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Appendices

NEW RIVER

APPENDICES INDEX

Allan Lockhart – Chief Executive, NewRiver

- Co-founded NRR in 2009 as Property Director. Appointed CEO effective 1 May 2018
- Started his career with Strutt & Parker in 1988 advising major property companies and institutions on retail investment and development
- In 2002, Allan was appointed as Retail Director of Halladale plc and was responsible for the acquisition and management of over 20 shopping centres and several profitable retail developments
- Responsible for NewRiver's property strategy including acquisitions, disposals, asset management and risk-controlled development

Mark Davies – Chief Financial Officer, NewRiver and Chief Executive, Hawthorn Leisure

- Joined NRR as CFO at its inception in 2009. Assumed operational responsibility for the pub portfolio from 1 May 2018 and appointed Chief Executive of Hawthorn Leisure effective 1 October 2019
- Mark is a Chartered Accountant and started his property finance career with Grant Thornton before joining PKF (now BDO LLP) as a partner and Head of Real Estate
- Prior to joining NRR as Finance Director in 2009, Mark was CFO of Exemplar Properties and Finance Director of Omega Land, a £500m property JV with Morgan Stanley
- Responsible for the capitalisation of the NewRiver balance sheet, including the raising of >£800m of equity and the move to an unencumbered balance sheet

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MANAGEMENT TRACK RECORD

1991
Halladale plc established

2001
Halladale plc lists on London Stock Exchange

January 2007
Halladale plc sold to listed Australian group for significant premium

September 2009
NewRiver REIT established and initial public offering on London Stock Exchange

Newly established vehicle with no legacy issues

March 2010
Established a JV with Morgan Stanley

June 2011
£42.5m equity raise to finance acquisitions

December 2012
Established first JV with *BRAVO, who also took an 8.7% equity stake in the company

June 2013
£67m equity raise to finance acquisitions cornerstoned by Invesco

November 2013
First pub portfolio transaction with Marston's

January 2014
£85m equity raise supported by a number of new institutions including: Standard Life and Deutsche

December 2014
£75m equity raise to acquire BRAVOs stake in first JV

June 2015
£150m equity raise to fund acquisitions

December 2015
£150m equity raise to fund acquisitions

August 2016
Obtained premium listing on Main Market of London Stock Exchange

December 2016
Qualified for FTSE 250/EPRA indices

July 2017
£225m equity raise

August 2017
£430m unsecured refinancing of bank facilities

March 2018
£300m debut unsecured bond issued

BBB+ issue rating from Fitch

May 2018
Acquisition of Hawthorn Leisure for enterprise value of £106.8m

Sep 2018
First 3rd party asset management mandate signed

May 2019
New Joint Venture partnership with BRAVO

*PIMCO BRAVO Fund I

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PERFORMANCE TRACK RECORD

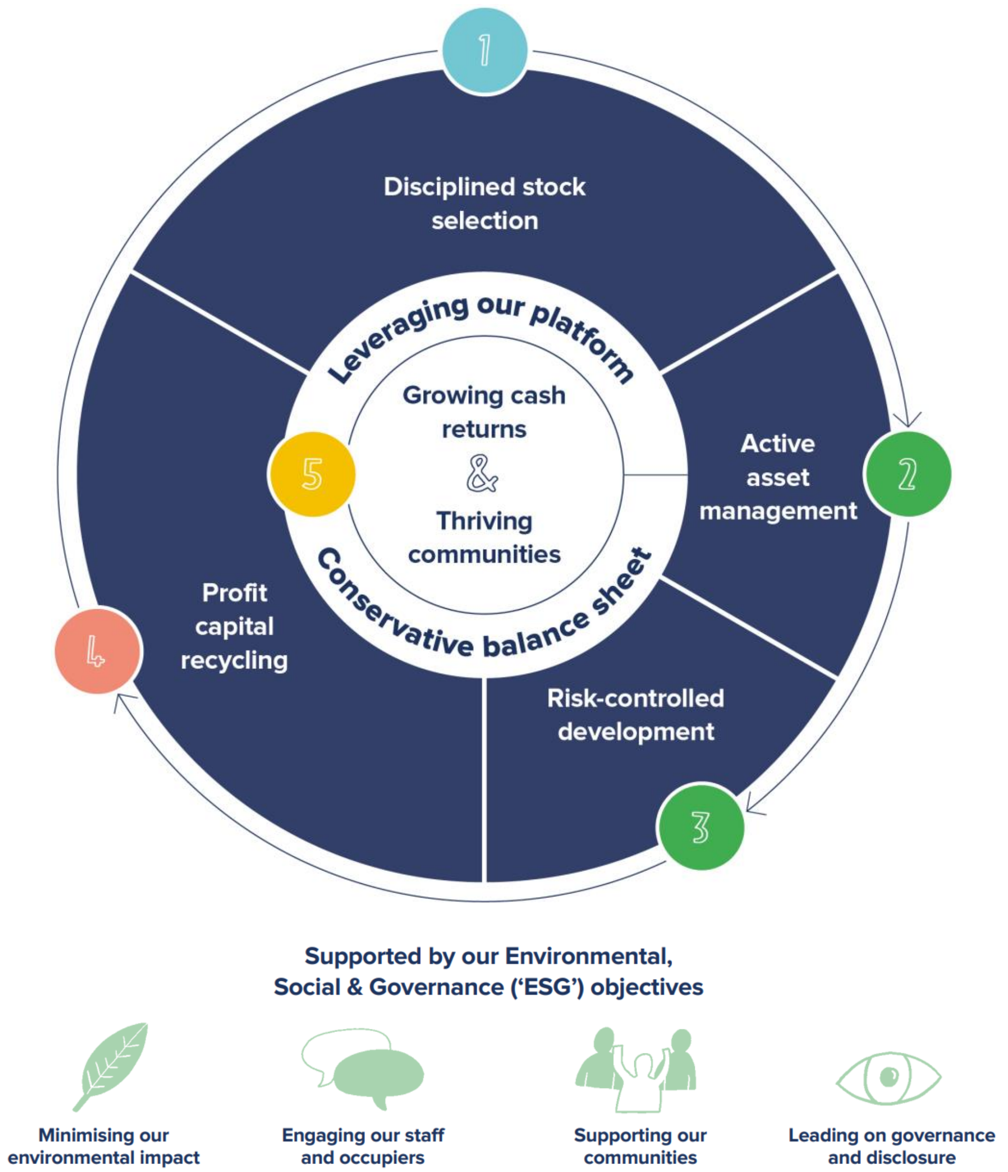
	HY20	FY19	HY19	FY18	HY18	FY17	FY16
Annualised rent roll	£113.2m	£114.6m	£112.3m	£100.1m	£100m	£96.5m	£85.1m
Underlying FFO ('UFFO')	£26.4m	£55.1m	£25.6m	£55.5m	£26.1m	£47.1m	£37.9m
Underlying FFO ('UFFO') per share	8.6p	18.1p	8.4p	19.5p	9.8p	20.1p	21.4p
Ordinary dividend per share	10.8p	21.6p	10.8p	21.0p	10.5p	20.0p	18.5p
Total dividend per share	10.8p	21.6p	10.8p	21.0p	10.5p	23.0p	18.5p
Total dividend cover (based on UFFO)	80%	84%	78%	93%	93%	101%	116%
EPRA Net asset value per share	244p	261p	283p	292p	297p	292p	295p
Total accounting return	-2.4%	-3.3%	+0.6%	+8.1%	+6.3%	+5.7%	+18.1%
Portfolio (NRR share)	£1,255m	£1,288m	£1,374m	£1,239m	£1,233m	£1,131m	£970m
Net debt	£482.5m	£475.1m	£486.2m	£344.7m	£304.0m	£417.9m	£261.7m
LTV	38%	37%	35%	28%	25%	37%	27%
Cost of debt[1]	3.2%	3.2%	3.2%	3.1%	3.6%	3.5%	3.7%
Interest cover ratio	3.8x	4.0x	3.8x	4.7x	4.6x	4.5x	4.3x
Debt maturity[2]	6.4 years	6.9 years	7.4 years	7.9 years	4.0 years	2.5 years	3.5 years
Retail occupancy	95.6%	95.2%	96.2%	96.5%	97%	97%	96%
Like-for-like retail net property income	-3.5%	-2.0%	-0.5%	+0.9%	-0.4%	+1.2%	+2.4%
Average retail rent per sq ft	£12.49	£12.52	£12.48	£12.36	£12.82	£12.45	£12.14

1. Assumes revolving credit facility is fully drawn
2. Assumes extension periods are exercised and approved

NEW RIVER

OUR PROVEN BUSINESS MODEL

- We target high yielding community assets with low risk characteristics, taking a disciplined approach. Our market experience means we are able to price risk appropriately
- We enhance and protect income returns through active asset management initiatives, drawing on our in-house expertise, a deep understanding of our market and strong relationships with our occupiers
- We create income and capital growth from within our existing portfolio through our risk-controlled development pipeline
- We regularly assess potential upside opportunities in disposing of assets and recycling capital into new opportunities
- We leverage the scale and expertise of our platform, underpinned by a conservative and unencumbered balance sheet, to drive further returns



33 Shopping Centres

- Disposed of Central Square Shopping Centre, Erdington in July 2019

23 Retail Parks

- Disposed of Daventry Retail Park in September 2019
- Acquired four retail parks – in Aberdeen, Inverness, Dundee and on the Isle of Wight – in a JV in June 2019
- Acquired Poole Retail Park in a JV in October 2019

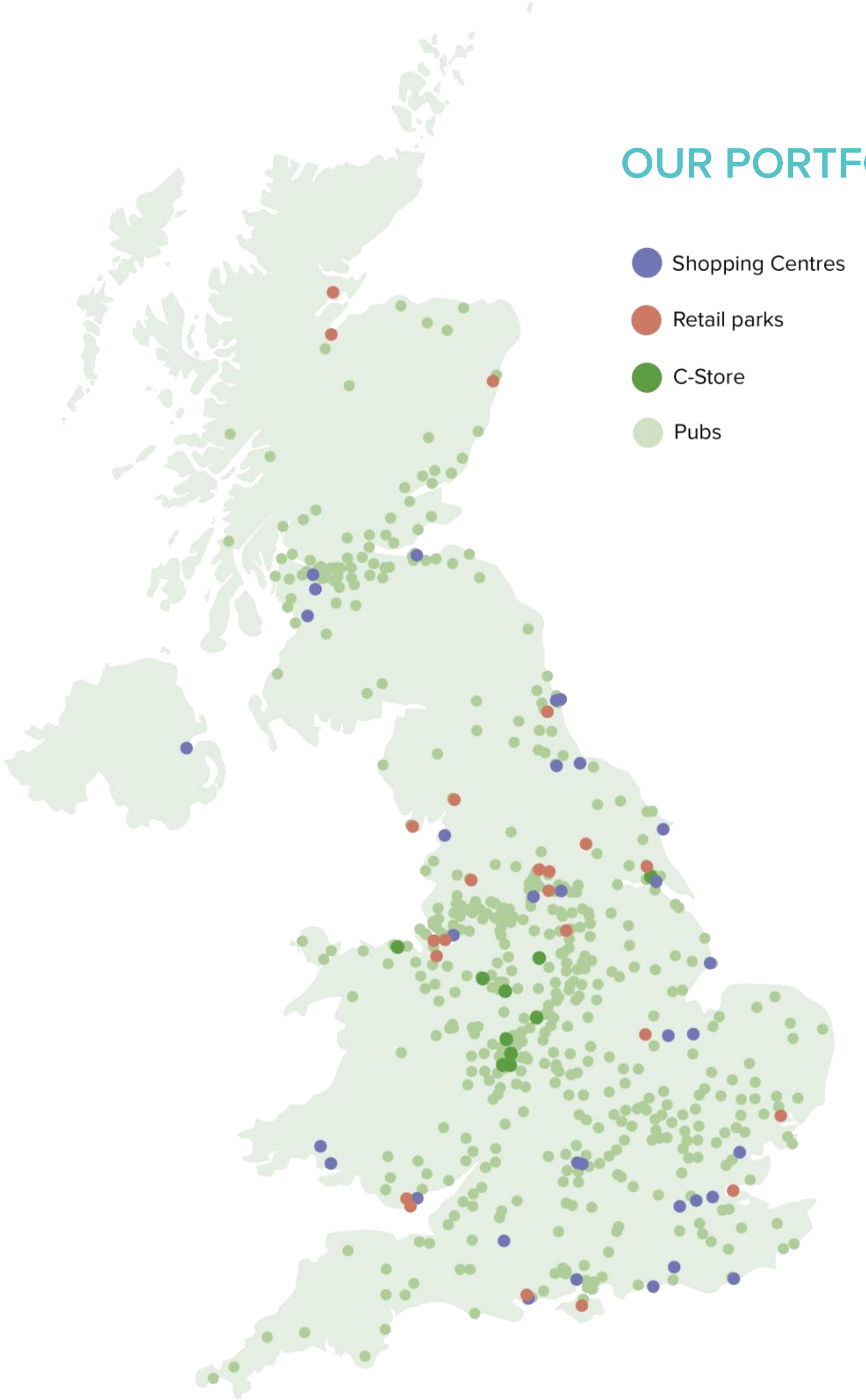
8 Convenience stores ('c-stores')

- Eight c-stores sold during the period
- One sold post period end

660 Community pubs

- Five community pubs sold during the period

OUR PORTFOLIO



NEW RIVER

TOP 10 ASSETS BY VALUE

Name	Floor area '000 sq ft	Gross rent	Occupancy	Key occupiers
Broadway Shopping Centre & Broadway Square Retail Park, Bexleyheath	532,000	£11.0m	99%	M&S, Sainsbury's, Wilko, TK Maxx
Abbey Centre, Newtownabbey	320,000	£6.0m	99%	Primark, Dunnes Stores, Next, New Look
Priory Meadow Shopping Centre, Hastings	286,000	£5.1m	98%	Primark, M&S, Poundland, Boots
Templars Square Shopping Centre, Cowley, Oxford	264,000	£3.3m	95%	Wilko, B&M, Iceland, Poundland
Hillstreet Shopping Centre, Middlesbrough	240,000	£4.2m	97%	Primark, Argos, Sports Direct,
Cornmill Shopping Centre, Darlington	245,000	£3.6m	97%	Primark, Next, WHSmith
The Avenue, Newton Mearns	201,000	£2.5m	98%	Asda, M&S Simply Food, Boots
Capitol Shopping Centre, Cardiff	170,000	£2.2m	89%	Boots, Tesco, The Gym
Grays Shopping Centre, Grays	202,000	£2.1m	98%	Poundland, Wilko, QD
The Prospect Centre, Hull	326,000	£2.1m	84%	Boots, Wilko, WHSmith

Aggregate value of top 10 assets: £484 million, 39% of total portfolio

NEW RIVER

TOP 50 OCCUPIERS IN THE MARKET BY NET OPENINGS

TRESPASS

Grape Tree Feel Good Foods

Typo

Hays Travel

Nando's

Tapi carpets

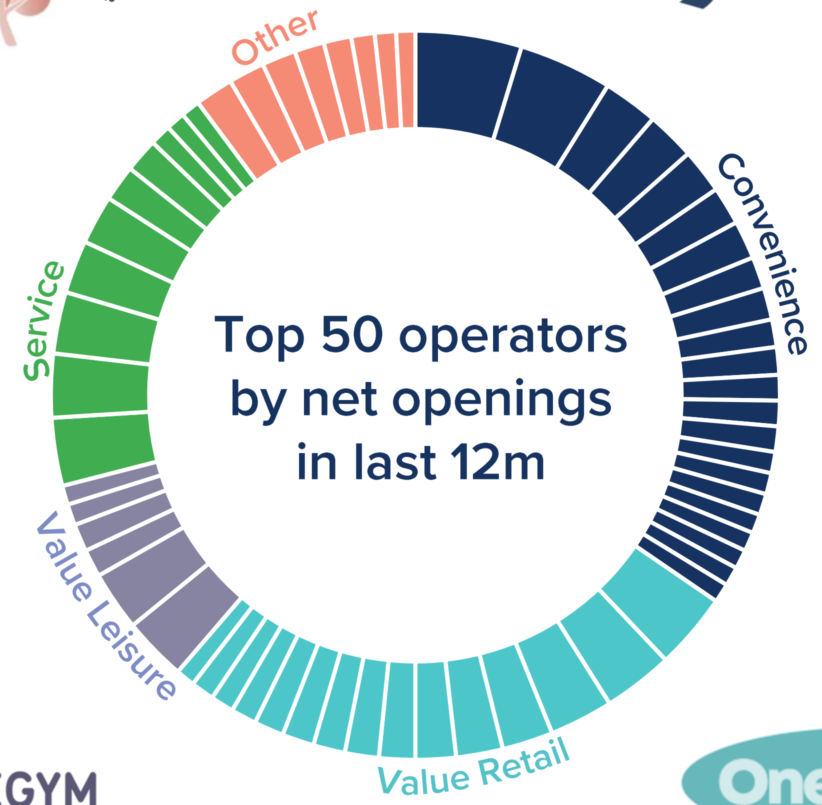
H&T PAWNBROKERS

Medivet The Vets

PUREGYM

snap FITNESS 24-7

the gym



COSTA

PIZZA PAPA JOHN'S

co op

Krispy Kreme DOUGHNUTS

GREGGS

M&S FOODHALL

KFC

ORGANIC COFFEE PRET NATURAL FOOD

Domino's

ALDI

TheWorks.co.uk

b&m

One Below.

the food WAREHOUSE by Iceland

home bargains

savers HEALTH HOME BEAUTY

The Entertainer TheToyShop.com

deals agreed in last 12 months

Source: Local Data Company, October 2019. Data for 12 months to 30 September 2019. Occupiers listed appear in NRR portfolio.

DIVIDEND TRACK RECORD

NEW RIVER

Accounting basis £m	6 months to 30 September 2019			Annualised as at 30 September 2019		
	Group	JVs & Funds	Total	Group	JVs & Funds	Total
Shopping Centres	30.4	0.3	**30.7**	59.8	0.7	**60.5**
Retail Parks	5.1	0.9	**6.0**	10.4	3.9	**14.3**
High Street	0.9	-	**0.9**	1.8	-	**1.8**
Pubs & Convenience Stores	24.3	-	**24.3**	48.5	-	**48.5**
Development	1.5	-	**1.5**	2.8	-	**2.8**
	62.2	**1.2**	**63.4**	**123.3**	**4.6**	**127.9**
Service charge income	8.2	-	-			
Amortisation of letting and legal	(0.8)	-	-			
Surrender premia	0.4	-	-			
Revenue	**70.1**	-	**71.2**			

NEW RIVER

NET RENTAL INCOME

Accounting basis £m	6 months to 30 September 2019			Annualised as at 30 September 2019		
	Group	JVs & Funds	Total	Group	JVs & Funds	Total
Shopping Centres	24.0	0.2	**24.2**	47.9	0.4	47.8
Retail Parks	4.6	0.9	**5.5**	9.7	4.0	13.7
High Street	0.7	-	**0.7**	1.4	-	1.4
Pubs & Convenience Stores	13.6	-	**13.6**	27.4	-	27.4
Development	0.5	-	**0.5**	0.6	-	0.6
Net rental income	**43.4**	**1.1**	**44.5**	**86.5**	**4.4**	**90.9**
Surrender premia	0.4	-	**0.4**			
Asset management fees	0.3	-	**0.3**			
Other sundry income	0.2	-	**0.2**			
IFRS 16	1.5		**1.5**			
Net property income	**45.8**	**1.1**	**46.9**			

RETAIL LEASE PROFILE

	Passing rent of leases expiring £m	ERV of leases expiring £m	Passing rent subject to review £m	ERV of leases subject to review £m
FY20	2.6	3.2	2.1	2.3
FY21	7.5	8.7	3.3	3.4
FY22-23	15.0	19.1	6.4	6.2
Total	**25.1**	**31.0**	**11.8**	**11.9**

NEW RIVER

- Harper Dennis Hobbs ('HDH') has been providing independent, strategic retail advice for over 26 years. Headquartered in London but offering a global service, its team of real estate professionals offer an end to end solution for retailers, providing quality, consistent, market leading advice to everything from the world's leading brands, to the smallest start ups
- HDH's Retail Consultancy team actively leverages the close relationships HDH have built with retailers in both brokerage and consulting, to provide due diligence/feasibility services and asset management strategies to property investors on extensions, developments and potential new investments Its work encompasses analysis of catchment potential, shopper demographics and segmentation, retail and tenant mix strategy and turnover and affordable rental potential.
- In May 2019, the Retail Consultancy team at HDH were commissioned to assess the affordability of rents and other occupancy costs for tenants trading in a sample of seven retail centres owned by NewRiver. The sample includes both shopping centres and retail parks, and for each site HDH analysed:
    - Unit by unit turnover and sales density performance
    - Calculation of current rent to sales ratios
    - Affordable rent to sales ratios for each tenant given our experience of working for a wide range of retail brands
    - Potential increased rental income and implied affordable rental tone across each scheme

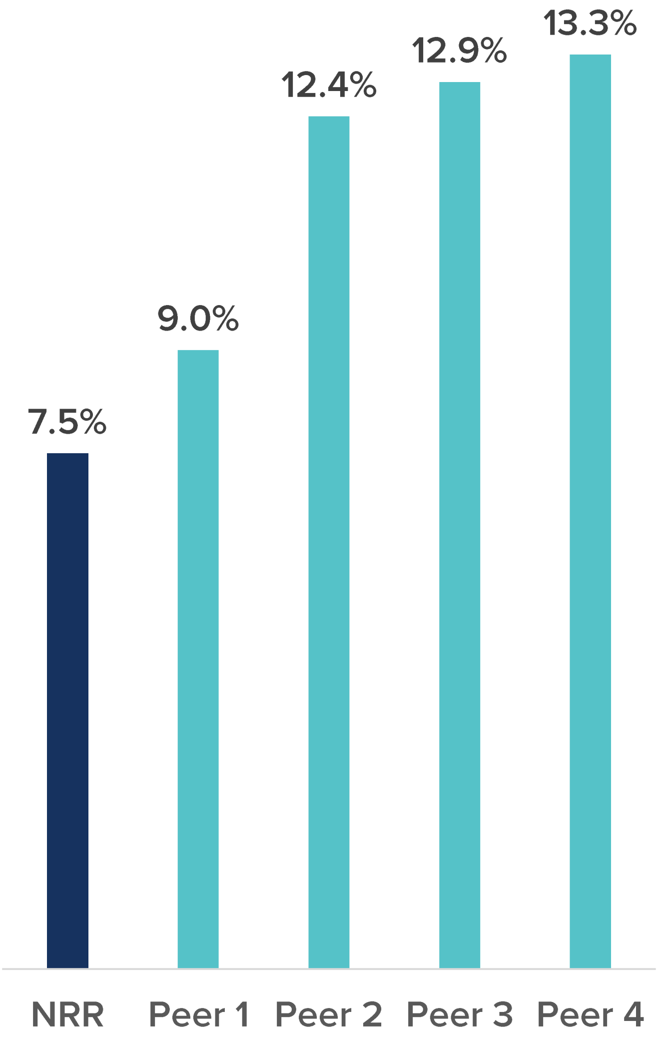
This sample of the NewRiver portfolio was then compared to peer REITs in order to understand how affordable it is for tenants to trade in these locations in comparison to other retail centres

RETAILER AFFORDABILITY

- Rent to Sales ratio[1] of 7.7% in our shopping centres and 6.5% in our retail parks, blended 7.5%
- Average Rent to Sales ratio of 7.5%, Affordable Rent to Sales ratio of 10.6% giving headroom of 41%
- Rent to Sales ratio compares favourably to listed peers with retail portfolios, which have an equivalent figure ranging from 9.0%-13.3%
- Occupancy cost ratio (OCR), including rates and service charge of 13.1%

	Rent to Sales ratio	Affordable Rent to Sales ratio	Headroom
Shopping centres	7.7%	10.8%	40%
Retail parks	6.5%	9.2%	42%
Overall	**7.5%**	**10.6%**	**41%**

Rent to sales ratio: NRR vs peers[2]



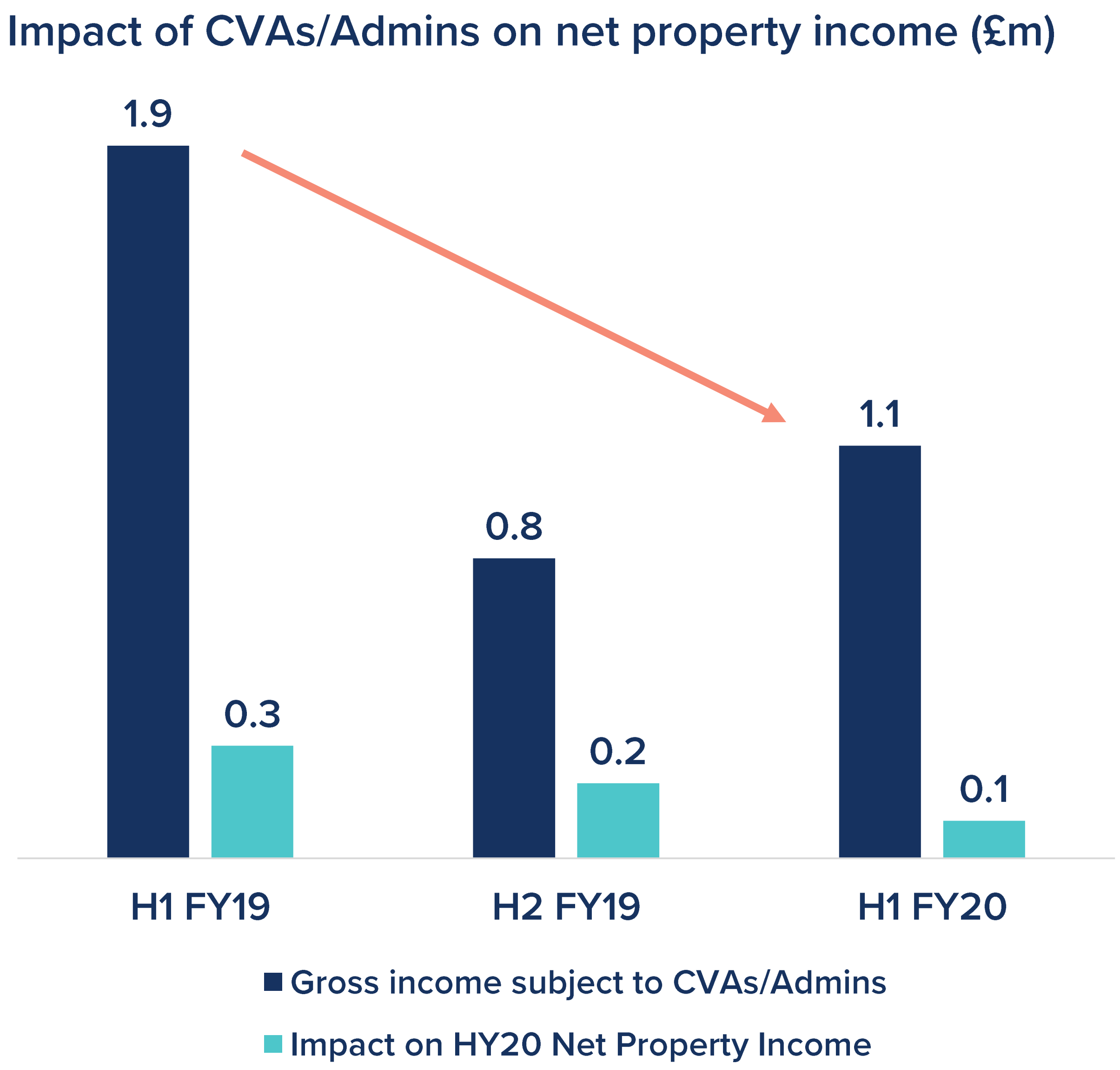
1. Calculated by Harper Dennis Hobbs, third party retail specialist in May 2019. Based on occupier level analysis of 50% of shopping centre portfolio & representative sample of retail parks
2. Peer group includes British Land, Hammerson, Intu, Landsec. Data sourced from latest results materials at the time of analysis in May 2019.

IMPACT OF CVAS AND ADMINISTRATIONS

- Of the £1.1 million retail net income decline in the first half, £0.6 million related to cumulative impact of CVAs and Admins occurring since the beginning of FY19

- Overall impact has been mitigated by:
  - Diversified rental streams – largest retailer accounts for 2.1% of gross income
  - Ensuring affordable rents and low occupational costs
  - Focus on retailers providing convenience, value and services
  - Deliberately avoiding department stores, mid-market fashion and casual dining

- Limited impact from retail failures in H1 FY20, and those occurring since



RECONCILIATION OF IFRS (LOSS)/PROFIT AFTER TAXATION TO FFO

	HY20 £m	HY19 £m
IFRS (loss)/profit for the period after taxation	**(21.3)**	**2.7**
Adjustments		
Revaluation of investment properties	40.4	24.7
Revaluation of joint ventures' investment properties	2.1	0.2
Revaluation of derivatives	2.3	0.4
Loss on disposal of investment properties	0.8	0.3
Share-based payment charge	1.2	1.2
Depreciation of properties	0.5	0.1
Deferred tax	0.4	-
Gain on bargain purchase	-	(6.9)
Acquisition and Integration costs in the respect of Hawthorn Leisure	-	2.9
Underlying Funds From Operations	**26.4**	**25.6**
Profit on disposal of investment properties	(0.8)	(0.3)
Funds From Operations	**25.6**	**25.3**

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

	HY20 £m	HY19 £m	HY18 £m
Gross property income (GPI)	63.3	56.6	46.5
FFO before void costs for repairs	25.1	25.4	26.7
Net contribution to R&M through service charge attributable to vacant units (A)	(0.5)	(0.1)	(0.2)
Funds From Operations (FFO)	25.6	25.3	26.5
Essential capital expenditure undertaken outside service charge (B)	(0.6)	(0.3)	(0.3)
Exceptional works (C)	-	0.0	0.0
Total maintenance capex incurred by NewRiver (A + B + C)	(1.1)	(0.4)	(0.5)
Adjusted Funds From Operations (AFFO)	24.5	24.9	26.2
Maintenance capex as percentage of FFO	4.3%	1.6%	1.8%
Maintenance capex as percentage of GPI	1.7%	0.7%	1.0%
Maintenance capex as a percentage of GAV	0.09%	0.03%	0.04%

Analysis of capital expenditure	HY20 £m	HY19 £m	HY18 £m	Criteria	Capitalised	Recoverable from tenants
Essential	0.6	0.3	0.3	Works required to maintain physical environment in state of good repair	✔	⊘
Asset management - enhancement works	3.8	2.8	2.6	Works undertaken linked to a future income stream	✔	⊘
Asset management - planning & value unlocking	0.7	0.1	0.3	Early feasibility works before a project has been committed	✔	⊘
Development capex	0.6	6.8	5.0	Capital expenditure linked to properties disclosed in the risk-controlled development pipeline	✔	⊘
Total	5.7	9.9	8.2			

NEW RIVER

CONSERVATIVE FINANCIAL POLICIES

- Balance sheet is fully unsecured, meaning all our debts are unencumbered, providing operational flexibility
- Net debt increased to £482.5 million, primarily as a result of investment activity
- Conservative financial policies form a key component of our financial risk management
- Within guidance on LTV, Net debt: EBITDA, interest cover, balance sheet gearing
- Committed to re-establishing dividend cover and maintaining a conservative balance sheet position

	Financial Policies	Proportionally consolidated	
		30 Sep 2019	31 Mar 2019
Net debt		£482.5m	£475.1m
Principal value of gross debt		£515.1m	£510.0m
Weighted average cost of drawn debt[1]		3.2%	3.2%
Weighted average debt maturity of drawn debt[2]		6.4 yrs	6.9 yrs
LTV	Guidance <40% Policy <50%	38%	37%
		HY20	HY19
Net debt: EBITDA	<10x	6.6x	6.9x
Interest cover	>2.0x	3.8x	3.8x
Dividend cover[3]	>100%	80%	78%
		Group	
		30 Sep 2019	31 Mar 2019
Balance sheet gearing	<100%	63%	60%

1. Cost of debt assuming £215 million revolving credit facility is fully drawn
2. Average debt maturity assuming 1-year extension options are bank approved
3. Calculated with reference to UFFO

NEW RIVER

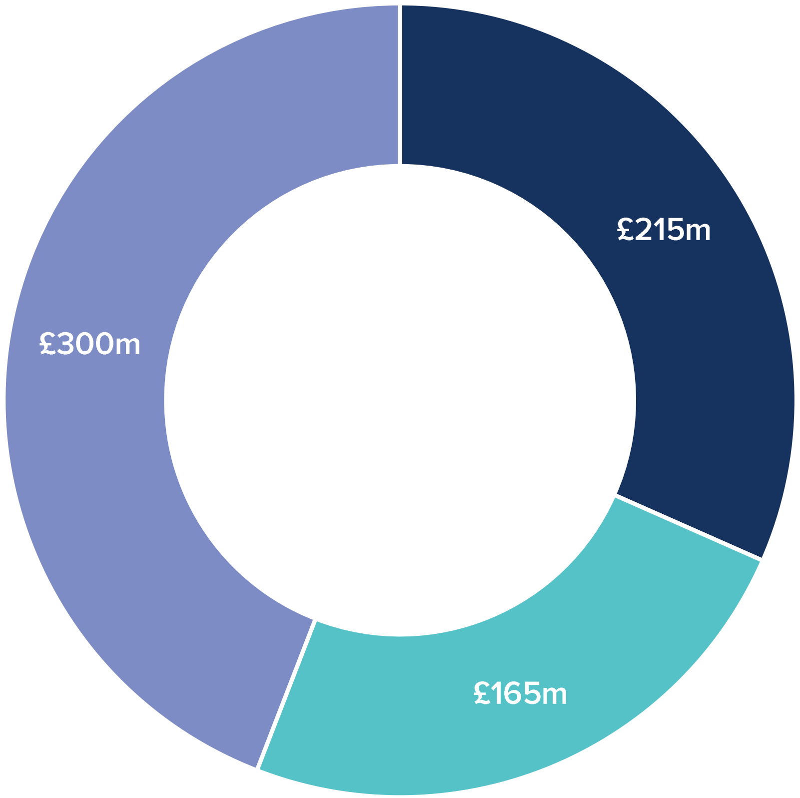
FINANCIAL POLICIES AND GUIDELINES

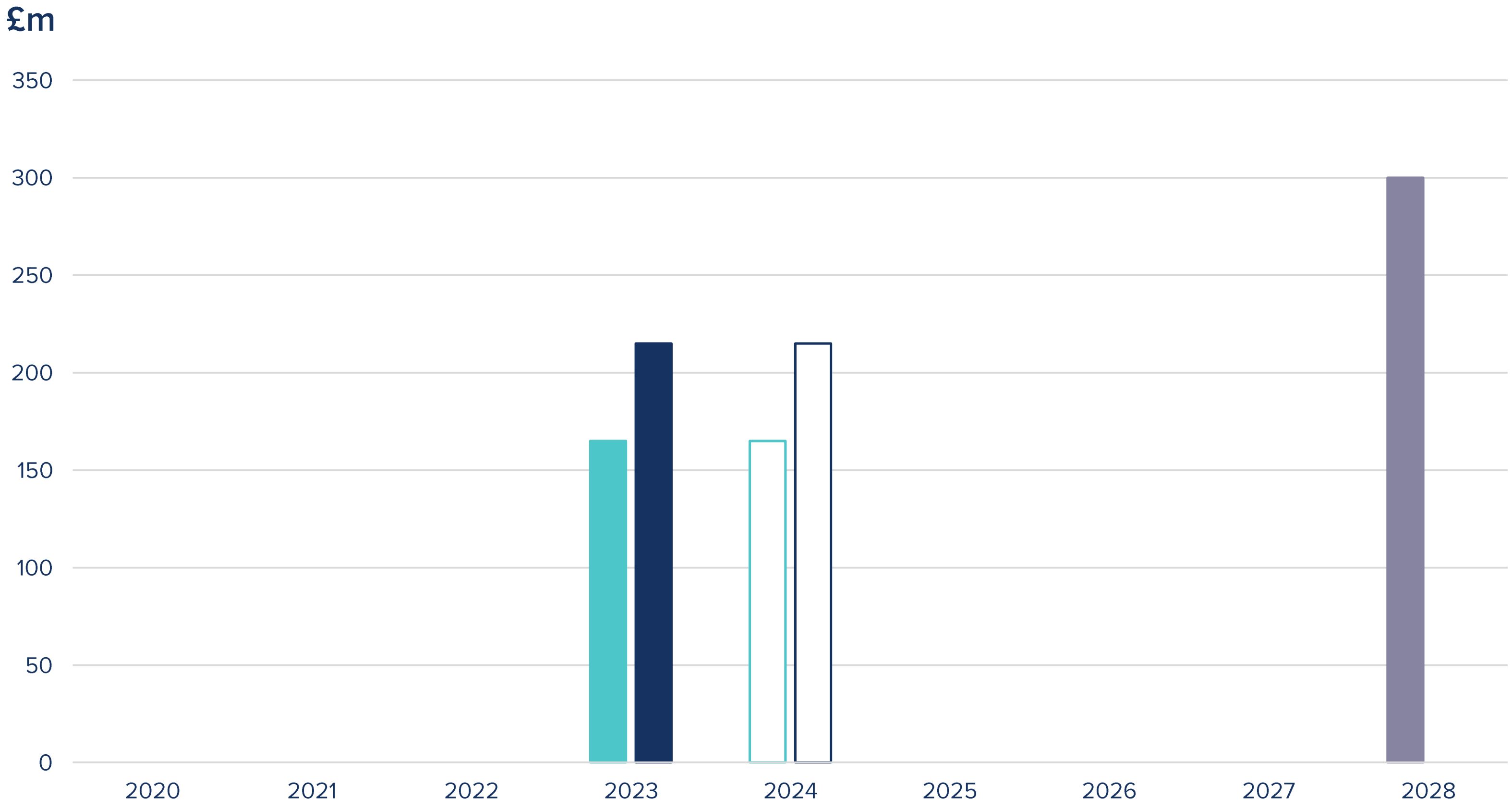
Financial Policies	Policy	Reported
LTV	Guidance <40% Policy < 50%	38%
Balance sheet gearing	<100%	63%
Net debt: EBITDA	<10x	6.6x
Interest Cover	>2.0x	3.8x
Dividend Cover[1]	>100%	80%

Additional Guidelines	Guideline	Reported
Single tenant concentration	<5%	2.1%
Development expenditure	<10% of GAV	1%
Risk-controlled development	>70% pre-let or pre-sold on committed	100%
Pub weighting[2]	<30% of GAV[3]	22%

1. Calculated with reference to UFFO
2. Excluding c-stores
3. Following integration of Hawthorn Leisure platform, the Company has increased its weighting policy regarding community pubs, from 20% to 30%

DEBT STRUCTURE & MATURITY





Unsecured bond | Unsecured term loan | Unsecured RCF | Unsecured term loan (with extension option) | Unsecured RCF (with extension option)

NEW RIVER

LOAN TO VALUE

	30 September 2019 £m	31 March 2019 £m
Borrowings	493.3	502.7
Cash and cash equivalents	(23.9)	(27.1)
Net debt	**469.4**	**475.6**
Equity attributable to equity holders of the parent	745.4	796.1
Net debt to equity ratio (‘Balance sheet gearing’)	**63%**	**60%**
Share of joint ventures’ borrowings	14.8	-
Share of joint ventures’ cash and cash equivalents	(1.7)	(0.5)
Group's share of net debt	**482.2**	**475.1**
Carrying value of investment property and public houses	1,217.9	1,281.0
Share of joint ventures’ carrying value of investment properties	37.4	7.4
Group's share of carrying value of investment properties	**1,255.3**	**1,288.4**
Net debt to property value ratio (‘Loan to value’)	**38%**	**37%**

NUMBER OF SHARES

Number of shares (m)	30 September 2019	31 March 2019
Weighted average – basic[1]	305.6	304.0
Weighted average – diluted[2]	306.2	304.5
Year end – basic[3]	306.1	304.8
Year end – diluted[4]	306.8	306.0

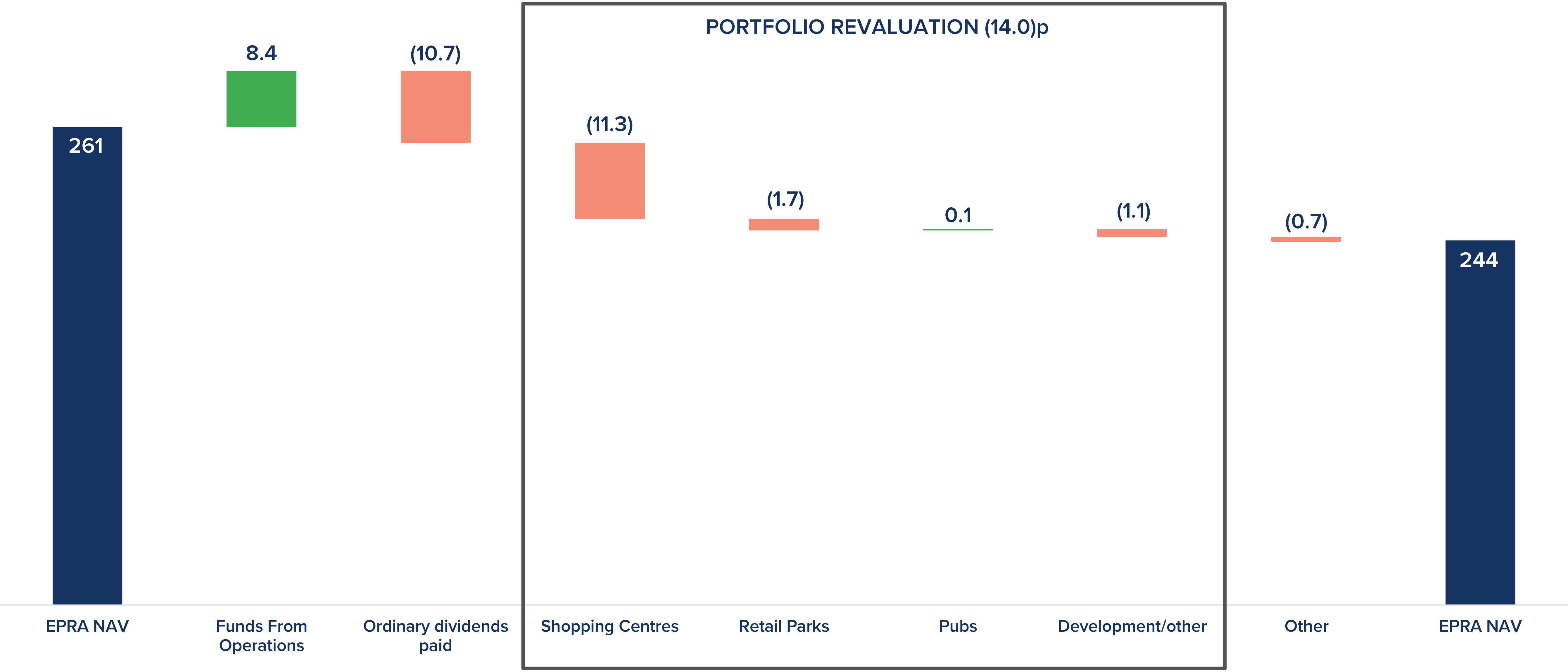
(1) For the purposes of Basic EPS, FFO and EPRA

(2) For the purposes of Diluted EPS and EPRA

(3) For the purposes of Basic Net Assets per share and EPRA NAV per share

(4) For the purposes of Diluted Net Assets per share and EPRA NAV per share

EPRA NAV PER SHARE (PENCE)

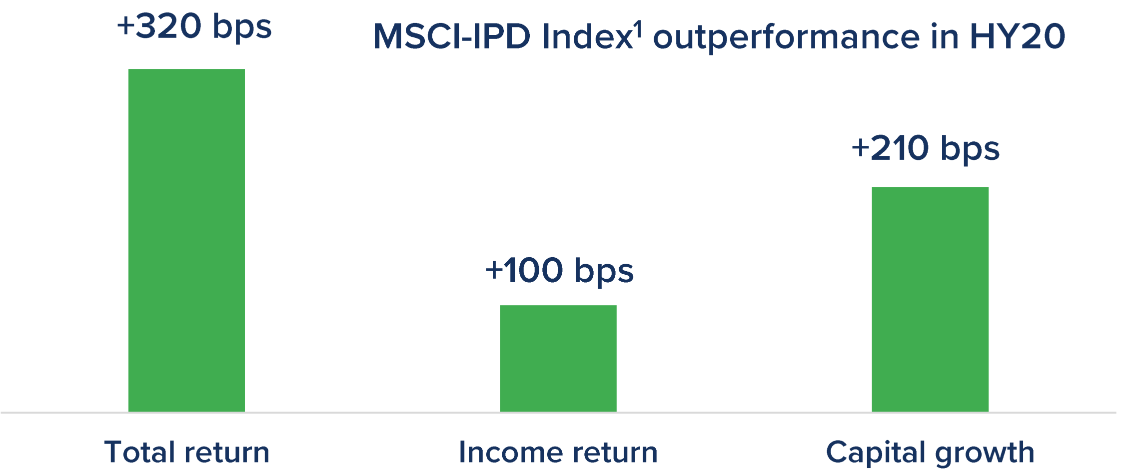


NEW RIVER

As at 30 September 2019	Valuation NRR share £m	Weighting NRR share %	Valuation surplus/(deficit) %	Topped-up NIY %	NEY %	LFL NEY movement Bps	LFL ERV movement %
Shopping centres	692	55	(5.0)	7.3	7.9	24	(2.8)
Regional shopping centres	*538*	*43*	*(5.9)*	*7.7*	*8.5*	*29*	*(3.3)*
London shopping centres	*154*	*12*	*(1.7)*	*5.8*	*5.8*	*11*	*(0.6)*
Retail parks	188	15	(4.4)	6.8	7.2	6	(2.2)
High street	16	1	(5.1)	8.8	8.3	(3)	(2.6)
Pubs & c-stores	282	22	0.3	10.2	10.2		
Development	76	6	1.8				
Total	**1,255**	**100**	**(3.3)**	**7.9**	**8.3**	**20**	**(2.7)**

Outperformed the MSCI-IPD Index across all key return measures:

- Total return +0.3%: +320 bps outperformance
- Income return +3.6%: +100 bps outperformance
- Capital growth –3.2%: +190 bps outperformance

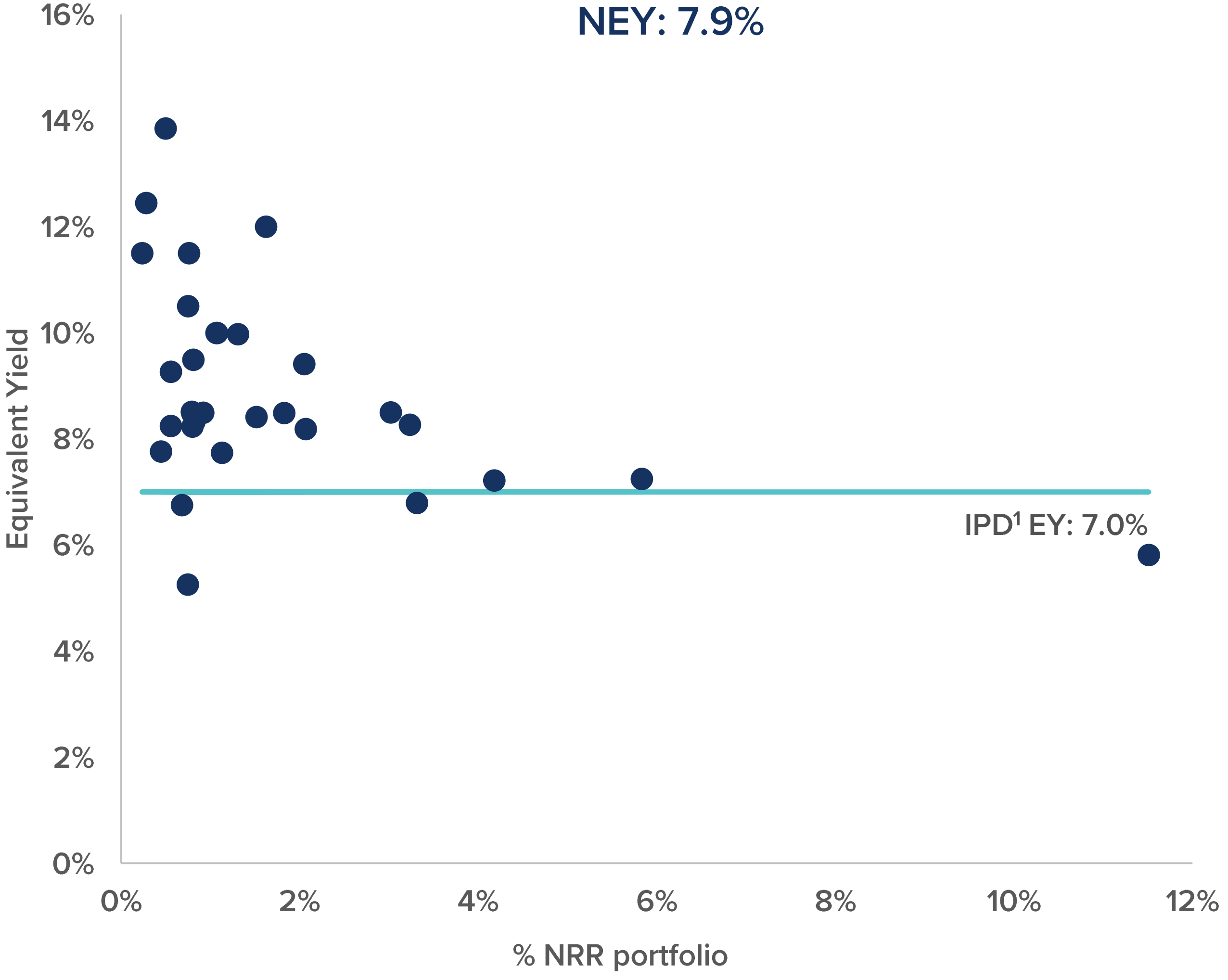


1. Index includes monthly and quarterly valued retail

VALUATION ANALYSIS: HIGH CASH YIELD, LOW AVERAGE LOT SIZE

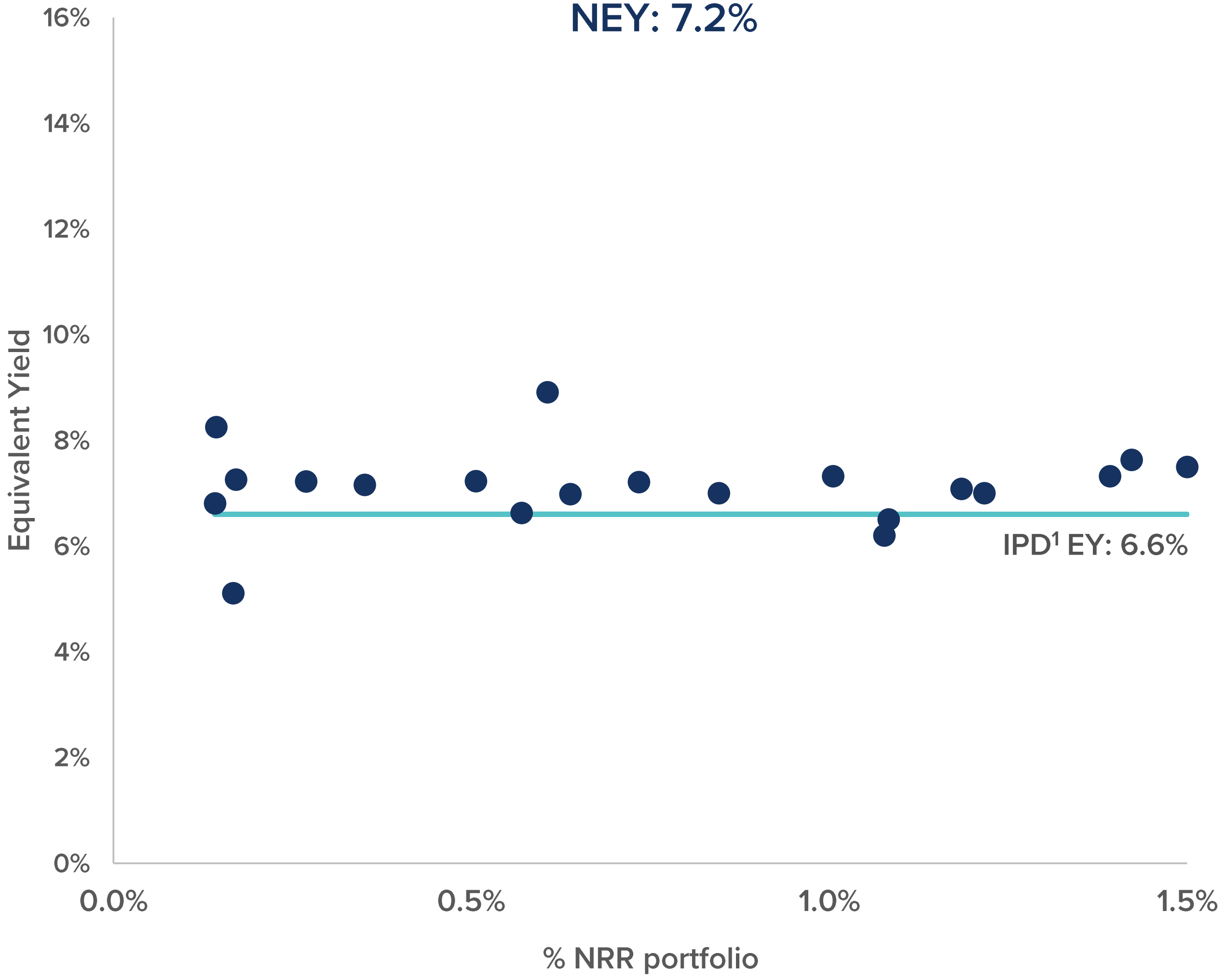
NRR Shopping Centres

Average lot size: £21.2m
NEY: 7.9%



NRR Retail Parks

Average lot size: £10.9m
NEY: 7.2%



1. MSCI-IPD Quarterly Index, September 2019

RISK-CONTROLLED DEVELOPMENT PIPELINE: CONSOLIDATED

	Shopping Centre sq ft	Retail Warehouse sq ft	Health & Social Care sq ft	Hotel sq ft	C-stores sq ft	Residential sq ft	Total sq ft	Retail & Leisure Pre-let %	Residential Pre-sold %
Completed in year/ Under construction	-	3,600	-	-	3,600	8,100	**15,300**	100	-
Planning granted	266,300	12,000	-	87,700	10,700	549,100	**925,800**	62	29
In planning	-	-	-	-	3,500	25,400	**28,900**	100	-
Pre-planning	-	26,000	54,200	-	3,500	801,800	**885,500**	4	-
Near-term pipeline	**266,300**	**41,600**	**54,200**	**87,700**	**21,300**	**1,384,400**	**1,855,500**		
Early feasibility stages	-	-	80,000	50,000	-	273,000	**403,000**	-	-
Total	**266,300**	**41,600**	**134,200**	**137,700**	**21,300**	**1,657,400**	**2,258,500**		
Additional residential potential[1]	-	-		-	-	626,900			
Basingstoke Leisure Park	700,000	-		-	-	-			

1. A strategic review of our entire retail portfolio identified the potential to deliver up to 1,300 residential units adjacent to or above our assets over the next 5-10 years

NEW RIVER

RISK-CONTROLLED DEVELOPMENT PIPELINE: RETAIL & PUB SPLIT

At 30 September 2019	Shopping Centre sq ft	Retail Park sq ft	Health & Social Care sq ft	Hotel	C-stores sq ft	Residential sq ft	Total sq ft	Retail & Leisure Pre-let %	Residential Pre-sold %
Retail portfolio									
Completed in year/ Under construction	-	3,600	-	-		-	3,600	100	-
Planning granted	266,300	12,000	-	87,700		491,900	857,900	61	33
In planning	-	-	-	-		12,200	12,200	-	-
Pre-planning	-	26,000	54,200	-		800,400	880,600	-	-
Near-term pipeline	**266,300**	**41,600**	**54,200**	**87,700**		**1,304,500**	**1,754,300**		
Early feasibility stages	-	-	80,000	20,000		236,600	336,600	-	-
Total retail	**266,300**	**41,600**	**134,200**	**107,700**		**1,541,100**	**2,090,900**		
Additional residential potential[1]	-	-		-	-	626,900	-		
Basingstoke Leisure Park	700,000	-		-	-	-			
Pub portfolio									
Completed in year/ Under construction	-	-	-	-	3,600	8,100	**11,700**	100	
Planning granted	-	-	-	-	10,700	57,200	**67,900**	100	
In planning	-	-	-	-	3,500	13,200	**16,700**	100	
Pre-planning	-	-	-	-	3,500	1,400	**4,900**	100	
Near-term pipeline	**-**	**-**	**-**	-	**21,300**	**79,900**	**184,600**		
Early feasibility stages	-	-	-	30,000	-	36,400	**66,400**	-	-
Total pubs	**-**	**-**	**-**	**30,000**	**21,300**	**116,300**	**167,600**		
Grand total	**266,300**	**41,600**	**134,200**	**137,700**	**21,300**	**1,657,400**	**2258,500**		

NEW RIVER

RISK-CONTROLLED DEVELOPMENT PIPELINE: COST TO COME

Key projects	Sq ft '000	ERV[1] £m	Pre-let & in solicitors hands[1] £m	Total development cost to come (TDC)[2] £m	Current market value + TDC to come £m
Retail portfolio					
Burgess Hill	465	3.6	1.1	52.3	74.2
Cowley, Oxford	236	0.7	0.4	56.7	109.5
Pub portfolio					
C-stores (Under construction)	11.7	0.1	0.1	0.3	3.3
C-stores (Planning granted)	7.7	0.1	0.1	1.4	3.7

1. Excluding residential
2. Excludes value of rent free periods and void periods but includes capital incentives paid to tenants

RISK-CONTROLLED DEVELOPMENT PIPELINE: PLANNING GRANTED – BURGESS HILL

- During the year, we submitted a revised planning application for the 465,000 sq ft mixed-use regeneration of Burgess Hill town centre
- Working closely with local stakeholders, we adjusted the design of the scheme to increase its leisure and residential provision, introduce additional uses such as primary health, and reduce space designated for retail
- The revised scheme will include a 16-lane bowling alley, a 10-screen multiplex cinema, and an 85-bed hotel with a new public café bar
- The development will provide a significantly improved public realm which would provide functional space for managed outdoor events
- During the first half we made significant progress with pre-letting negotiations, to join existing pre-lets to Travelodge, Cineworld and Nando’s

RISK-CONTROLLED DEVELOPMENT PIPELINE: PLANNING GRANTED – COWLEY, OXFORD

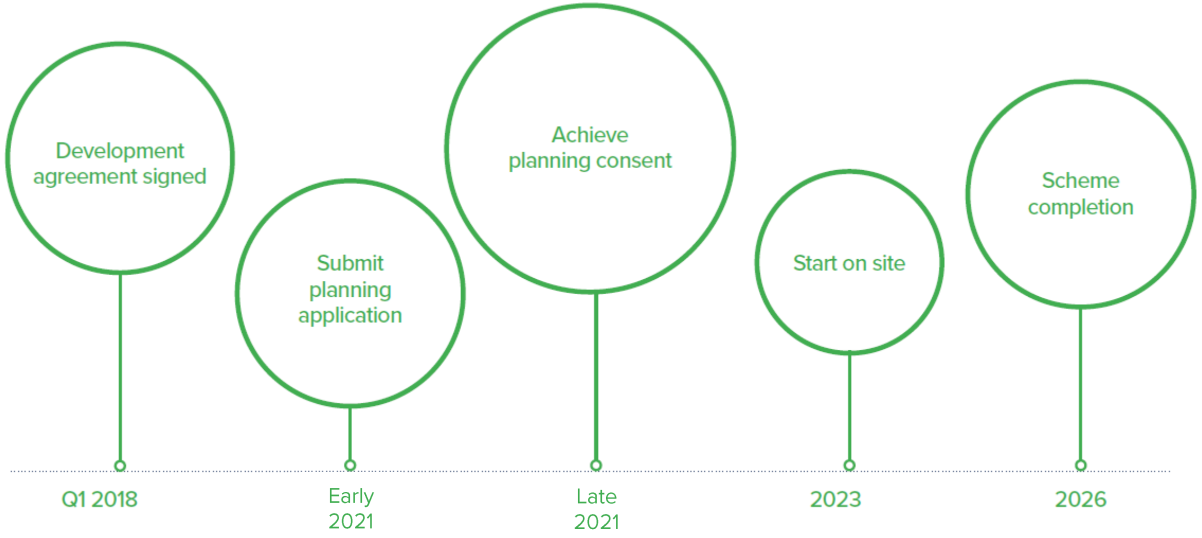
- Acquired Templars Square Shopping Centre in Cowley, Oxford for £24.6m in December 2012
- In July 2017, Oxford City Council approved plans for our major mixed-use development to regenerate Templars Square Shopping Centre
- The 236,000 sq ft development will include 226 new residential apartments, a 71-bed Travelodge hotel, two new restaurant units, a modernised car park and major improvements to the public realm
- The hotel and leisure element of the scheme is 82% pre-let.
- During the year we advanced discussions with local authorities to finalise Section 278 and Section 106 agreements
- Once these have been agreed we will proceed to the next phase of the development

NEW RIVER

RISK-CONTROLLED DEVELOPMENT PIPELINE: BASINGSTOKE LEISURE PARK

- In March 2018, we exchanged contracts on a development agreement for a 66 acre leisure park in Basingstoke
- Conditional on achieving planning consent and pre-lets as well as a viability assessment, NewRiver will be granted a 250 year leasehold interest
- Proposals comprise c.500,000 sq ft of leisure and c.200,000 sq ft of designer outlet
- Opportunity will be progressed in line with our risk-controlled development approach and stated financial policies
- Planning application submission expected in early 2021

Basingstoke visualisation



Key milestones

NEW RIVER

COMMUNITY PUB PORTFOLIO TIMELINE

NEWRIVER

September 2009
NRR established

December 2013
Acquired 202 pubs from Marston's PLC (the 'Trent' portfolio) under a four-year leaseback agreement

April 2014
Deal signed with The Co-operative to build c-stores on excess pub land

September 2015
Acquired 158 pubs from Punch Taverns plc (the 'Mantle' portfolio)

January 2016
First c-store handed over to The Co-operative

January 2018
15th c-store handed over to The Co-operative, triggering performance receipts of £1.6m to date

May 2018
NewRiver acquires Hawthorn Leisure including 298 pubs, high quality platform and brand

Dec 2018
76 community pubs acquired from Star Pubs and Bars

Jan 2019
Completed integration of Hawthorn Leisure platform

HAWTHORN LEISURE

February 2014
Hawthorn Leisure established

June 2014
Acquired 275 pubs from Greene King and, 88 pubs from R&L Properties

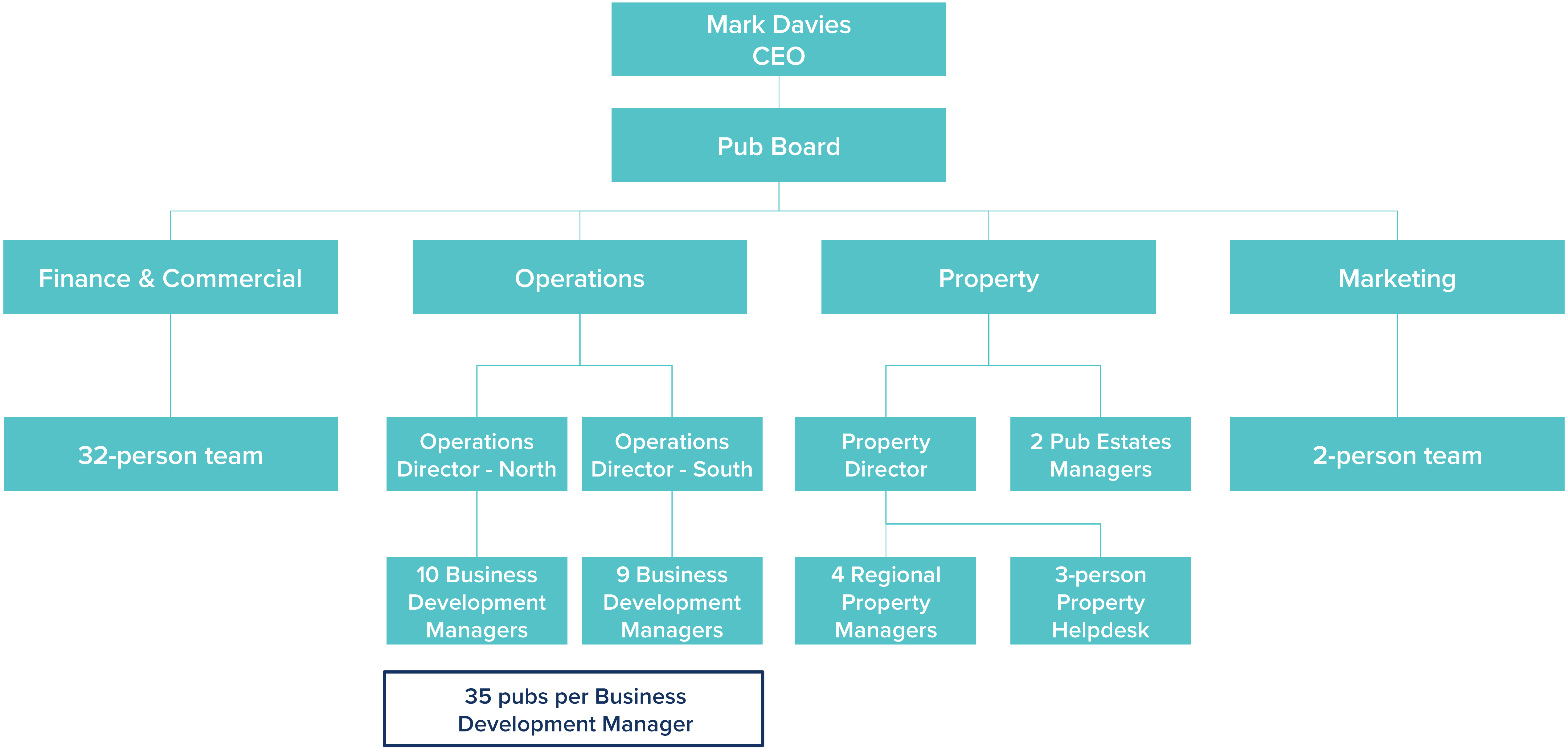
October 2014
Acquired 25 pubs from Nectar Taverns

January 2016
Management of estate transferred onto newly created platform based in Birmingham

May 2016
Acquired 11 pubs from JD Wetherspoon

NEW RIVER

HAWTHORN LEISURE MANAGEMENT STRUCTURE



NEW RIVER

PUB OPERATING MODELS: OVERVIEW

	Leased & Tenanted	Operator Managed	Fully Managed
Number of NRR pubs	• 607	• 49	• 4
Property Interest	• Occupational lease with Tenant	• No landlord and tenant relationship established	• No landlord and tenant relationship established
Employees and pub management	• Tenant is self-employed and employs all pub employees • Tenant incurs all operating costs of running the pub	• Operator employs all pub employees • NRR incurs all operating costs of running the pub, except for payroll which is borne by the Operator	• NRR fully manages the pub and directly employs all pub employees • NRR incurs all operating costs of running the pub
Supply arrangements	• Tied Tenants are required to purchase drinks from NRR and lease machines from NRR approved suppliers	• NRR sells all products for sale to the Operator • NRR retains ownership of products until sale to a customer	• NRR supplies all drinks and food for sale at the pub. • NRR retains ownership of products until sale to a customer
Components of NRR income	• NRR receives: 1. Rental income 2. Margin between wholesale and sale price of drinks (if tied) 3. A share of machine profits	• NRR receives gross turnover generated by pub on a daily basis. NRR then pays a management fee to Operator (on average c.20% of net revenue)	• NRR retains all turnover generated by the pub business

- 607 NRR pubs are leased & tenanted
- Occupational lease in place with tenant, typically live above pub
- Tenant is self-employed and employs all pub employees
- Tenant incurs all operating costs of running the pub
- Tied tenants are required to purchase drinks from NRR and lease machines from NRR approved suppliers
- NRR receives rental income, a margin between wholesale price and sale price and, a share of machine profits

Example tenant P&L	£'000
Wet income (Beer, wine, spirits)	280
Wet cost of sales	(140)
Net food income	40
Total operating income	**180**
Machine income	15
Machine income – share to NRR	(7)
Gross Profit	**188**
Rent	(25)
Direct operating costs	(110)
Publican site profit	**53**
Notional benefit of free accommodation above pub	**12**

Example NRR P&L	£'000
Wet income to NRR	140
Wet cost of sales (from brewer)	(90)
Net wet income	**50**
Machine income (NRR share)	**7**
Rental income	**25**
Outlet EBITDA	**82**

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PUB OPERATING MODELS: OPERATOR MANAGED

- 49 NRR pubs are operator managed
- NRR incurs all operating costs of running the pub, except for staff costs which are borne by the Operator
- NRR supplies all products for sale to the Operator
- NRR retains ownership of products until sale to a customer
- NRR receives gross turnover generated by pub on a daily basis. NRR then pays a management fee to Operator (on average c.20% of net revenue)

Example NRR P&L	£'000
Wet income (Beer, wine, spirits)	477
Wet cost of sales	(180)
Net food income	-
Total operating income	**297**
Machine income	20
Gross Profit	**317**
Management fee	(70)
Direct operating & maintenance costs	(117)
Outlet EBITDA	**130**

Example operator P&L	£'000
Management fee from NRR	70
Staff costs	(29)
Operator profit	**41**

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