



Quidnet REIT Ltd
11th August 2022

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

11th August 2022

Quidnet REIT Ltd

("Quidnet" or the "Company")

Unaudited, Condensed Half-Year Results for the Six Months Ended 30 June 2022

Quidnet (TISE: QUIDGL), a commercial real estate investment company, announces results for the six months ended 30 June 2022.

Highlights in 2022

- Rental revenue up 28.7% to £0.98 million (2021: £0.76 million)
- Net profit of £0.52 million (2021: £0.47 million) based on income alone as valuations done at year end
- Earnings per share of 7.2 pence per share (2021: 6.9 pence)
- Net asset value per share £2.25 up 39.8% in 12 months (2021: £1.61 per share)
- Important lease renewal negotiations and new letting prospects with significant rental growth
- Using the new 7 year debt facility with our existing lender for our three acquisitions this year
- As previously announced, we completed on two industrial properties at Northampton and Darlington, totalling £3.6 million, for 167,957 sq ft. Northampton is vacant and the Darlington property is let to British Steel. The Northampton property is already under offer on a long lease before refurbishment works have commenced and a range of refurbishment or redevelopment options are being explored at Darlington as part of our asset management strategy
- A further single unit long leasehold of 10,500 sq ft was bought back into the overall ownership of the company's Wigan property, for £680,000, to give more control of the overall estate. The property is now vacant and being refurbished
- We have installed our first solar panels on the roof of part of our Ilkeston property and we are actively exploring more solar panels on our other properties as the returns are attractive due to the very high cost of energy. We consider this will remain the case for the foreseeable future. It is an important part of our occupier led strategy to help reduce their costs of operation
- Interim dividend of 5.25p per share declared (2021: 5.5p per share) . The interim dividends will be payable on 15th August 2022.
- The company is still working to rejoin the REIT tax regime as soon as practical and is working on a variety of plans to achieve this. We will keep shareholders updated, but it may or may not occur this financial year.

Richard Tice, Chief Executive Officer of Quidnet REIT Ltd, commented:

"This has been a busy period with three acquisitions at Northampton, Darlington and Wigan and considerable activity with new lettings and lease renewals across the portfolio. We continue to achieve ERVs comfortably ahead of historic ERVs.



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Our drive to support sensible green initiatives across the portfolio continues; with more investment planned in superfast electric vehicle points and solar panels on our roofs. Our first solar panel scheme is installed on a building roof at Ilkeston.

These initiatives will increase our rental income substantially and provide additional asset management opportunities to further increase value.

Investors are still keen on this industrial sector of the real estate market, where we have been focusing and continue to do so. Thus, I remain optimistic that we can continue to generate profit and value growth over time, whilst being conscious of the broader economic risks.”

Enquiries

Quidnet REIT Ltd

Richard Tice, Chief Executive Officer
Nick Tribe, Asset Management Director
Samuel Jolapamo, Finance Director

Ravenscroft Consultancy & Listing Services Limited (Listing Sponsor)

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Quidnet's shares are admitted to trading on The International Stock Exchange under the ticker QUIDGL. To find out more, visit <https://www.tisegroup.com/market/securities>

Richard Tice
Chief Executive Officer
11th August 2022



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Financial Review

	<u>6 months to 30 June</u> <u>2022</u>	<u>6 months to 30 June</u> <u>2021</u>	<u>Change %</u>
	£'000s	£'000s	
Revenue	980	760	28.8%
Profit before Income tax (PBIT)	520	474	9.7%
Total comprehensive income	520	474	9.7%

The Company continues to deliver strong growth for its shareholders by driving rental income growth and securing lease renewals to positively impact the portfolio valuation. This effort has driven the current contractual rent roll of the portfolio to £1.95m from £1.47m in Jun 2021, a growth of 32.6%.

With the successful refinancing of our debt, with favourable amortisation terms, we have unlocked sufficient firepower to invest in 3 new acquisitions with the potential to add a total of £420,000 to the contractual rent roll upon letting of the units. The Darlington asset was occupied on acquisition and has already secured £270,000 of the £420,000 to the contractual rent roll. The Company is now investing a significant amount in solar panels & other green initiatives across the majority of the portfolio with a gross return expectation of between 12% and 20% depending on the blend of output generated and price/kwh of energy. The Company also continues to pursue the feasibility of developments at our Wigan, Crawley and Darlington sites to improve the rental income across the portfolio. The Company remains supportive of all our tenants as they continue to push through the impacts of the pandemic on their businesses.

The portfolio occupancy rate has been slightly reduced to 92% as a result of the Northampton and Wigan acquisitions being vacant (June 2021: 95%). The portfolio Weighted Average Lease Expiry (WALE) remains at 4.5 years (June 2021: 4.5 years). Earnings per share for the period to June 2022 is 7.2 pence (June 2021: 6.9 pence) with NAV per share of 225.5 pence (June 2021: 161.3 pence).

The Company declares an interim dividend of 5.25p per ordinary share for the period, payable on 15th August.

Samuel Jolapamo
Finance Director
11th August 2022



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**Condensed Consolidated Statement of Comprehensive Income
For the period to 30 June 2022**

	6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 December 2021
	Unaudited £'000	Unaudited £'000	Audited £'000
Revenue	980	760	1,527
Property expenses	(101)	(60)	(160)
Gross Profit	879	700	1,367
Administrative expenses	(174)	(100)	(216)
Operating profit	705	599	1,151
Finance costs	(185)	(124)	(250)
Profit before Income tax	520	474	901
Income tax	-	-	(103)
Distributable profit for the year	520	474	798
Other Comprehensive Income	-	-	4,537
Total comprehensive income for the period	520	474	5,335
Total comprehensive income attributable to the owners of the Company	520	474	5,335
Non-controlling interest	-	-	-
Profit per share	7.2p	6.9p	76.6p
Basic profit per share	7.2p	6.9p	76.6p
Adjusted profit per share	7.2p	6.9p	11.5p
Distribution proposed per share	5.25p	5.5p	10.8p



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**Condensed Consolidated Statement of Financial Position
For the period to 30 June 2022**

	Notes	As of 30 June 2022	As of 30 June 2021	As of 31 December 2021
		Unaudited £'000	Unaudited £'000	Audited £'000
ASSETS				
Non-current assets				
Investment properties		29,355	19,771	24,595
		<u>29,355</u>	<u>19,771</u>	<u>24,595</u>
CURRENT ASSETS				
Trade and other receivables		1,261	818	1,025
Cash and cash equivalents		325	304	217
		<u>1,586</u>	<u>1,122</u>	<u>1,242</u>
LIABILITIES				
Current & non-current liabilities				
Trade and other payables		(1,154)	(765)	(1,293)
Loans and borrowings		(13,576)	(8,742)	(8,473)
		<u>(14,730)</u>	<u>(9,507)</u>	<u>(9,766)</u>
TOTAL LIABILITIES		<u>(14,730)</u>	<u>(9,507)</u>	<u>(9,766)</u>
NET ASSETS		<u>16,211</u>	<u>11,386</u>	<u>16,071</u>
EQUITY				
Shareholders' Equity				
Called up share capital		7,190	7,058	7,190
Deferred shares		150	150	150
Share premium		1,547	1,466	1,547
Accumulated profit		7,324	2,714	7,184
		<u>16,211</u>	<u>11,386</u>	<u>16,071</u>
TOTAL SHAREHOLDERS' EQUITY		<u>16,211</u>	<u>11,386</u>	<u>16,071</u>
NET ASSETS PER ORDINARY SHARE		<u>225.5p</u>	<u>161.3p</u>	<u>223.5p</u>



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Condensed Consolidated Statement of Changes in Equity
For the period to 30 June 2022

	Called up Share Capital £'000	Deferred Share £'000	Share premium £'000	Accumulated profit £'000	Total Equity £'000
Balance as of 1 January 2021	6,543	150	1,156	2,630	10,479
Profit for the period	-	-	-	5,335	5,335
Dividends	272	-	166	(781)	(343)
Other comprehensive income for the period	-	-	-	-	-
Issued during the period	375	-	225	-	600
Balance as of 31 December 2021	7,190	150	1,547	7,184	16,071
Profit for the period	-	-	-	520	520
Dividends	-	-	-	(380)	(380)
Other comprehensive income for the period	-	-	-	-	-
Issued during the period	-	-	-	-	-
Balance as of 30 June 2022	7,190	150	1,547	7,324	16,211



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Condensed Consolidated Statement of Cash Flows
For the period to 30 June 2022

	6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 December 2021
	Unaudited £'000	Unaudited £'000	Audited £'000
Reconciliation of loss before income tax to cash outflow from operations			
Operation profit before taxation	520	474	5,334
(Increase)/decrease in trade and other receivables	(236)	56	(151)
(Increase)/decrease in trade and other payables	(139)	(324)	103
Accruals	(103)	(29)	-
Finance expenses	185	125	251
Fair value gain on investment properties			(4,538)
Taxation charged			104
Net cash outflow from operations	227	302	1,103
Cash flows from investing activities			
Purchases of property, plant and equipment	(3,756)	-	-
Additional capital expenditure	(253)	(208)	(525)
Net cash (outflow)/inflow from investing activities	(4,009)	(208)	(525)
Cash flows from financing activities			
Share issues	-	600	600
Interest paid on loans and borrowings	(93)	(125)	(251)
Repayment of loans	(9,213)	(266)	(536)
Dividends paid	(380)	(168)	(343)
Issue of new loans	13,576	-	-
Net cash inflow from financing activities	3,890	41	(530)
Increase/(decrease) in cash and equivalents	108	135	48
Cash and cash equivalents at beginning of year	217	169	169
Cash and cash equivalents at end of year	325	304	217



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Notes to the Condensed Half Year Report for the period to 30 June 2022

1. General Information

Quidnet REIT Ltd is a company incorporated and domiciled in England and Wales. The Company is listed on The International Stock Exchange (ticker: QUIDGL). The half yearly report has been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and has not been audited by the group auditors. The group's statutory financial statements for the year ended 31 December 2021, prepared in accordance with FRS 102, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Sections 498(2) and 498 (3) of the Companies Act 2006. Copies of the annual statutory accounts and the Half Yearly report can be found on the Company's website at www.quidnetreit.com.

2. Basis of Preparation and Significant Accounting Policies

This Half Year report has been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value, using accounting policies which are consistent with those set out in the financial statements for the year ended 31 December 2021.

3. Earnings/(Loss) per Share

Basic earnings / (loss) per share is calculated by dividing the adjusted earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below:

	6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 December 2021
	Unaudited	Unaudited	Audited
Basic and diluted EPS			
Earnings/(loss) attributable to ordinary shareholders (£'000)	520	474	5,334
Weighted average number of ordinary shares (£'000)	7,190	6,790	6,963
Basic profit per share – pence	7.2	6.9	76.6
	=====	=====	=====
Earnings/(loss) attributable to ordinary shareholders (£'000)	520	474	5,334
Fair value gains and losses on investment properties	-	-	(4,537)
Adjusted earnings for the financial year	520	474	797
Adjusted profit per share – pence	7.2	6.9	11.5
	=====	=====	=====



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4. Share Capital

Issued share capital comprises:

	6 months to 30 June 2022	6 months to 30 June 2021	Year to 31 December 2021
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Ordinary shares of 100p each – 7,190,032	7,190	7,058	7,190
	_____	_____	_____
	7,190	7,058	7,190
	=====	=====	=====

There were no shares issued by the company during the six months to 30 June 2022.

5. Post Balance Sheet Events

There are no post balance sheet events to report.

6. Availability of Report

A copy of this half-year report is available on the Company's website at www.quidnetreit.co.uk.