



Quidnet REIT Ltd
17th August 2021

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.

17th August 2021

Quidnet REIT Ltd

("Quidnet" or the "Company")

Unaudited, Condensed Half-Year Results for the Six Months Ended 30 June 2021

Quidnet (TISE: QUIDGL), a commercial real estate investment company, announces results for the six months ended 30 June 2021.

Highlights in H1 2021

- Rental revenue of £0.76 million (June 2020: £0.58 million)
- Net profit of £0.47 million (June 2020: £0.30 million)
- Earnings per share up 33% at 6.9 pence per share
- Net asset value per share £1.613 up 4.1% in 12 months (June 2020: £1.55 per share)
- New equity raised of £600,000 at £1.60 per share from new investors
- Continued to work closely with occupiers to support them during the Covid crisis, using rent holidays, deferrals alongside break clause removals and lease extensions
- Important lease renewal negotiations and new letting prospects with significant rental growth
- Ongoing Equity Raise – we continue to look at raising additional equity as we consider new acquisition opportunities
- Debt Facility – the Company successfully secured a decision in principle with our existing lender for an additional debt facility of up to £6m for the acquisition of new assets.

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

“This has continued to be a challenging time for all businesses with ongoing uncertainty. Quidnet REIT has been active in working closely with our occupiers to help where we can. The ongoing determination of small business owners and entrepreneurs to succeed in the face of adversity has been remarkable.

It is good to report that demand for small business premises in the industrial sector remains robust and the REIT is well positioned for this. This is a time of change for all, including the real estate industry. Demand for small industrial units at the value end of the sector remains healthy and this is predominantly where we are invested.

Our refurbishment of a large unit at Wigan, that became vacant and we have split into 4 smaller units, has progressed well since the Spring. It is now effectively complete. We have strong interest at much higher rents than previously were paid. This will generate extra cashflow and capital value growth.

Investors are still keen on this industrial sector of the real estate market as retail and city centre offices struggle. Thus, I remain very optimistic that we can continue to generate profit and value growth over time.”



Quidnet REIT Ltd
17th August 2021

Enquiries

Quidnet REIT Ltd

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

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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
17th August 2021

Financial Review

	<u>6 months to 30 June</u> <u>2021</u>	<u>6 months to 30 June</u> <u>2020</u>	<u>Change %</u>
	£'000s	£'000s	
Revenue	760	580	31.0%
Profit before Income tax (PBIT)	474	301	57.5%
Total comprehensive income	474	301	57.5%

As the global economy recovers from the impact of the pandemic, the Company continues to show resilience by improving rents and tenant occupancy.

The overall rental growth is a result of the successful letting of our Northampton asset and the income from our second Crawley asset acquired in Q3 2020. There have been uplifts in rents through the period, but these have mostly been neutralised by the loss of our Wigan asset's largest tenant in Q1 2021. The unit is currently being reconfigured to 4 smaller units to allow for more flexible and lettable spaces.

The Company also continues to pursue development plans at our Wigan and Crawley 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 improved to 95% (June 2020: 83%) and Weighted Average Lease Expiry (WALE) to 4.5 years (June 2020: 3.8 years).

With the improved portfolio occupancy rate, the Company has been able to reduce property level operating cost but there has been an increase in administrative expenses due to extraordinary costs mostly relating to the equity raise during the period. Earnings per share for the period to June 2021 is 6.9 pence (June 2020: 5.2 pence) with NAV per share of 161.3 pence (June 2020: 155.1 pence).

The Company declares an interim dividend of 5.5p per ordinary share for the period, payable on 23rd August, an increase of 10% on the interim dividend in 2020.

Samuel Jolapamo
Finance Director
17th August 2021



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**Condensed Consolidated Statement of Comprehensive Income
For the period to 30 June 2021**

	6 months to 30 June 2021	6 months to 30 June 2020	Year to 31 December 2020
	Unaudited £'000	Unaudited £'000	Audited £'000
Revenue	760	580	1,338
Property expenses	(60)	(68)	(200)
	<hr/>	<hr/>	<hr/>
Gross Profit	700	512	1,138
Administrative expenses	(100)	(73)	(134)
	<hr/>	<hr/>	<hr/>
Operating profit	599	439	1,004
Finance costs	(124)	(137)	(262)
	<hr/>	<hr/>	<hr/>
Profit before Income tax	474	301	742
Income tax	-	-	-
	<hr/>	<hr/>	<hr/>
Distributable profit for the year	474	301	742
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Other Comprehensive Income	-	-	180
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	474	301	922
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to the owners of the Company	474	301	922
Non-controlling interest	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Profit per share	6.9p	5.2p	12.8p
Basic profit per share	6.9p	5.2p	12.8p
Diluted profit per share	6.9p	5.2p	12.8p
Distribution proposed per share	5.5p	5.0p	11.0p
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**Condensed Consolidated Statement of Financial Position
For the period to 30 June 2021**

	Notes	As of 30 June 2021	As of 30 June 2020	As of 31 December 2020
		Unaudited £'000	Unaudited £'000	Audited £'000
ASSETS				
Non-current assets				
Investment properties		19,771	17,089	19,532
		<u>19,771</u>	<u>17,089</u>	<u>19,532</u>
CURRENT ASSETS				
Trade and other receivables		818	606	874
Cash and cash equivalents		304	114	169
		<u>1,122</u>	<u>720</u>	<u>1,043</u>
LIABILITIES				
Current & non-current liabilities				
Trade and other payables		(765)	(755)	(1,541)
Loans and borrowings		(8,742)	(8,074)	(8,554)
		<u>(9,507)</u>	<u>(8,829)</u>	<u>(10,095)</u>
TOTAL LIABILITIES		<u>(9,507)</u>	<u>(8,829)</u>	<u>(10,095)</u>
NET ASSETS		<u>11,386</u>	<u>8,980</u>	<u>10,480</u>
EQUITY				
Shareholders' Equity				
Called up share capital		7,058	5,789	6,543
Deferred shares		150	150	150
Share premium		1,466	741	1,156
Accumulated profit		2,712	2,299	2,631
		<u>11,386</u>	<u>8,979</u>	<u>10,480</u>
TOTAL SHAREHOLDERS' EQUITY		<u>11,386</u>	<u>8,979</u>	<u>10,480</u>
NET ASSETS PER ORDINARY SHARE		<u>161.3p</u>	<u>155.1p</u>	<u>160.2p</u>

Condensed Consolidated Statement of Changes in Equity



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For the period to 30 June 2021

	Called up Share Capital £'000	Deferred Share £'000	Share premium £'000	Accumulated profit £'000	Total Equity £'000
Balance as of 1 January 2020	5,366	150	480	2,683	8,679
Profit for the period	-	-	-	922	922
Dividends	610	-	364	(974)	-
Other comprehensive income for the period	-	-	-	-	-
Issued during the period	567	-	312	-	879
Balance as of 31 December 2020	6,543	150	1,156	2,631	10,480
Profit for the period	-	-	-	474	474
Dividends	140	-	85	(393)	(168)
Other comprehensive income for the period	-	-	-	-	-
Issued during the period	375	-	225	-	600
Balance as of 30 June 2021	7,058	150	1,466	2,712	11,386

Condensed Consolidated Statement of Cash Flows
For the period to 30 June 2021



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	6 months to 30 June 2021	6 months to 30 June 2020	Year to 31 December 2020
	Unaudited £'000	Unaudited £'000	Audited £'000
Reconciliation of loss before income tax to cash outflow from operations			
Operation loss before taxation	474	301	742
(Increase)/decrease in trade and other receivables	56	282	14
(Increase)/decrease in trade and other payables	(324)	(375)	(42)
Accruals	(29)	4	(37)
Finance expenses	125	137	262
	<hr/>	<hr/>	<hr/>
Net cash outflow from operations	302	349	939
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Purchases of property, plant and equipment	-	-	(2,216)
Additional capital expenditure	(208)	(139)	(186)
	<hr/>	<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities	(208)	(139)	(2,402)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Share issues	600	-	880
Interest paid on loans and borrowings	(125)	(140)	(259)
Repayment of loans	(266)	(26)	(214)
Dividends paid	(168)	-	-
Issue of new loans	-	-	1,155
	<hr/>	<hr/>	<hr/>
Net cash inflow from financing activities	41	(166)	1,562
	<hr/>	<hr/>	<hr/>
Increase/(decrease) in cash and equivalents	135	44	99
Cash and cash equivalents at beginning of year	169	70	70
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	304	114	169
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Condensed Half Year Report for the period to 30 June 2021

1. General Information



Quidnet REIT Ltd
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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 2020, 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 2020.

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 2021	6 months to 30 June 2020	Year to 31 December 2020
	Unaudited	Unaudited	Audited
Basic and diluted EPS			
Earnings/(loss) attributable to ordinary shareholders (£'000)	474	301	758
Weighted average number of ordinary shares (£'000)	6,790	5,789	5,909
Basic profit per share – pence	6.9	5.2	12.8
	=====	=====	=====
Diluted profit per share – pence	6.9	5.2	12.8
	=====	=====	=====

4. Share Capital

Issued share capital comprises:



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	6 months to 30 June 2021	6 months to 30 June 2020	Year to 31 December 2019
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Ordinary shares of 100p each – 7,057,820	7,058	5,789	6,543
	=====	=====	=====
	7,058	5,789	6,543
	=====	=====	=====

During the six months to 30 June 2021, 514,909 ordinary shares were issued by the Company.

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.com.