



Quidnet REIT Ltd
25th August 2020

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.

25th August 2020

Quidnet REIT Ltd

("Quidnet" or the "Company")

Unaudited, Condensed Half-Year Results for the Six Months Ended 30 June 2020

Quidnet (TISE: QUIDGL), a commercial real estate investment company, announces results for the six months ended 30 June 2020.

Highlights in H1 2020

- Rental revenue of £0.58 million (2019: 0.67 million)
- Net profit of £0.30 million (2019: 0.43 million)
- Net asset value per share £1.55 up 6.6% in 12 months (2019: £1.47 per share)
- Worked closely with occupiers to support them where possible during the Covid crisis, using rent holidays, deferrals alongside break clause removals and lease extensions
- Not needed to use any government support scheme

Post period-end highlights

- Acquisition – Quidnet REIT Limited have exchanged on the purchase of a freehold industrial investment in Crawley for £2.1 million, with completion due late September. Currently producing a rent from 6 occupiers of £ £127,000, this is highly reversionary over the next 3 years. First renewal discussions underway at substantial increase in rent
- Letting – Following the Coronavirus pandemic, Quidnet REIT is seeing an increase in some letting demand at Gatwick House and Wigan.

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

“This has been a challenging time for all businesses and we have tried hard to play our part in reassuring occupiers that we would try to help as best we can as they manage their cashflows. I have been heartened by people’s resilience and determination.

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. We must accept the short term is uncertain as more people sadly lose their jobs.

However, investors are still keen on this sector of the market as retail and city centre offices struggle. Thus, I am optimistic that we can continue to generate profit and value growth over time.”



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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 market under the ticker QUIDGL. To find out more, visit <https://www.tisegroup.com/market/securities>

Richard Tice

Chief Executive Officer

25th August 2020

Financial Review

	<u>6 months to 30 June</u> <u>2020</u>	<u>6 months to 30 June</u> <u>2019</u>	<u>Change %</u>
	£'000s	£'000s	
Revenue	580	667	-13.0%
Profit before Income tax (PBIT)	301	426	-29.3%
Total comprehensive income	301	426	-29.3%

Despite the unprecedented and challenging global health and economic crisis over the period, the Company has maintained a strong occupancy & collection rate through our tenant focused asset management approach.

The reduction in revenue is mainly a result of rent concessions given over the second quarter of the year to support tenants through the pandemic. These concessions were mostly given in return for renewal of leases or removal of lease breaks which has contributed to a strong occupancy rate of 83% and Weighted Average Lease Expiry (WALE) of 3.8 years.

The loss of a top 5 tenant in quarter three of 2019 has also contributed to the reduction in revenue. The space has been refurbished and is actively being marketed.

With revenues and operation efficiency stabilised at the most recent asset acquisition, the Company is making progress in its plans to develop additional units on the site to improve overall rental income.

The Company declared a share dividend of 5p per ordinary share for the period, which will be paid by issuing shares at the new NAV per share of 155.1 pence.

Samuel Jolapamo

Finance Director

25th August 2020



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**Condensed Consolidated Statement of Comprehensive Income
For the period to 30 June 2020**

	6 months to 30 June 2020	6 months to 30 June 2019	Year to 31 December 2019
	Unaudited £'000	Unaudited £'000	Audited £'000
Revenue	580	667	1,282
Property expenses	(68)	(38)	(92)
Gross Profit	512	639	1,190
Administrative expenses	(73)	(80)	(149)
Operating profit	439	559	1,041
Finance costs	(137)	(133)	(281)
Profit before Income tax	301	426	760
Income tax	-	-	-
Distributable profit for the year	301	426	760
Other Comprehensive Income	-	-	466
Total comprehensive income for the period	301	426	1,226
Total comprehensive income attributable to the owners of the Company	301	426	1,226
Non-controlling interest	-	-	-
Profit per share	5.2p	7.9p	22.8p
Basic profit per share	5.2p	7.9p	22.8p
Diluted profit per share	5.2p	7.9p	22.8p
Distribution proposed per share	5.0p	5.0p	12.7p



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**Condensed Consolidated Statement of Financial Position
For the period to 30 June 2020**

	Notes	As at 30 June 2020	As at 30 June 2019	As at 31 December 2019
		Unaudited £'000	Unaudited £'000	Audited £'000
ASSETS				
Non-current assets				
Investment properties		17,089	16,372	16,950
		<u>17,089</u>	<u>16,372</u>	<u>16,950</u>
CURRENT ASSETS				
Trade and other receivables		606	539	900
Cash and cash equivalents		114	108	70
		<u>720</u>	<u>647</u>	<u>970</u>
LIABILITIES				
Current & non-current liabilities				
Trade and other payables		(755)	(839)	(1,562)
Loans and borrowings		(8,074)	(8,302)	(7,680)
		<u>(8,829)</u>	<u>(9,141)</u>	<u>(9,242)</u>
TOTAL LIABILITIES		<u>(8,829)</u>	<u>(9,141)</u>	<u>(9,242)</u>
NET ASSETS		<u>8,980</u>	<u>7,878</u>	<u>8,678</u>
EQUITY				
Shareholders' Equity				
Called up share capital		5,789	5,366	5,366
Deferred shares		150	150	150
Share premium		741	443	480
Accumulated profit		2,299	1,919	2,682
		<u>8,979</u>	<u>7,878</u>	<u>8,678</u>
TOTAL SHAREHOLDERS' EQUITY		<u>8,979</u>	<u>7,878</u>	<u>8,678</u>
NET ASSETS PER ORDINARY SHARE		<u>155.1p</u>	<u>146.8p</u>	<u>161.7p</u>



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**Condensed Consolidated Statement of Changes in Equity
For the period to 30 June 2020**

	Called up Share Capital £'000	Deferred Share £'000	Share premium £'000	Accumulated profit £'000	Total Equity £'000
Balance at 1 January 2019	4,406	-	219	1,668	6,293
Profit for the period	-	-	-	1,226	1,226
Dividends	-	-	-	(212)	(212)
Other comprehensive income for the period	-	-	-	-	-
Issued during the period	960	150	261	-	1,371
Balance at 31 December 2019	5,366	150	480	2,682	8,678
Profit for the period	-	-	-	301	301
Dividends	-	-	-	(684)	(684)
Other comprehensive income for the period	-	-	-	-	-
Issued during the period	423	-	261	-	684
Balance as at 30 June 2020	5,789	150	741	2,299	8,979

Condensed Consolidated Statement of Cash Flows



Quidnet REIT Ltd
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For the period to 30 June 2020

	6 months to 30 June 2020	6 months to 30 June 2019	Year to 31 December 2019
	Unaudited £'000	Unaudited £'000	Audited £'000
Reconciliation of loss before income tax to cash outflow from operations			
Operation loss before taxation	301	426	760
(Increase)/decrease in trade and other receivables	282	(77)	(438)
(Increase)/decrease in trade and other payables	(375)	(111)	612
Accruals	4	210	22
Finance expenses	137	133	281
	<hr/>	<hr/>	<hr/>
Net cash outflow from operations	349	581	1,237
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Purchases of property, plant and equipment	-	(3,257)	(3,374)
Additional capital expenditure	(139)	-	(150)
	<hr/>	<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities	(139)	(3,257)	(3,524)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Share issues	-	657	657
Interest paid on loans and borrowings	(140)	(128)	(273)
Repayment of loans	(26)	(183)	(385)
Dividends paid	-	(89)	(89)
Issue of convertible loans	-	2,380	2,300
	<hr/>	<hr/>	<hr/>
Net cash inflow from financing activities	(166)	2,637	2,210
	<hr/>	<hr/>	<hr/>
Increase/(decrease) in cash and equivalents	44	(39)	(77)
Cash and cash equivalents at beginning of year	70	147	147
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	114	108	70
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Notes to the Condensed Half Year Report for the period to 30 June 2020



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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 2018, 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 2019.

3. Earnings/(Loss) per Share

Basic earnings / (loss) per share is calculated by dividing the 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 2020	6 months to 30 June 2019	Year to 31 December 2019
	Unaudited	Unaudited	Audited
Basic and diluted EPS			
Earnings/(loss) attributable to ordinary shareholders	301	426	1,226
Weighted average number of ordinary shares	5,789	5,366	5,366
Basic profit per share – pence	5.2	7.9	22.8
	=====	=====	=====
Diluted profit per share – pence	5.2	7.9	22.8
	=====	=====	=====

4. Share Capital

Issued share capital comprises:



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	6 months to 30 June 2020	6 months to 30 June 2019	Year to 31 December 2019
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Ordinary shares of 100p each – 5,789,233	5,789	5,366	5,366
	=====	=====	=====
	5,789	5,366	5,366
	=====	=====	=====

During the six months to 30 June 2020, 423,040 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.