



Quidnet REIT Ltd  
15th August 2023

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.

15<sup>th</sup> August 2023

**Quidnet REIT Ltd**

("Quidnet" or the "Company")

**Unaudited interim results for 6 month period ended 30<sup>th</sup> June 2023**

Quidnet (TISE: QUIDGL), a commercial real estate investment company, announces results for the 6 months ended 30 June 2023.

**Highlights in first 6 months of 2023**

- Rental revenue up 14.3 % to £ 1.12 million (2022: £0.98 million)
- Pre-tax profit of £0.66 million, (2022: £0.52 million) based on income alone as valuations done at year end
- Adjusted earnings per share of 9.1 pence per share (2022: 7.2 pence), up 26.3%
- Net asset value per share £ 2.54 up 4.1% in 6 months (YE 2022: £2.44 per share)
- Important new lettings, lease renewal negotiations and new letting prospects with significant rental growth
- Using the new 7 year debt facility with our existing lender for more refurbishment work and solar panel installations
- The Northampton property refurbishment was completed in the period and the occupier is fully in occupation. and a range of refurbishment or redevelopment options are being explored at Darlington as part of our asset management strategy
- The refurbishment of the single unit long leasehold of 10,500 sq ft Wigan property, was completed and let at £62,687 on a 10 year lease
- At Gatwick House, 3 units totalling over 9,000 sq ft have been let, significantly increasing the net rent roll. The final small unit is under offer
- At Northampton we have taken an early surrender of the property from the occupier and started the refurbishment which should enable a substantially higher rent to be achieved upon resetting. Already potential occupiers are viewing the property
- We have installed solar panels on the roof of the new Wigan unit and now have 4 separate installations across the portfolio, all generating electricity at strong returns on capital and saving hundreds of tonnes of CO2 per annum
- Interim dividend of 6.0p per share declared (2022: 5.5 p per share). The dividends will be payable on 17<sup>th</sup> August 2023
- 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



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

“This has been another very busy 6 months, with the ongoing refurbishment programme, new lettings and lease renewals across the portfolio. We continue to achieve ERVs comfortably ahead of historic ERVs.

Our drive to support sensible green initiatives across the portfolio continues; with more investment underway in super fast electric vehicle points which will be ready this year and plans for more solar panels on our roofs.

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

Interest rates have risen substantially but over 92% of our debt is hedged at fixed rates for almost 6 years from now, well below the current markets rates. Investors are still keen on this industrial sector of the real estate market, where we have been focussing and continue to do so. There are real economic challenges facing the country but I remain optimistic that we can continue to generate profit and value growth over time.”

#### **Enquiries**

##### **Quidnet REIT Ltd**

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

***Ravencroft 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**  
**15<sup>th</sup> August 2023**



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### **Financial Review**

	<b><u>6 months to 30 June</u></b> <b><u>2023</u></b>	<b><u>6 months to 30 June</u></b> <b><u>2022</u></b>	<b><u>Change %</u></b>
	£'000s	£'000s	
Revenue	1,259	980	28.5%
Profit before Income tax (PBIT)	657	520	26.3%
Total comprehensive income	1,081	520	107.9%

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. The Company also continues to execute on the installation of Solar panels across a number of properties. This effort has driven the current contractual rent roll of the portfolio to £2.2m from £1.95m in Jun 2022, a growth of 12.8%. The current annualised solar income potential currently stands at £141,000.

The Company has also taken prudent and strategic steps to manage rising interest rate risks by locking the interest rate of over 92% of its current debt facility.

The portfolio occupancy rate has remained consistent at 91.4% (June 2022: 92%) as a result of the early surrender of the Northampton property. This is currently under refurbishment with a strong interest and opportunity for further rental income uplift. The portfolio Weighted Average Lease Expiry (WALE) has increased to 6.3 years (June 2022: 4.5 years). Earnings per share for the period to June 2023 is 15.0 pence (June 2022: 7.2 pence) with NAV per share of 254.4 pence (June 2022: 225.5 pence).

The Company declares an interim dividend of 6p per ordinary share for the period, payable on 17<sup>th</sup> August.

**Samuel Jolapamo**  
**Finance Director**  
**15<sup>th</sup> August 2023**



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**Condensed Consolidated Statement of Comprehensive Income  
For the period to 30 June 2023**

	<b>6 months to 30 June 2023</b>	<b>6 months to 30 June 2022</b>	<b>Year to 31 December 2022</b>
	<b>Unaudited £'000</b>	<b>Unaudited £'000</b>	<b>Audited £'000</b>
Revenue	1,259	980	1,945
Property expenses	(77)	(101)	(419)
Gross Profit	1,182	879	1,526
Administrative expenses	(112)	(174)	(363)
Operating profit	1,070	705	1,163
Finance costs	(413)	(185)	(544)
Profit before Income tax	657	520	619
Income tax	(142)	-	(461)
Distributable profit for the year	515	520	158
Other Comprehensive Income	566	-	2,050
Total comprehensive income for the period	1,081	520	2,208
Total comprehensive income attributable to the owners of the Company	1,081	520	2,208
Non-controlling interest	-	-	-
Profit per share	15.0p	7.2p	30.71p
Basic profit per share	15.0p	7.2p	30.71p
Adjusted profit per share	9.1p	7.2p	8.62p
Distribution proposed per share	6.0p	5.25p	11.00p



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**Condensed Consolidated Statement of Financial Position  
For the period to 30 June 2023**

	As of 30 June 2023	As of 30 June 2022	As of 31 December 2022
	Unaudited £'000	Unaudited £'000	Audited £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	31,878	29,355	31,500
	<u>31,878</u>	<u>29,355</u>	<u>31,500</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	2,823	1,261	2,352
Cash and cash equivalents	748	325	634
	<u>3,571</u>	<u>1,586</u>	<u>2,986</u>
<b>LIABILITIES</b>			
<b>Current &amp; non-current liabilities</b>			
Trade and other payables	(2,025)	(1,154)	(2,299)
Loans and borrowings	(15,135)	(13,576)	(14,666)
	<u>(17,160)</u>	<u>(14,730)</u>	<u>(16,965)</u>
<b>TOTAL LIABILITIES</b>	<u>(17,160)</u>	<u>(14,730)</u>	<u>(16,965)</u>
<b>NET ASSETS</b>	<u>18,289</u>	<u>16,211</u>	<u>17,521</u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
Called up share capital	7,190	7,190	7,190
Deferred shares	150	150	150
Share premium	1,547	1,547	1,547
Accumulated profit	9,402	7,324	8,634
	<u>18,289</u>	<u>16,211</u>	<u>17,521</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>18,289</u>	<u>16,211</u>	<u>17,521</u>
<b>NET ASSETS PER ORDINARY SHARE</b>	<u>254.4p</u>	<u>225.5p</u>	<u>243.7p</u>



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**Condensed Consolidated Statement of Changes in Equity  
For the period to 30 June 2023**

	<b>Called up Share Capital £'000</b>	<b>Deferred Share £'000</b>	<b>Share premium £'000</b>	<b>Accumulated reserves £'000</b>	<b>Total Equity £'000</b>
<b>Balance as of 1 January 2022</b>	7,190	150	1,547	7,184	16,071
Profit for the period	-	-	-	1,205	1,205
Dividends	-	-	-	(758)	(758)
Other comprehensive income for the period	-	-	-	1,003	1,003
Issued during the period	-	-	-	-	-
<b>Balance as of 31 December 2022</b>	7,190	150	1,547	8,634	17,521
Profit for the period	-	-	-	657	657
Dividends	-	-	-	(313)	(313)
Other comprehensive income for the period	-	-	-	424	424
Issued during the period	-	-	-	-	-
<b>Balance as of 30 June 2023</b>	7,190	150	1,547	9,402	18,289



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**Condensed Consolidated Statement of Cash Flows  
For the period to 30 June 2023**

	<b>6 months to 30 June 2023</b>	<b>6 months to 30 June 2022</b>	<b>Year to 31 December 2022</b>
	<b>Unaudited £'000</b>	<b>Unaudited £'000</b>	<b>Audited £'000</b>
<b>Reconciliation of loss before income tax to cash outflow from operations</b>			
Operation profit after taxation	515	520	1,205
(Increase)/decrease in trade and other receivables	(471)	(236)	(325)
(Increase)/decrease in trade and other payables	(274)	(139)	614
Accruals	395	(103)	-
Finance expenses	413	185	544
Fair value gain on investment properties	-	-	(1,046)
Taxation charged	142	-	461
Tax paid	-	-	(69)
	<hr/>	<hr/>	<hr/>
<b>Net cash outflow from operations</b>	<b>720</b>	<b>227</b>	<b>1,384</b>
	<hr/>	<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	-	(3,756)	-
Additional capital expenditure	(378)	(253)	(5,859)
	<hr/>	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(378)</b>	<b>(4,009)</b>	<b>(5,859)</b>
	<hr/>	<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Share issues	-	-	-
Interest paid on loans and borrowings	(383)	(93)	(543)
Repayment of loans	-	(9,213)	(8,473)
Dividends paid	(313)	(380)	(759)
Issue of new loans	469	13,576	14,666
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<b>Net cash inflow from financing activities</b>	<b>(227)</b>	<b>3,890</b>	<b>4,891</b>
	<hr/>	<hr/>	<hr/>
<b>Increase/(decrease) in cash and equivalents</b>	<b>115</b>	<b>108</b>	<b>416</b>
Cash and cash equivalents at beginning of period/year	633	217	217
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period/year	<b>748</b>	<b>325</b>	<b>633</b>
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**Notes to the Condensed Half Year Report for the period to 30 June 2023**

**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 2022, 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](http://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 2022.

**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:

	<b>6 months to 30 June 2023</b>	<b>6 months to 30 June 2022</b>	<b>Year to 31 December 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
Basic and diluted EPS			
Earnings/(loss) attributable to ordinary shareholders (£'000)	1,081	520	2,208
Weighted average number of ordinary shares (£'000)	7,190	7,190	7,190
Basic profit per share – pence	15.0	7.2	30.71
	=====	=====	=====
Earnings/(loss) attributable to ordinary shareholders (£'000)	1,081	520	2,208
Fair value gains and losses on investment properties	-	-	(1,046)
Fair value gains and losses on financial instruments	(566)	-	(1,003)
Deferred tax on fair value movements	142	-	461
<b>Adjusted earnings for the financial year</b>	<b>657</b>	<b>520</b>	<b>620</b>
Adjusted profit per share – pence	9.1	7.2	8.6
	=====	=====	=====





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**4. Share Capital**

Issued share capital comprises:

	<b>6 months to 30 June 2023</b>	<b>6 months to 30 June 2022</b>	<b>Year to 31 December 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ordinary shares of 100p each – 7,190,032	7,190	7,190	7,190
	_____	_____	_____
	7,190	7,190	7,190
	=====	=====	=====

There were no shares issued by the company during the six months to 30 June 2023.

**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](http://www.quidnetreit.co.uk).