



QUALITAS (ASX:QAL)

Macquarie Investor Conference

May 2022



QUALITAS

Acknowledgement of Country

Qualitas acknowledges the Traditional Owners of the land on which we work, and we pay our respect to Elders past and present.



Agenda

1	Introduction and Strategy
2	Market Opportunity
3	Well Positioned for Next Phase of Growth
4	Outlook and Guidance



Real estate specialist with proven track record

Qualitas is one of the largest alternative real estate investment managers in Australia managing discretionary funds across private credit and private equity



AU\$ 4.22 bn

Funds under management¹

14 funds

across 10 credit and equity strategies

~73%

of committed FUM is eligible for performance fee²

Track record of outperformance³

~69%^{blue}

chip institutional investor capital composition²

Extensive global institutional and wholesale investor base



\$5.7 billion
Total Capital Deployed^{2,4}



\$15.9 billion
GAV^{2,4,5} of Investments



219
Total Investments²



178
Credit investments²

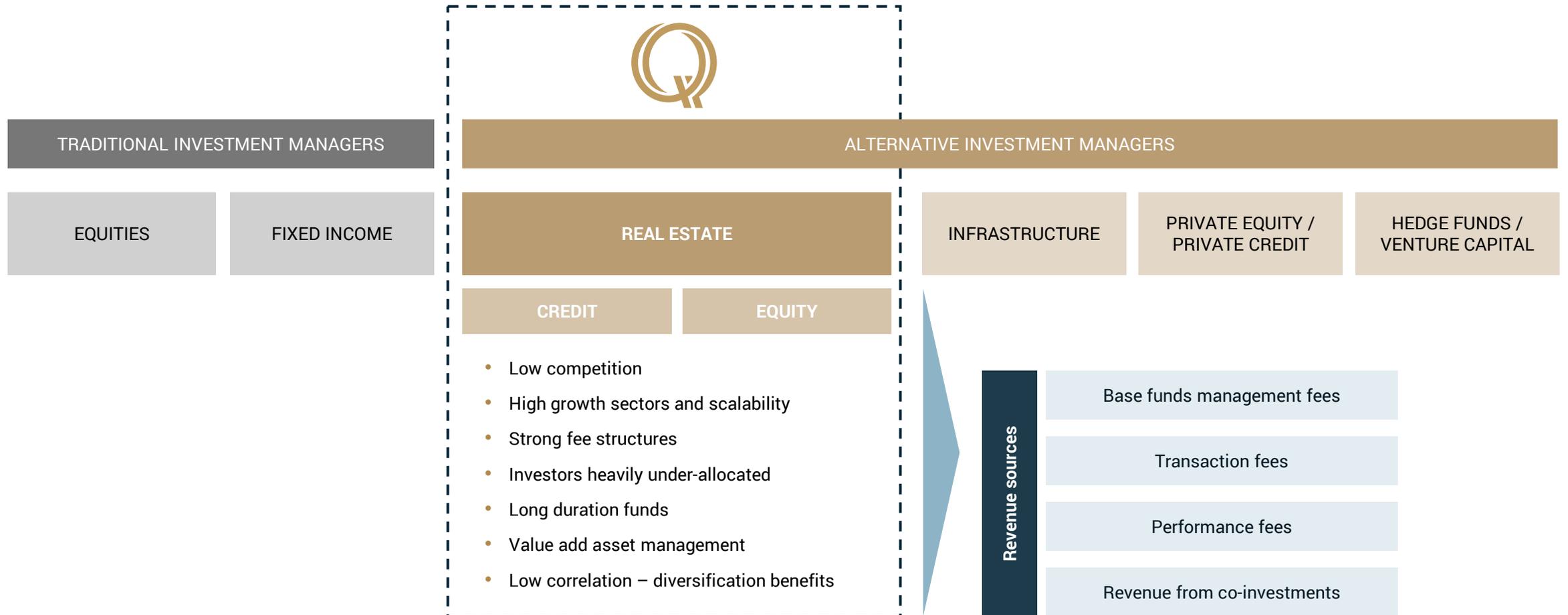


41
Equity investments²

Notes: 1. Represents committed capital and IC approved investor mandates as at 31 March 2022 in which Qualitas provides investment management services to deploy into investments. 2. As at 31 December 2021. 3. Past performance is not indicative of future performance. 4. Cumulative capital invested exceeds total FUM due to recycling of funds relating to capital returned to investors from realised investments in closed end funds. 5. Gross Asset Value (GAV) means the aggregated value of the gross realisable value of the underlying projects or real property assets across both debt and equity investments.

Resilient business model

Track record of fund creation delivering stable and recurring real estate backed income streams in both credit and equity investments



Continued execution of strategic initiatives

Continued strong track record of delivering stated strategy with capital deployment ahead of Prospectus target of \$1.47bn – Key driver of FY22 earnings upgrade

1

Deploy capital and capitalise on market tailwinds and opportunities

- Exceeded Prospectus forecast capital deployment target of **\$1.47bn** for FY22, now revised to no less than **\$1.70bn** (+16% on Prospectus)
- **Achieved 97% of total forecast FY22 capital deployment target in the first nine months of FY22**
- **Increased deployment is the key driver of FY22 earnings upgrade**

2

Continue FUM growth momentum and diversification of investor base

- Capital deployment commenced for **\$200m** first domestic superannuation fund mandate¹. Mandate now c.47% allocated to investments as the result of strong deployment momentum
- c.\$350m of new capital in continuing advanced due diligence

3

Expand fund strategies to adapt to market conditions

- **3 new funds:**²
 - Launch of **\$300m** Qualitas Real Estate Opportunity Fund 3 (QREOF3)
 - Launch of **\$300m** Qualitas Senior Debt Enhanced Fund (QSDEF)
 - Established **\$500m** Qualitas Diversified Real Estate Fund (QDREF) (achieved first capital raise close and made first investment)

4

Deploy IPO proceeds and drive future growth

- **\$29m** of proceeds allocated to underwrite Runaway Bay Shopping Centre equity
- **\$50m** under consideration for co-investment across new and existing funds
- **\$60m** for seed assets for new funds, underwrite identified subject to further due diligence and IC approvals

Notes: 1. Included in committed FUM at IPO as IC approved mandate. 2. Represents target committed FUM.

Benefits of the Qualitas IPO

Platform set up for accelerated expansion to capitalise on market and sector tailwinds

- Balance sheet capital to **underwrite and seed new funds** and provide **co-investment capital** critical for fund investor alignment
- Increased profile:
 - leading to greater in bound enquiry and **strengthening of both deployment and capital pipelines**
 - new discussions with domestic and global institutions for **significant potential fund mandates**
 - Receiving inbound **inorganic acquisition opportunities**
- **Talent attraction and retention**
- **Operational scale and cost efficiencies**

Market thematic focused investment strategy

Locating and executing on market opportunities through the cycle

Global hunt for yield with inflation protection



Increasing institutional acceptance of alternatives and private credit



Population growth as COVID-19 restrictions ease supporting long-term real estate demand



CRE credit will benefit from rising interest rate environment



Increasing market share by alternative capital in a growing CRE debt market



Long-term residential supply shortage from slowdown in construction starts is expected to offset impact of rising interest rates on valuations – possibility of negative gearing

Qualitas' market thematic focused investment strategy

CREDIT

- Short duration portfolio allowing for
 - Re-pricing returns
 - Revaluation of secured property
- Focus on Loan to Value (LTV)
- Anticipated increase in credit funds returns as interest rates rise
- Dominant alternative real estate financier

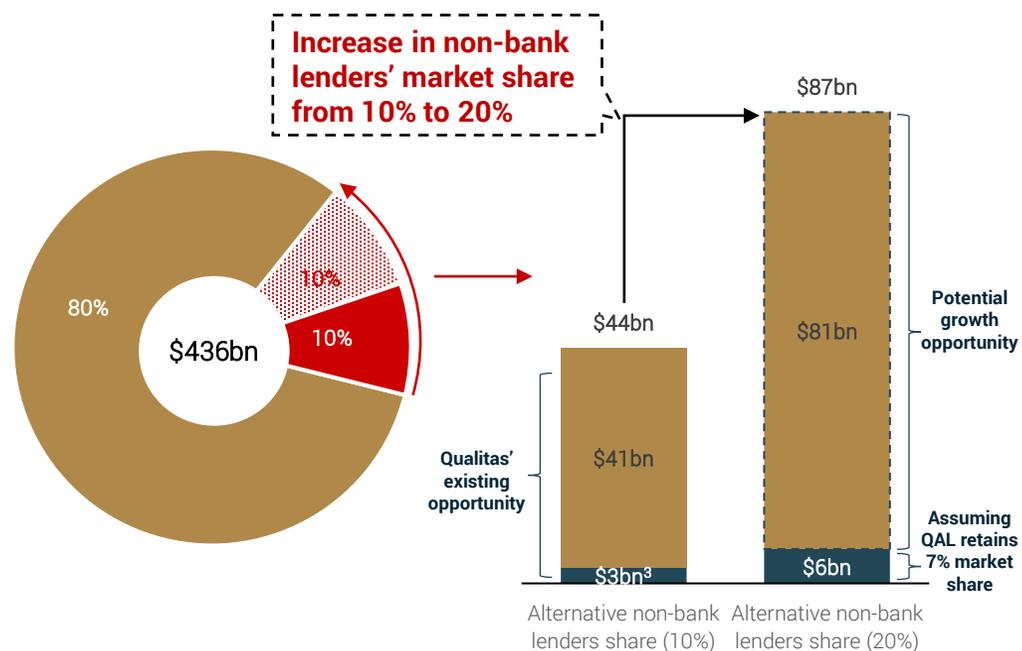
EQUITY

- Target property supported by reliable income with inflation protection
- Majority of Qualitas equity funds already income focused
- Focus on inflation hedged sectors and geographies
- Interest rate hedging
- Experience through cycle and capturing opportunistic investments

The market and growth opportunity

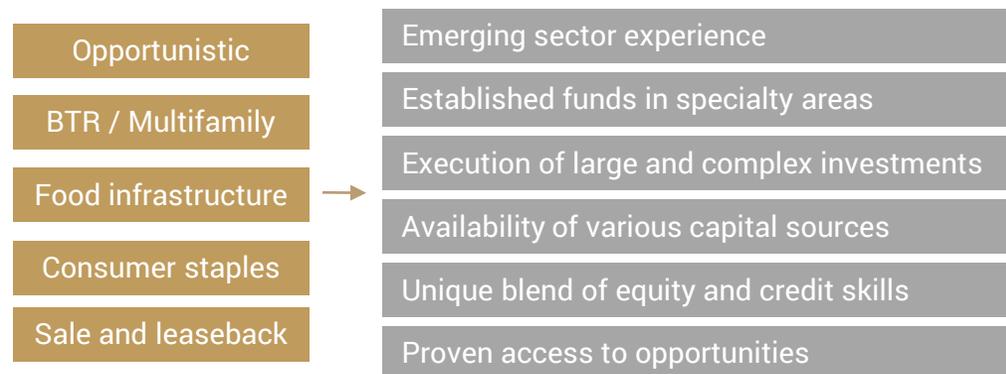
Scalable growth opportunities associated with structural 'credit dislocation' in CRE market and equity strategies associated with high demand within alternative real estate sectors

Credit growth opportunities – rise of alternative financiers in CRE^{1,2}

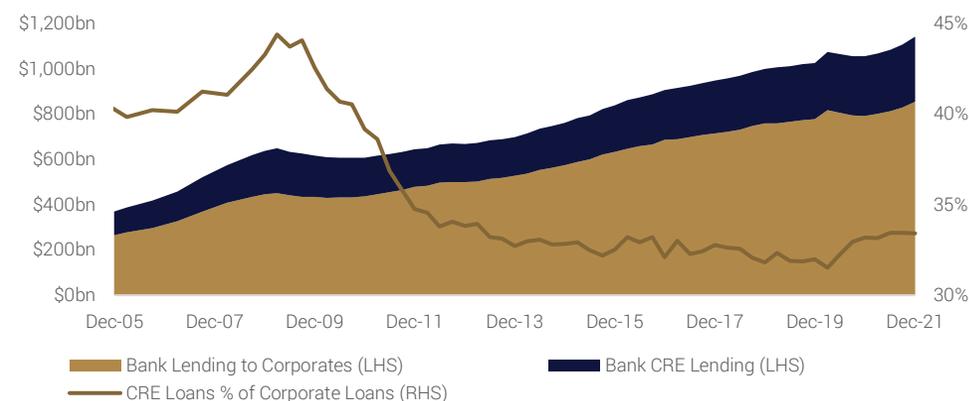


- Traditional bank lenders - Authorised Deposit-taking Institutions (ADIs)
- ▨ Anticipated expansion of alternative non-bank lenders (20% of CRE debt market)
- Alternative non-bank lenders

Equity growth opportunities - rise of alternative real estate strategies



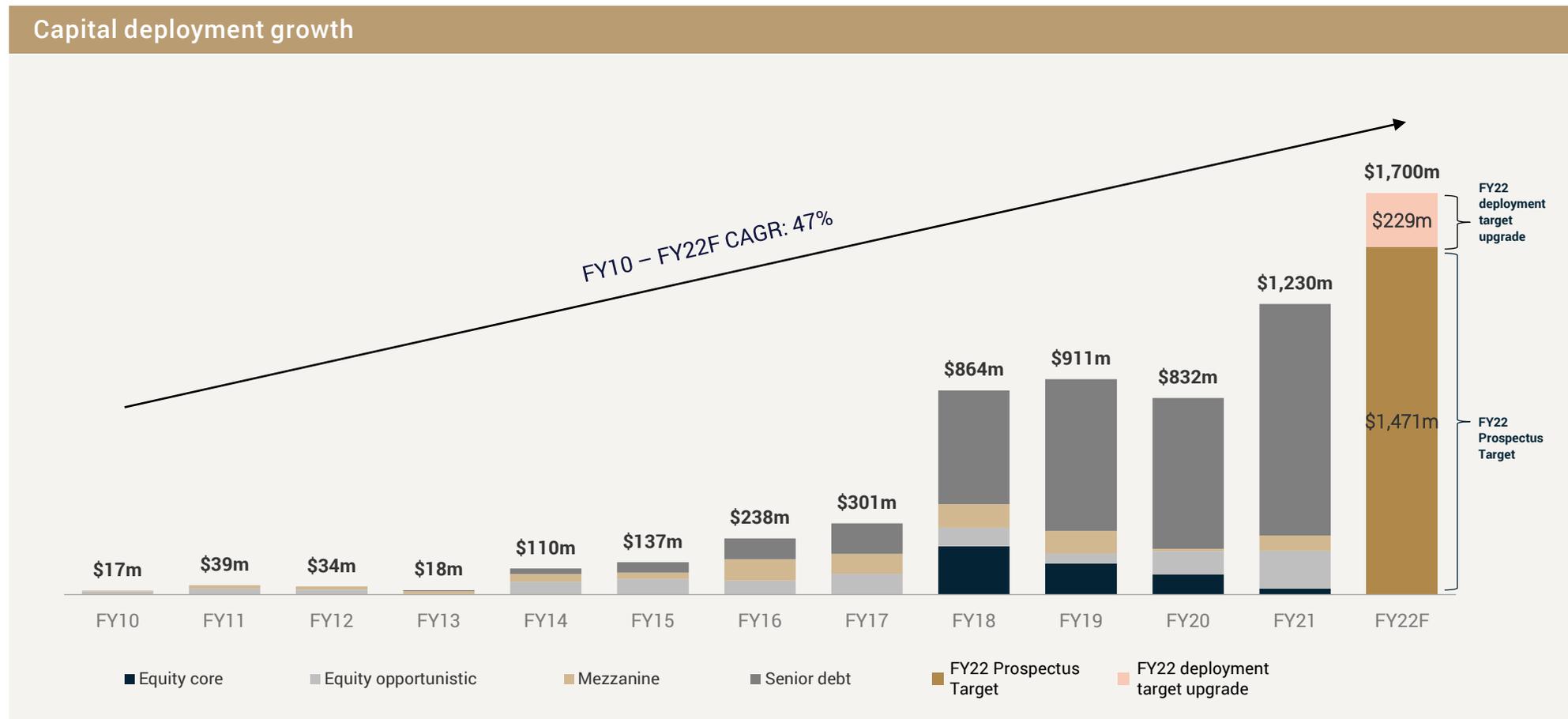
Alternative financiers increase market share in a growing CRE market⁴



Source: 1. APRA Quarterly Authorised Deposit Taking Property Exposures (December 2021). 2. Australian Prudential Regulatory Authority (APRA) and Qualitas assuming 10% non-bank lenders, December 2021. 3. Represent committed FUM as at 31 December 2021. 4. Commercial Real Estate Lending, BondAdviser (Dec-21).

Sustainable high growth through-cycle

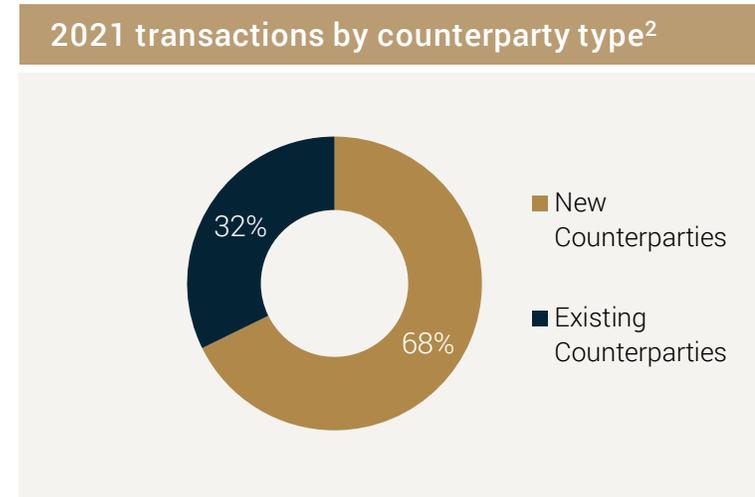
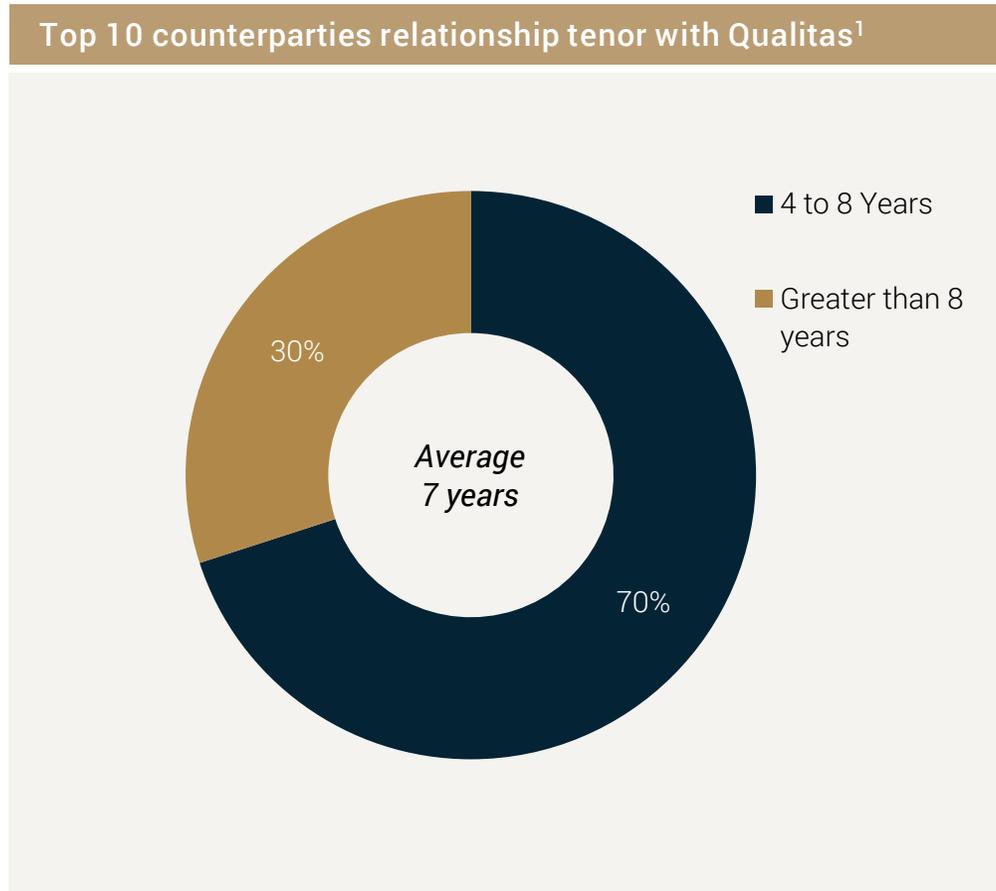
Consistent growth of capital deployment combined with track record of performance, benefitting from a scalable platform in place for future growth



Origination network built on deep relationships and reputation



Extensive network of sponsors / partners with long-standing relationships continue to support transaction pipeline with increasing new opportunities as Qualitas achieves transformational growth post-IPO



Qualitas origination network

125
Counterparties within Qualitas origination network²

Notes: 1. Ranked by transaction volume based on completed transactions as at 31 December 2021. 2. Based on completed transactions as at 31 December 2021.

Unique CRE Credit platform with strong track record

Sophisticated risk grading model, deep CRE credit experiences, separate IC and credit teams combined enables Qualitas' strong track record of robust risk assessment



Qualitas key risk management tools

Robust risk grading model – average LTV of c. 65%¹ in income credit strategies, fully secured loans typically supported by personal guarantees from sponsors

Mostly short tenor – flexibility for active loan management and potential for repricing and timely security revaluation

Strong focus on Sponsor criteria – formal client onboarding policy and direct borrower and partner relationship

Diversification – by geography, types of loans and sectors within the CRE market

Notes: 1. Loan to Value ratio as at 31 March 2022.

Transaction screening process



Zero loss of investor capital or interest since inception

Scalable client led investment model leveraging sector experience

Leveraging our extensive experience and knowledge of the CRE market by investing in scalable thematics

Scalable Investor Thematics

 **ESG**

Investors are incorporating ESG data and considerations into the investment process. The pandemic has intensified discussions about the interconnectedness of ESG and the financial system

 **Credit Income**

Investors are seeking risk adjusted returns with monthly distribution and access to a portfolio of income generating CRE loans

 **Core / Core Plus**

Investors are targeting high-quality assets with defensive cashflow profile located in high growth area with resilient tenants and long-term leases

 **Total Return**

Investors are looking for strong total return strategies

Build-to-Rent Impact Fund	
FUM Target	\$1bn
Strategy	Equity core
Investor type	Institutional mandate

Real Estate Income Fund	
FUM	\$600 million
Strategy	Senior debt / mezz.
Investor type	Predominantly retail and insto wealth advisers

Diversified Real Estate Fund	
FUM Target	\$500 million
Strategy	Equity Core (Long WALE, defensive)
Investor type	100% institutional investors current

Opportunity Fund (I & II)	
FUM	\$438 million
Strategy	Equity opportunistic
Investor type	Private investors ² and institutions



Rendering of Seed Asset Cordelia, Brisbane



Canberra Residential Apartments



Runaway Bay Centre – Queensland



Trust Building, Sydney – Hermes New Flagship Store

Platform growth underpinned by sustainability

Sustainability focus on selected initiatives to drive long term value

Environmental

MEMBER



CARBON EMISSIONS REDUCTION

Affirm Paris Agreement
to limit temperature increase

ADAPTION TO LOW CARBON

Aspiration to achieve carbon
neutrality
at the corporate level by
end of 2022

MITIGATE CLIMATE CHANGE

Australia's first Build-to-rent
Impact Fund,
Integrate benchmarks and
criteria in investments

FUND INVESTMENT COMMITTEE

Integration of ESG factors in investment
due diligence and IC papers

Social

MEMBER OF PCA NATIONAL SOCIAL
SUSTAINABILITY COMMITTEE



MEMBER 2021/22

DIVERSITY & INCLUSION

40/40/20 Gender targets
(in line with PCA),
Diverse and inclusive culture

MEMBER OF PROPERTY INDUSTRY
FOUNDATION

Counteract youth homelessness



Governance

INDEPENDENT BOARD

Majority independent QAL Board and
Trustee Board
updated ESG Policy,
oversight of executive incentives

SUSTAINABILITY STEERING COMMITTEE

Quarterly meeting of members across
all functions and seniority

PARTNER VALUE ALIGNMENT

Proprietary ESG sponsor
assessment tool

SIGNATORY OF THE UN
PRINCIPLES FOR RESPONSIBLE
INVESTMENT



Prospectus upgrade

- Revised FY22 capital deployment forecast no less than \$1.70bn
- Qualitas is pleased to upgrade FY22 earnings guidance
 - FY22 pro forma NPBT is expected to be no less than \$25.8m
 - Revised FY22 guidance is for pro forma pre-tax EPS of no less than 8.8 cps
 - FY22 statutory NPBT is expected to be no less than \$23.0m
 - Revised FY22 guidance is for statutory pre-tax EPS of no less than 7.8 cps
- Reaffirm FY22 DPS of 4 cents and 3% p.a. dividend yield on Offer Price¹

Upgraded FY22 Guidance²

No less than
\$25.8m
Pro Forma NPBT
+ c.13% – Prospectus

No less than
\$23.0m
Statutory NPBT
+ c.14% – Prospectus

Notes: 1. Based on a target dividend pay-out ratio of between 50% and 95% of Operating Earnings. Operating Earnings is defined as statutory NPAT adjusted for certain non-operating items, including fair value movements to Qualitas' Co-Investments; gains or losses on the sale of Co-Investments; depreciation expenses relating to operating leases with associated cash expenses being added back; non-operating transaction costs in respect of capital raising costs of Qualitas' Funds; non-operating tax expenses; discontinued operations and other unrealised one-off items. 2. This announcement contains forecasts and forward-looking statements. There is no guarantee that such forecasts will be achieved. The revised forecasts in this announcement assume no material adverse change in current market conditions (including in respect of the Qualitas Real Estate Income Fund).

Wrap up

Platform set up for accelerated expansion to capitalise on market and sector tailwinds

- Strong, established business supported by long-term industry tailwinds
- Successful IPO substantially expanded profile and capital base, enabling us to accelerate growth
- Experience through cycles and resilience of business model means we benefit from current economic conditions
- Today upgrading Prospectus forecasts for deployment and earnings

Contact Information



KATHLEEN YEUNG

Global Head of Corporate
Development

T: +61 3 9612 3910

E: Kathleen.yeung@qualitas.com



qualitas.com.au

Disclaimer

This presentation has been prepared by and its sole responsibility of Qualitas Limited (ACN 655 057 588). To the maximum extent permitted by law, the information contained in this presentation is given without any liability whatsoever to Qualitas Limited, any of its related entities, or Qualitas Securities Pty Ltd (the holder of Australian financial services licence 342 242 for the Qualitas Group) (collectively "Qualitas") or their respective directors or officers, and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information.

The information in this presentation has not been independently verified by Qualitas to the maximum extent permitted by law. Qualitas disclaims any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts set forth herein.

No representation or warranty is made by or on behalf of Qualitas that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Please note that, in providing this presentation, Qualitas has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the addressee's objectives, financial position or needs.

This presentation does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Qualitas. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of Qualitas.

The provision of this presentation to any person does not constitute an offer of securities or offer financial products to that person or an invitation to that person to apply for interests. The information in this presentation has been prepared without taking into account any investor's investment objectives, financial situation or particular needs. Before acting on the information the investor should consider its appropriateness having regard to their investment objectives, financial situation and needs and obtain their own legal, tax and investment advice.

Statements contained in this presentation may be forward looking statements. Such statements are inherently speculative and always involve some risk and uncertainty as they relate to events and depend on circumstances in the future, many of which are outside the control of Qualitas. Any forward-looking statements contained in this presentation are based on a number of assumptions which may prove to be incorrect, and accordingly, actual results or outcomes may vary. Past performance is not indicative of future returns.

The information contained in this document is not a complete analysis of every material fact regarding the market and any industry sector, a security, or a portfolio. Statements of fact cited by Qualitas have been obtained from sources considered reliable but no representation is made as to the completeness or accuracy. Because market and economic conditions are subject to rapid change, opinions provided are valid only as of the date of the material. Portfolio holdings and Qualitas' analysis of these issues, market sectors, and of the economic environment may have changed since the date of the material. Qualitas' opinions are intended solely to provide insight into how Qualitas analyses securities and are not a recommendation or individual investment advice for any particular security, strategy, or investment product.

The performance of an individual portfolio may differ from that of a benchmark, representative account or composite included herein for various reasons, including but not limited to, the objectives, limitations or investment strategies of a particular portfolio. Management fees will reduce the rate of return on any particular account or portfolios. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty outside Qualitas' control.

Past performance is not a reliable indicator of future performance.



QUALITAS

