

ASX Announcement

Qualitas Limited (ASX: QAL)

30 September 2022

Qualitas secures new A\$440 million commitment from global institutional investor

Key points

- Qualitas secures new A\$440 million commitment from a global institutional investor for the Qualitas Construction Debt Fund II
- Committed funds under management (FUM) increases to A\$5.33 billion, representing:
 - Total net growth of c.8% since 18 August 2022
 - Total net growth of c.25%¹ since 30 June 2022
- New funds to be deployed immediately into new A\$440 million excluding capitalised interest residential construction senior debt opportunity in a vibrant and growing Sydney residential precinct
- New capital raised in the first three months of FY23 totals A\$1.19 billion
- Clear demonstration of the ability of the real estate private credit sector to provide large-scale capital solutions at a time when traditional lenders are reducing their participation in the sector

Qualitas Limited (ASX: QAL) (**Qualitas** or **Company**), a leading Australian alternative real estate investment manager, is pleased to announce that it has secured a new capital commitment from a global institutional investor to invest A\$440 million in the Qualitas Construction Debt Fund II (**CDFII**). This enables CDFII to immediately secure a large scale residential construction loan opportunity and increases the size of CDFII to approximately A\$1.20 billion of committed capital. Of note, this additional capital was attracted without further co-investment required by Qualitas into the fund.

Growing committed FUM

Following the addition of this new commitment, FUM has increased to approximately A\$5.33 billion, representing net FUM growth of circa 25% since 30 June 2022¹.

Including the recent addition of the Qualitas Diversified Credit Investments (**QDCI**) mandate from the Abu Dhabi Investment Authority (**ADIA**)², Qualitas has raised a total of A\$1.19 billion in new capital in the first three months of FY23.

The proportion of Qualitas' total committed FUM managed on behalf of local and international institutional investors has also increased to approximately 75%.

¹ Committed FUM at 30 June 2022 of A\$4.26 billion

² The new A\$440m commitment does not constitute Qualifying Mandates for the purposes of ADIA's option vesting criteria (per Qualitas ASX announcement of 1 August 2022)

Deployment of new capital

Continuing the Company's strong capital deployment momentum following a record year in FY22, the new capital commitment to CDFII is being immediately allocated to a new senior construction facility of A\$440m exclusive of capitalised interest for a residential development project situated in an established residential area in Sydney, New South Wales.

The borrower is a well-capitalised, local private developer with an established track record of residential apartment project delivery.

Andrew Schwartz, Group Managing Director, and Co-founder of Qualitas, said: "Our strong momentum in FUM growth reflects our status as a trusted Australian alternative real estate investment manager and reinforces the benefits of our established relationships with global investors, our strong balance sheet capacity, and a market leading, best-in-class team. We continue our strong support of the residential sector given strong underlying fundamentals."

"Our ability to deploy funds to such a significant transaction highlights Qualitas' key competitive advantages, including our ability to analyse and execute complex transactions in a timely manner while providing the borrower with a single counterparty to deal with. Our ability to match global capital with significant, large-scale investment opportunities further demonstrates the benefits of the alternative private credit model at a time when traditional lenders are continuing their retreat from the commercial real estate sector."

FY23 Guidance

Qualitas reaffirms its FY23 forecasts as follows:

- Net Profit Before Tax³ is estimated between A\$30 million and A\$33 million
- Earnings per Security is expected to be between 7.1 cps and 7.9 cps³

Authorised for release by the Board of Directors of the Company.

For more information, please contact:

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³ Excludes mark to market adjustment for Qualitas' co-investment in QRI and QRI capital raising costs (if any)

About Qualitas

Qualitas Limited (ACN 655 057 588) (**Qualitas**) is an ASX-listed Australian alternative real estate investment manager, with committed funds under management of circa A\$5.33 billion across debt and equity fund mandates, specialising in real estate private credit and real estate private equity sectors.

Founded in 2008, the firm has since inception invested in or financed assets valued at over A\$15 billion. The firm invests in real estate private credit, opportunistic real estate private equity, income producing commercial real estate and build-to-rent residential. Qualitas manages discretionary funds on behalf of institutional, wholesale and retail clients in Australia, Asia, and Europe.

Qualitas' objective is to provide Shareholders with attractive risk-adjusted returns through a combination of regular and growing dividend income and capital growth. Qualitas has more than 70 investment and fiduciary professionals, with a strong focus on risk mitigation and management through its robust risk management and governance frameworks, and its operating structure and procedures.

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