

ASX Announcement

Qualitas Limited (ASX: QAL)

8 May 2023

Qualitas announces A\$1 billion credit mandate with global institutional investor

Qualitas Limited (ASX: QAL) (**Qualitas** or **Company**), a leading Australian alternative real estate investment manager, has entered into a mandate with a global institutional investor that provides for up to A\$1 billion to be incrementally available to Qualitas and invested into Australian commercial real estate (**CRE**) private credit opportunities.

The mandate is available for investment in tranches, of which A\$220 million is activated and available for deployment as set out below. The balance of A\$780 million is subject to further approvals and conditions and there is no certainty that it will be activated in whole or in part. Qualitas will co-invest up to A\$30 million¹ over the life of the A\$1 billion mandate.

The mandate will be seeded by two residual stock loans (**RSLs**) for approximately c. A\$109 million of immediate deployment with a remit to lend across all CRE sectors. The deployment of the remaining c. A\$111 million is subject to usual fund investment criteria and conditions. The mandate increases Qualitas' total committed funds under management (FUM) by A\$220 million (representing the current active component of the mandate) to a total FUM of A\$6.0 billion² of which 72% is CRE private credit and 77% is invested on behalf of local and international institutional investors.

Andrew Schwartz, Group Managing Director and Co-Founder said:

“As the alternative lending market continues to grow so does the breadth of product available from alternative financiers. RSLs present compelling risk adjusted returns given the exposure level is typically at a material discount to underlying valuations with a backdrop of strong residential demand dynamics.

The security, stability and quality of Australia's CRE sector is continuing to draw strong interest from global institutional investors and there is an expanding pipeline of CRE private credit opportunities with an income focus as traditional sources of finance reduce their lending in this sector. However, a partnership of this size requires a manager with a proven track record of delivering strong returns which we have built over 15 years, through multiple real estate cycles.

Qualitas now has significant sources of capital across our private credit strategies to accelerate deployment momentum. The market environment is currently placing a premium on the provision of liquidity and Qualitas is a party with the scale of capital to provide this much needed liquidity. The new mandate means we can continue to capitalise on the continuously increasing opportunities in the market by deploying into attractive risk return investments for the benefit of our investors.”

¹ Representing 3% invested pro-rata with deployment.

² Based on FUM as at 31 March 2023 and adjusted for the active component of the new credit mandate.

“We see this new partnership as an endorsement of our business and testament to our expertise in the Australian CRE private credit market and confirmation of our strategy.”

FY23 Guidance

Qualitas takes this opportunity to reaffirm its FY23 guidance of:

- FY23 net profit before tax³ is estimated between \$30 million and \$33 million
- FY23 earnings per security (EPS) is expected to be between 7.1 cps and 7.8^{3,4} cps

This announcement is authorised for release by the Board of Directors of the Company.

For more information, please contact:

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³ Adjusted for abnormal / non-recurring items including QRI capital raise costs, Qualitas IPO costs in FY22 and mark to market (MTM) adjustment from Qualitas' co-investment in QRI.

⁴ Based on the current total number of ordinary shares on issue, that is subject to change.

About Qualitas

Qualitas Limited ACN 655 057 588 (**Qualitas**) is an ASX-listed Australian alternative real estate investment manager with approximately A\$6.0 billion² of committed funds under management.

Qualitas matches global capital with access to attractive risk adjusted investments in real estate private credit and real estate private equity through a range of investment solutions for institutional, wholesale and retail clients. Qualitas offers flexible capital solutions for its partners, and creating long-term value for shareholders, and the communities in which it operates.

For 15 years Qualitas has been investing through market cycles to finance assets with a combined value of over A\$19 billion⁵ across all real estate sectors. Qualitas focuses on real estate private credit, opportunistic real estate private equity, income producing commercial real estate and build-to-rent residential. The broad platform, complementary debt and equity investing skillset, deep industry knowledge, long-term partnerships, and diverse and inclusive team of more than 80 professionals provides a unique offering in the market to accelerate business growth and drive performance for shareholders.

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⁵ As at 31 December 2022