Qualitas (ASX:QAL)

FY23 Results

23 August 2023

QUALITAS

Acknowledgement of Country

Qualitas acknowledges the Traditional Custodians of country throughout Australia and their ongoing connection to land, sea, and community. We pay our respect to their Elders past and present.

JOURNEY OF GROWTH
BY ALYSHA MENZEL

Agenda and presenters

QUALITAS

1 Market Outlook and FY23 Highlights

2 Funds Management

3 FY23 Financial Results

4 Outlook and Guidance

A Appendices

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Important Note: The information in this presentation is based on the General Purpose Statutory accounts for full year ended June 2023 and comparatives from Special Purpose Statutory accounts provided in December 2021 and June 2022 financial reporting periods. For statutory reporting, please refer to the Appendix 4E and Full Year Financial Report for the full-year ended 30 June 2023. Numbers in this presentation are subject to rounding.

FY23 – Successful execution to IPO strategy

- ✓ FY23 saw substantial top-line growth and margin expansion - increasing scalability due to significant FUM and deployment growth
- ✓ Private credit and BTR continues to attract sticky institutional capital – a growth enabler and accelerator
- ✓ Building brand and remaining uncompromisingly disciplined in deployment
- ✓ Integration of ESG in new product development and investment committee screening processes
- ✓ Long-term fund structures, dry powder and a strong balance sheet underpin earnings stability and growth during volatile market periods

Market Outlook and FY23 Highlights

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CRE private credit – attracting large scale capital into expanding addressable market

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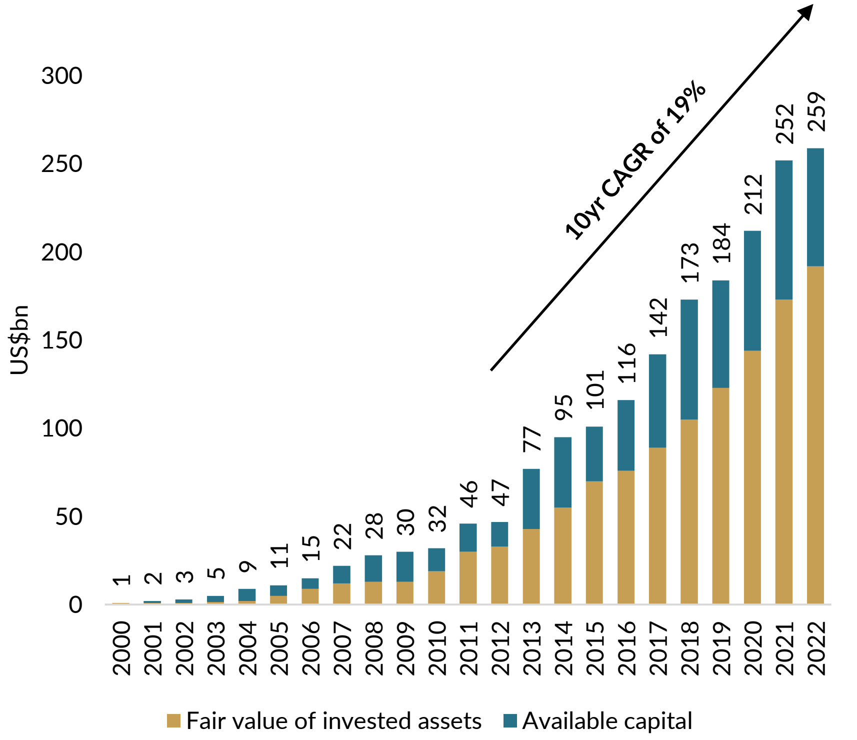
REAL ESTATE PRIVATE CREDIT - ATTRACTING SUBSTANTIAL INSTITUTIONAL CAPITAL

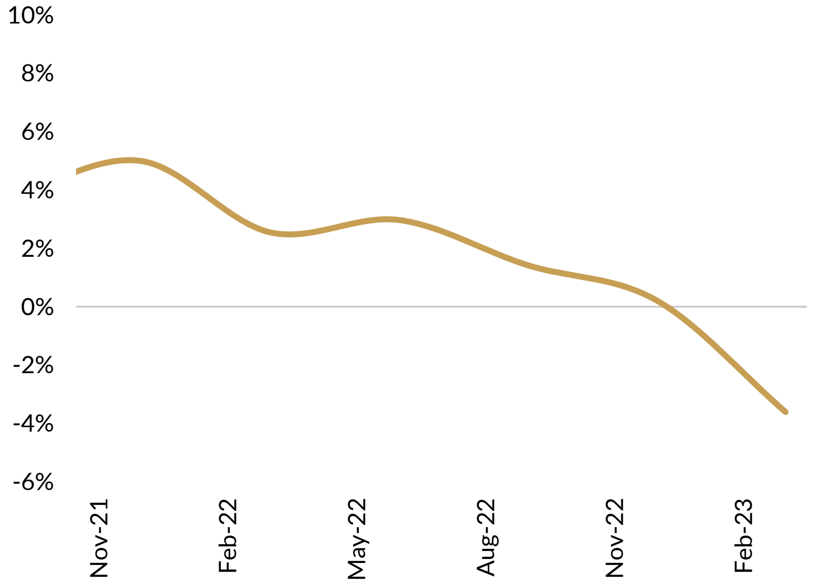
Global real estate private credit AUM reaches US$260bn grew at 19% CAGR over the last decade[1]



OBSERVED REDUCTION IN SUPPLY OF CREDIT FROM TRADITIONAL FINANCIERS

In Australia, liquidity withdrawal is most pronounced in the residential and development sectors.

Quarterly change in traditional financiers' residential and development loan book[2]



- Historically under allocated by investors
- Attractive returns with equity buffers bearing brunt of asset re-calibration
- Contraction of traditional financiers' loan book

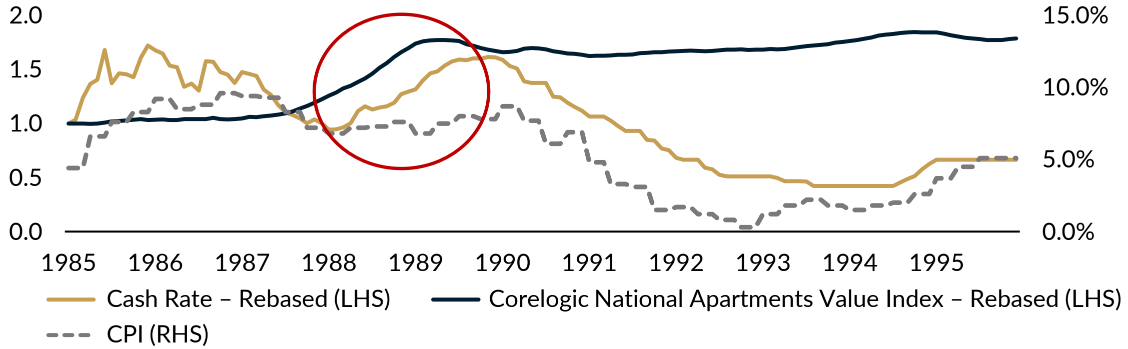
Alternative financiers with significant capital sources and dry powder are well placed – ***dislocated liquidity in the market presents outsized return opportunities.***

Notes: 1. Preqin, Goldman Sachs Global Investment Research. 2. APRA, Quarterly authorised deposit-taking institution property exposures statistics March 2023.

Short tenured credit portfolio enabling agility in funds management platform, with skillset to traverse the capital stack and CRE sub-segments – focus on residential private credit as it is anticipated to remain resilient

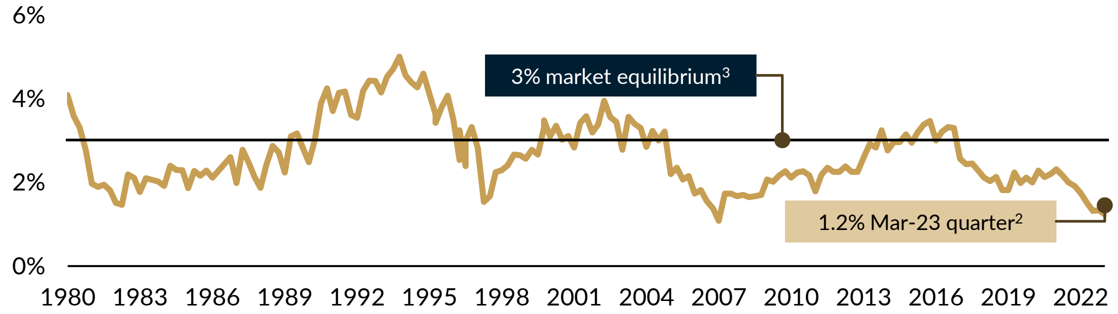
WE'VE SEEN THIS BEFORE – GROWTH UNDERPINNED BY SUPPLY SHORTAGE

In the late 1980s rate hike cycle, apartment values increased by 34% as the cash rate increased by 7.6% between Jan-88 and Nov-89 and largely maintained its gains in the following years.[1]



RESIDENTIAL VACANCY AT ITS LOWEST LEVEL[2]

Deep supply shortage in the residential market.

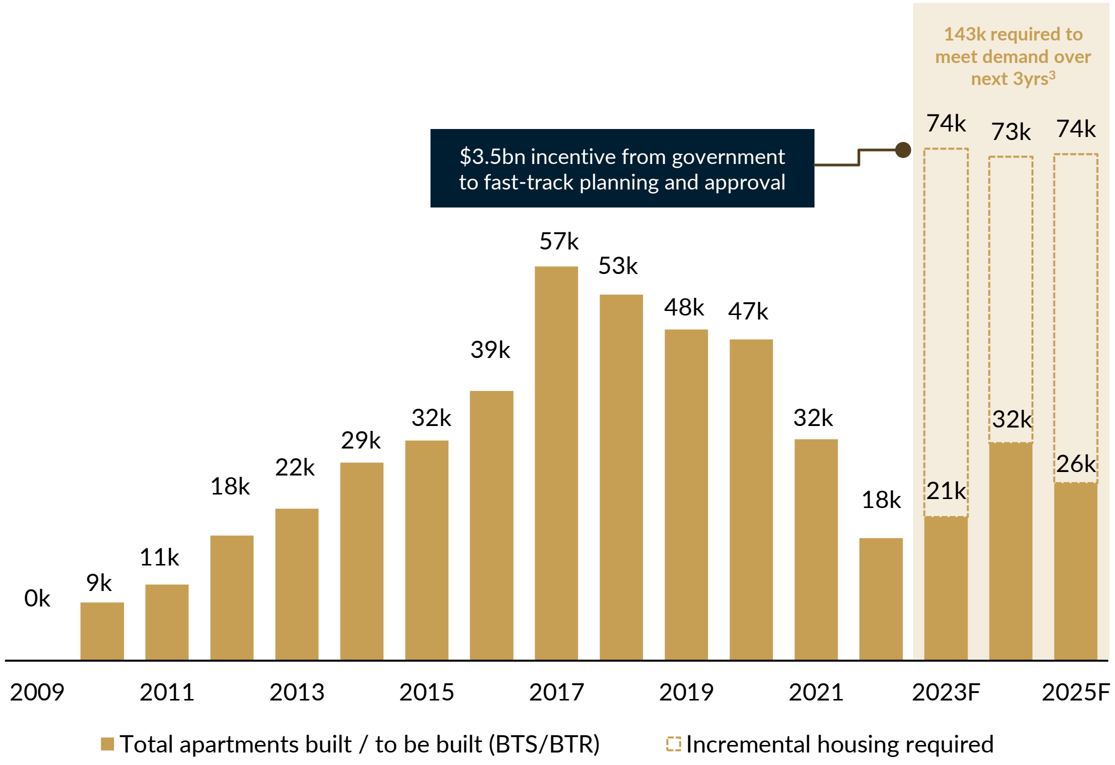


3% market equilibrium[3]

1.2% Mar-23 quarter[2]

SUPPLY SHORTAGE IS EXPECTED TO WORSEN

Sydney, Melbourne and Brisbane need additional housing of ~143k apartments[3] to meet estimated demand and maintain current vacancy level in the next three years.



143k required to meet demand over next 3yrs[3]

$3.5bn incentive from government to fast-track planning and approval

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Notes: 1. Corelogic, RBA, ABS. 2. Vacancy quarterly average taken from REIA for cities Melbourne, Sydney, Brisbane, Adelaide, Perth and Canberra 1985-2023. 3. Charter Keck Cramer, August 2023.

FY23 – Strong execution of strategy reflected in a step change of growth in FUM and deployment

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RESULTS HIGHLIGHTS

30-Jun-2023

$6.1bn

FUM[1]

+43% vs. FY22

23-Aug-2023

$7.5bn

FUM[1]

+77% vs. FY22

+80% vs. IPO[2]

Net capital commitment increase

$1.8bn

FY23

$3.3bn

FY22 to 23-Aug-2023

Record

$3.0bn

FY23 deployment

+55% vs. FY22

$73m

Avg. gross investment size excluding 'AURA by Aqualand'[3]

+44% vs. FY22

Pool of potential embedded and unrecognised performance fees not materially different to 1H23 at $80m[4,5]

- Increasing pool for credit funds
- Revised estimate for equity funds

KEY THEMES AND HIGHLIGHTS

Record net $3.3bn raised in 14 months to 23-Aug-2023 with $3.2bn gross inflow from institutional capital. ✓

Predominantly closed-ended funds with limited redemption risk – management fees are not impacted by market volatility. ✓

Selective thematic deployment - 100% of record $3.0bn deployed was in private credit with 85% in the residential sector backed by secular tailwinds. ✓

Improving scalability underpinned by increasing transaction and mandate size. ✓

Notes: 1. FUM represents committed capital from investors with signed investor agreements throughout this presentation unless stated otherwise. Refer to the glossary on relevant definitions of key funds management metrics. 2. Based on FUM of A$4.2 billion as 31 October 2021 as per the Prospectus. 3. Measured over a 12-month period as of 30 June 2023, excluding 'AURA by Aqualand' due to its non-typical, significant size, single transaction nature. 4. Theoretical estimate based on Qualitas' assessment of the relevant fund's performance based on current valuations and market conditions as at August 2023. Due to inherent uncertainties, these performance fees do not fit Qualitas' revenue recognition criteria and may not eventuate. The timing of when these performance fees may be recognised is not expected to be linear. 5. Excludes staff incentives.

+88% in normalised NPBT and +11% funds management EBITDA margin excluding performance fees illustrating platform growth and scale efficiencies

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RESULTS HIGHLIGHTS

$44.1m
Funds management revenue
+25% vs. FY22

$15.9m
Principal income
+273% vs. FY22

$26.8m
Funds management EBITDA excl. performance fees[1]
+101% vs FY22

46.7%
Funds management EBITDA margin[1]
+11% vs. FY22 excl. performance fees
-2% vs. FY22

$31.1m
Normalised NPBT[1]
+88% vs. FY22 excl. performance fees
-9% vs. FY22

$192m
Cash on balance sheet
$309m in FY22

KEY THEMES AND HIGHLIGHTS

Focus on ESG

- Established ESG Advisory Group.
- Launched Reflect RAP.[2]
- New product development focus on reduced carbon emissions.

✓

Remain disciplined in FUM growth and asset management

- Focus on asset quality.
- Maintaining predominantly discretionary investment platform.

✓

Earnings quality significantly improved underpinned by strategic utilisation of balance sheet capital.

✓

Lower performance fees recognised in FY23 driven by the timing of relevant fund maturities.

✓

Continue to attract and retain high quality talent in all segments of the business.

✓

Notes: 1. FY22 normalised earnings adjusted for abnormal items including QRI capital raise costs, QAL IPO costs and unrealised mark to market (MTM) gains / losses from Qualitas' co-investment in QRI. FY23 normalised earnings adjusted for unrealised MTM gains / losses from Qualitas' co-investment in QRI. 2. Reconciliation Action Plan.

Execution of strategic priorities –$2.3bn of dry powder, investor conviction in funds management platform

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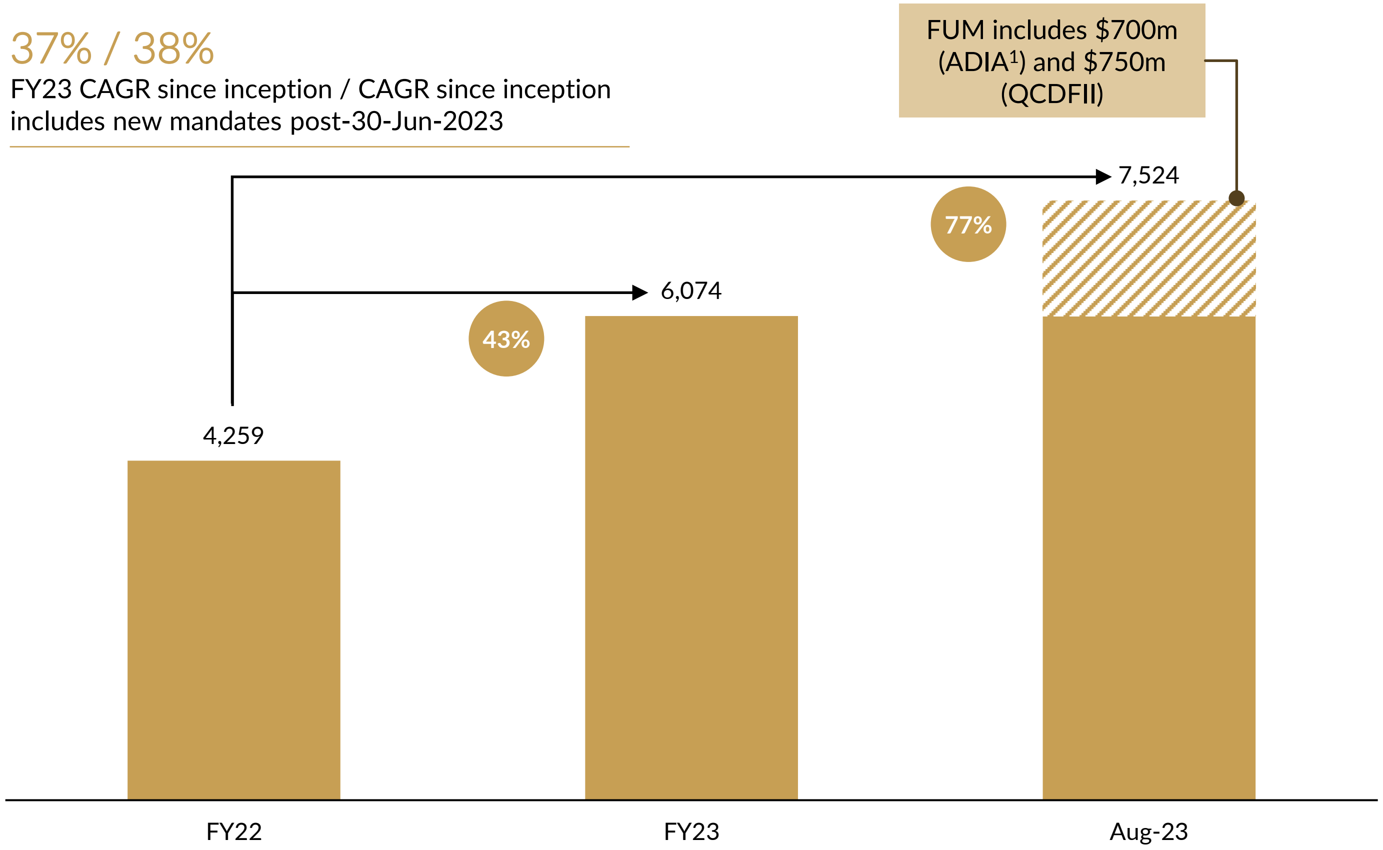
FUM ($M)

37% / 38%

FY23 CAGR since inception / CAGR since inception includes new mandates post-30-Jun-2023



- FUM increased by 77% on FY22 reaching $7.5bn as at 23-Aug-23 driven by six substantial institutional mandates totalling $3.2bn.
- Second investment mandate of $700m from ADIA[1] with options exercisable at a strike price of $2.50.[2]
- $750m additional commitment in total return credit from an institutional investor, demonstrates trust and conviction.
- $2.3bn of dry powder underpins medium-term earnings opportunity with the timing of revenue correlated to deployment timing.
- Re-positioned QREOF III to target opportunistic credit.[3]
- Focus on investor base expansion through retail and wholesale channels.

Balance sheet capital supporting FUM growth

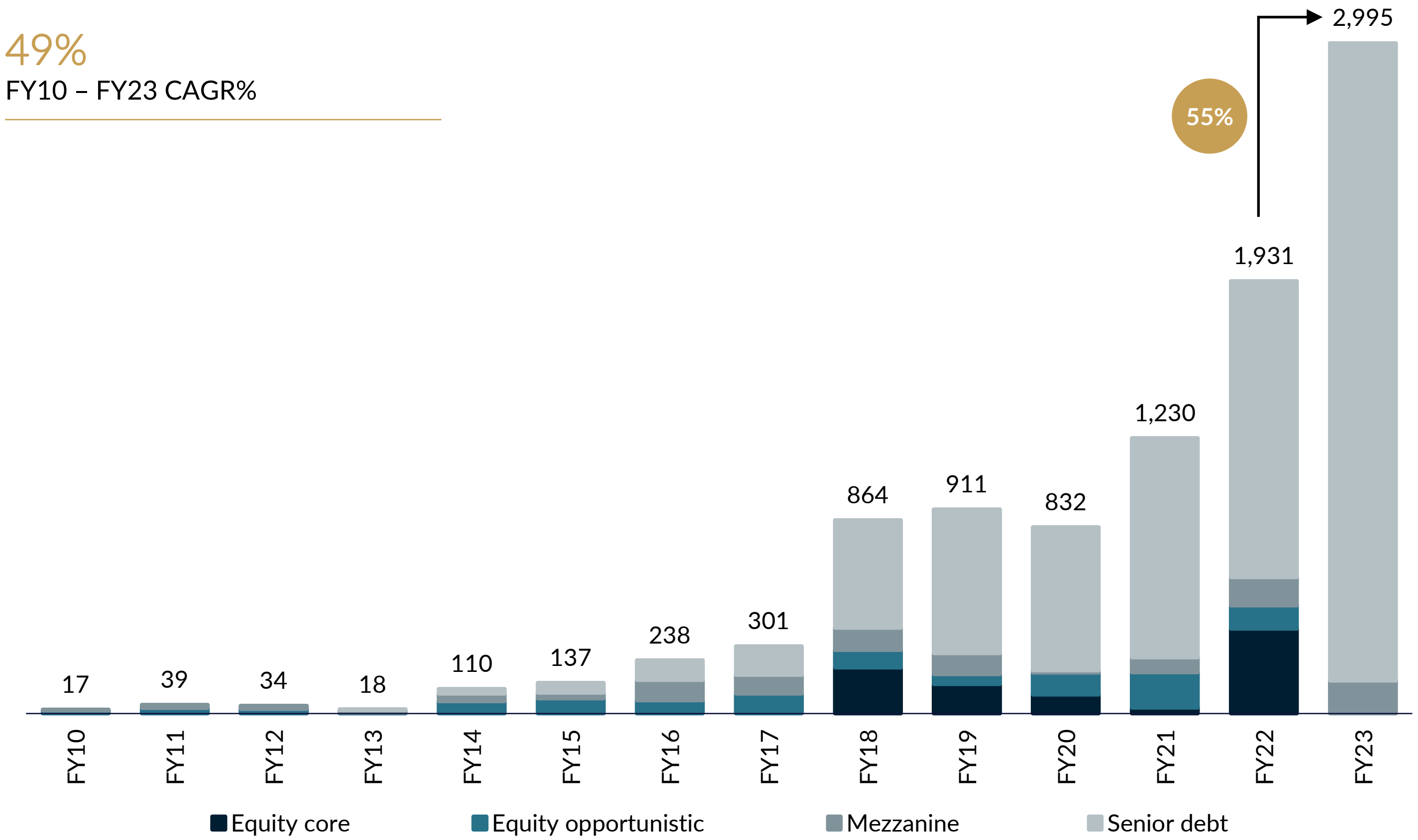
Additional $20m committed by QAL for QDCI and QCDF II.

Notes: 1. Abu Dhabi Investment Authority. 2. Options to acquire up to 22,841,263 Qualitas shares until 1 August 2024. Options strike price is the volume weighted average price of shares issued since the IPO of Qualitas. Hence it is subject to future issuances of Qualitas shares. The current strike price of $2.50 includes the issue of 2,016,053 Loan Shares on 6 December 2022. 3. QREOFIII renamed as Qualitas Tactical Credit Fund (QTCF) post 30 June 2023.

Execution of strategic priorities – selective and disciplined deployment

DEPLOYMENT ($M)

49%
FY10 – FY23 CAGR%



Notes: 1. Measured over a 12 month period as of 30 June 2023, excluding 'AURA by Aqualand' due to its non-typical, significant size, single transaction nature. 2. Total $427m deployed includes one transaction with undrawn committed capital. Only line fee is accrued. Weighted average yield excludes transaction with undrawn commitment.

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- FY23 capital deployment of $3bn (+55% on FY22):
  - 54% in total return credit.
  - Extensive due diligence with a focus on quality sponsors and investments structured for risk mitigation with an equity buffer.
  - Nimble and tactical deployment traversing the capital stack and market cycles.
- Significantly increased average gross investment size of $73m[1] (+44% on FY22), demonstrating successful execution of a key strategic initiative – increasing efficiency.

Utilisation of balance sheet to bridge investments and maximise invested FUM:

$427m[2] deployed across **13 transactions** in private credit of which **$333m transferred to fund** investments.

- $94m committed in underwriting as at 30-Jun-2023

Weighted **average yield of 9.2% p.a.**[2]

Funds Management

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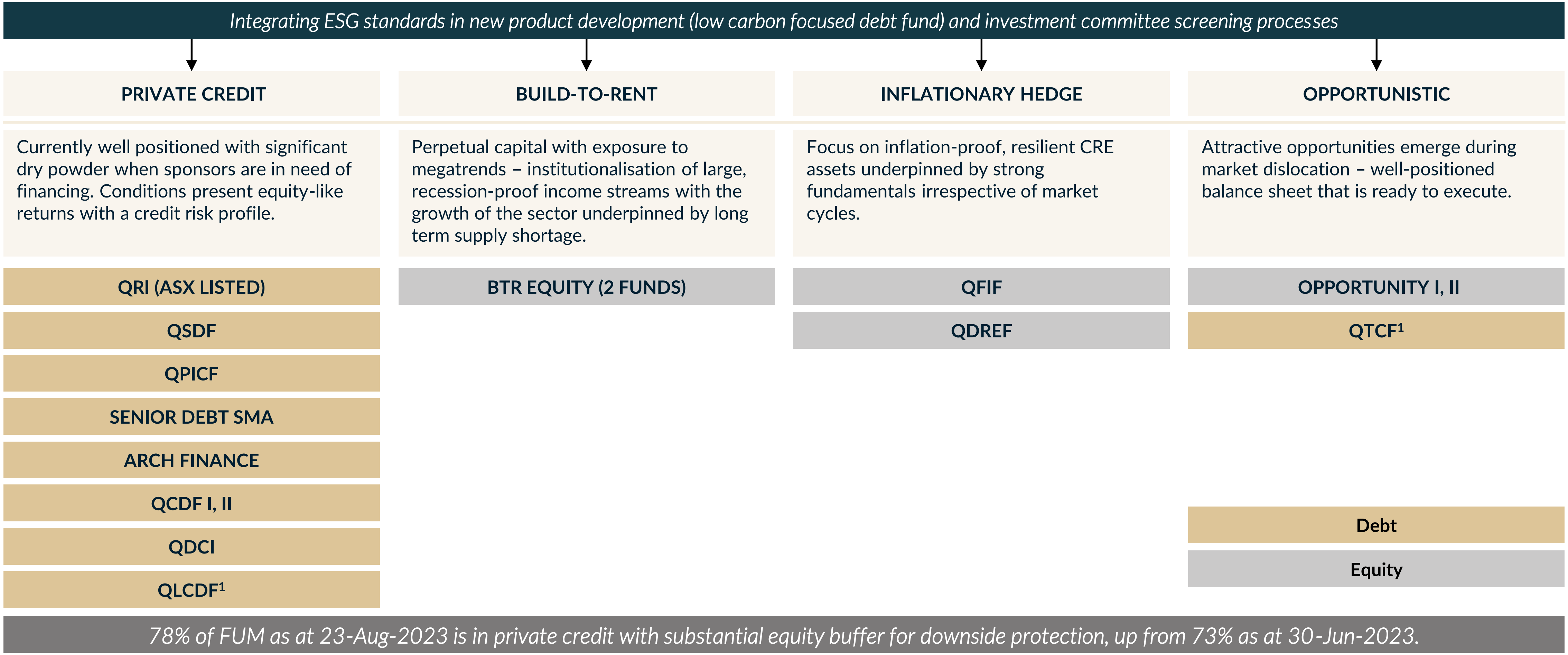
Qualitas overview

Funds management platform is well-positioned in the current economic environment and is set-up for long term success

Qualitas ❯ **Asset light alternative CRE investment manager of third-party capital**



Integrating ESG standards in new product development (low carbon focused debt fund) and investment committee screening processes

PRIVATE CREDIT	BUILD-TO-RENT	INFLATIONARY HEDGE	OPPORTUNISTIC
Currently well positioned with significant dry powder when sponsors are in need of financing. Conditions present equity-like returns with a credit risk profile.	Perpetual capital with exposure to megatrends – institutionalisation of large, recession-proof income streams with the growth of the sector underpinned by long term supply shortage.	Focus on inflation-proof, resilient CRE assets underpinned by strong fundamentals irrespective of market cycles.	Attractive opportunities emerge during market dislocation – well-positioned balance sheet that is ready to execute.
QRI (ASX LISTED)	BTR EQUITY (2 FUNDS)	QFIF	OPPORTUNITY I, II
QSDF		QDREF	QTCF[1]
QPICF			
SENIOR DEBT SMA			
ARCH FINANCE			
QCDF I, II			
QDCI			
QLCDF[1]			

Debt

Equity

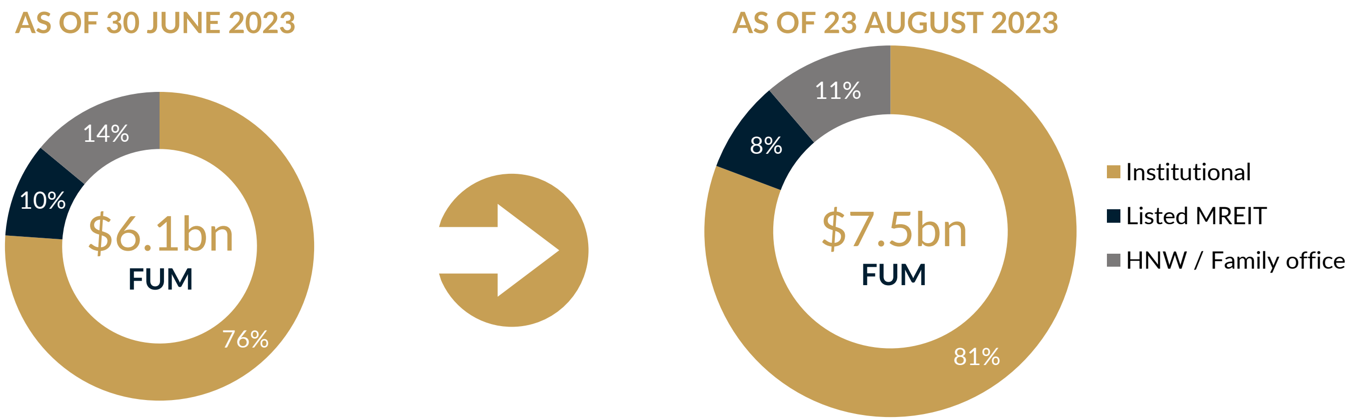
78% of FUM as at 23-Aug-2023 is in private credit with substantial equity buffer for downside protection, up from 73% as at 30-Jun-2023.

Notes: 1. Qualitas Build-to-Rent Impact Fund (QBIF) renamed to Qualitas Low Carbon Debt Fund (QLCDF) and QREOF III renamed as Qualitas Tactical Credit Fund (QTCF) post 30 June 2023.

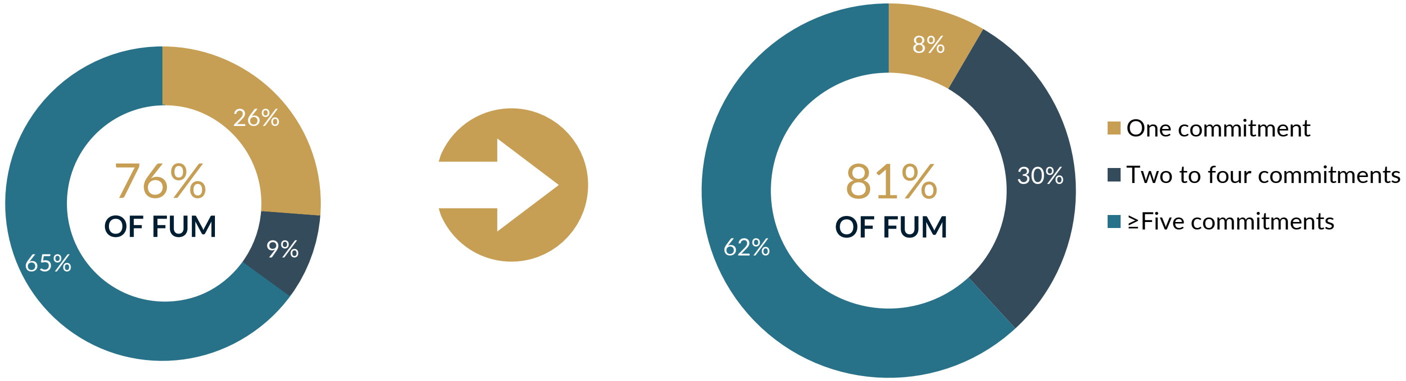
Qualitas' CRE platform is a partner of choice for investors

Proven track record of attracting institutional capital across all market cycles

INVESTOR COMPOSITION



INSTITUTIONAL CAPITAL COMPOSITION[2]



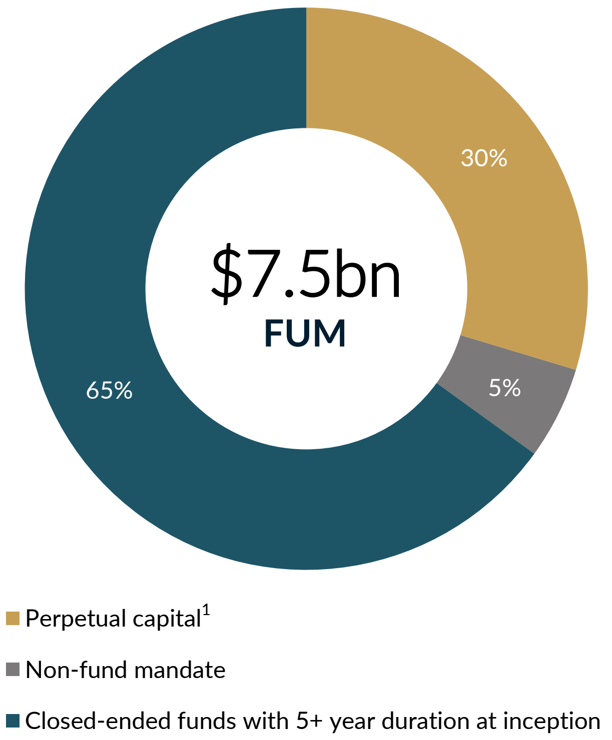
- FUM from institutional investors increased from 69% in FY22 to 76% as at 30-Jun-2023, and further increased to 81% as at 23-Aug-2023.
- High unlevered returns and favourable market dynamics in private credit and BTR in Australia continue to attract global institutional investors.
  - 89% of the $3.3bn[1] net capital raised is in private credit, of which 90% is to be invested into funds under total return credit strategy, a sector presenting compelling investment opportunities.
- Consistently attracting and converting new capital into long-term strategic partnerships with ability to invest across strategies in material quantum.
- Focus is to diversify and increase listed retail and other wholesale capital as opportunities emerge.

Notes: 1. As at 23-Aug-23. 2. Commitment refers to each time capital is committed and signed. Commitments provided at two different times under the same strategy or into the same fund count as two commitments.

Long duration capital with in-built platform protections to minimise redemption risk

Substantial long-term capital in closed-ended Fund structures enhances earnings stability through periods of volatility and current dry powder provides significant earnings opportunity to drive funds management fee growth

FUM BY TYPE AS AT 23 AUGUST 2023



65%
of FUM in closed-ended funds with long-dated expiry dates matching asset maturity

30%
of FUM in perpetual capital with either contracted redemption window or ASX listed

Notes: 1. Perpetual capital includes open-ended funds with no fixed expiry dates including QRI, QDREF, QSDF, Senior Debt SMA, BTR equity. QSDF has non-institutional capital with rolling 2-year redemption.

Our ESG vision and progress

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ESG VISION

Leveraging the Qualitas platform and position as one of the leading alternative CRE financiers to help Australia transition to a low-emissions future, focused on residential.

Delivering real impact through our social and community programs including charitable engagement, human rights, inclusion and diversity.

Continued review and refinement of our governance framework to ensure 'best-in-class' alignment to achieve our growth objectives.

FY23 ACHIEVEMENTS

Environmental

Low carbon emissions product strategy
Incorporating low emission principles as part of our product development.

Systematic approach to assessing sustainability of our investments
Developed environment focused module as part of an updated ESG Rating tool to assess investments for sustainability and ESG performance.

Carbon neutral
Certified carbon neutral at the corporate level by Climate Active Certification.

Social

Youth homelessness
12 years of actively supporting the Property Industry Foundation, including top fundraising team at 'Steps for homeless youth' event.

Reconciliation journey commenced
Launched Reflect Reconciliation Action Plan, endorsed by Reconciliation Australia.

Inclusive and diverse culture
All staff were invited to participate in cultural competency and awareness raising workshops.

Governance

ESG Advisory Group established
Appointment of highly credentialed members with global ESG experience to help shape best practice within the firm, identifying and reporting progress against objectives and using our platform as a positive influence with key stakeholders.

Enhanced ESG assessment tool
Initially established in 2020, updated ESG Rating tool which now incorporates a detailed sustainability module which assesses the sustainability of investments based on industry recognised benchmarks.

LOOKING FORWARD

- Expanding our ESG reporting infrastructure and data collection to provide more transparent ESG reporting to our domestic and offshore stakeholders, including the carbon footprint of our funds.
- Continued focus on employee engagement, recruitment, retention and gender diversity as part of inclusion and diversity program and meaningful and impactful charitable engagement.
- Progressing our work on TCFD / ISSB[1] reporting. Implementing a Modern Slavery policy.

Notes: 1. Task Force on Climate-Related Financial Disclosures (TCFD). International Sustainability Standards Board (ISSB).

FY23
Financial Results

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Group earnings

Quality of earnings continues to improve as the platform scales

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P&L BREAKDOWN ($THOUSANDS)	FY22	FY23	% (YOY)
Net funds management revenue[1]	13,968	18,754	34%
Net performance fee revenue	19,398	3,212	(83%)
Principal income[2]	4,252	15,850	273%
Arch Finance EBITDA	3,903	3,879	(1%)
(-) Corporate costs	(4,877)	(7,783)	60%
Normalised EBITDA	**36,644**	**33,911**	**(7%)**
Normalised EBITDA margin	***48%***	***46%***	***(2%)***
Normalised EBITDA margin excl. performance fees	***35%***	***45%***	***9%***
Depreciation and interest expense	**(2,404)**	**(2,765)**	**15%**
Normalised net profit before tax (NPBT)	**34,240**	**31,146**	**(9%)**
Normalised net profit after tax (NPAT)	**26,393**	**22,058**	**(16%)**
Normalised earnings per share (EPS) (cents)	**9.0**	**7.5**	
Gain / (loss) on mark to market (MTM) value of QRI investment	(1,116)	481	
QRI capital raising costs	(3,650)	-	
QAL IPO costs	(2,746)	-	
Statutory NPAT	**18,882**	**22,539**	**19%**

Notes: 1. Net funds management revenue includes transaction fees. 2. BTR JV earnings are reported in principal income. 3. ~$946k loss attributed to non-cash mark to market valuation movements in the carrying value of co-investments in the equity funds.

- **Statutory NPAT of $22.5m, increased by 19% on FY22 reflecting:**
  - Funds management fee growth driven by strong growth in FUM and deployment.
  - Significant increase in principal income underpinned by strategic utilisation of balance sheet.
  - Timing of performance fees recognition based on fund maturities.
  - FY22 includes QRI capital raise costs, QAL IPO costs in FY22 and mark to market adjustment from Qualitas' co-investment in QRI.
  - Increasing corporate costs due to higher advisory expenses as a listed entity. 1H22 corporate costs reflect pre-IPO business.
- **Normalised EBITDA margin excluding performance fees of 45%, increased c.9% on FY22 reflecting:**
  - Scale efficiencies from FUM growth, and larger mandate and investment size.
  - Increase in underwriting income.
- Normalised NPBT of $31.1m includes MTM unrealised losses of $946k in co-investments.[3]
- FY23 final dividend of 5.5cps, total FY23 dividend of 7.5cps, representing a payout ratio of 98%.

Funds management

Meaningful growth in recurring funds management earnings

P&L BREAKDOWN ($THOUSANDS)	FY22	FY23	% (YOY)
Base funds management fees	26,117	32,343	24%
Transaction fees	9,163	11,788	29%
Funds management revenue	**35,280**	**44,131**	**25%**
(-) Core employee costs	(21,312)	(25,378)	19%
Net funds management revenue	**13,968**	**18,754**	**34%**
Funds management gross operating margin	*40%*	*42%*	
Performance fee revenue	27,536	4,284	(84%)
(-) Performance fee incentives	(8,138)	(1,072)	(87%)
Net performance fee revenue	**19,398**	**3,212**	**(83%)**
Performance fee gross operating margin	*70%*	*75%*	
Principal income[1]	4,252	15,850	273%
(-) Corporate costs	(4,877)	(7,783)	60%
Funds management EBITDA	**32,742**	**30,032**	**(8%)**
FM EBITDA margin	*49%*	*47%*	
FM EBITDA margin excl. performance fees	*34%*	*45%*	
Base funds management fees (BMF) as % of average invested FUM	*1.3%*	*1.1%*	
Transaction fees (TF) as % of average invested FUM	*0.5%*	*0.4%*	

Notes: 1. BTR JV earnings are reported in principal income. 2. Theoretical estimate based on Qualitas' assessment of the relevant fund's performance based on current valuations and market conditions as at August 2023. Due to inherent uncertainties, these performance fees do not fit Qualitas' revenue recognition criteria and may not eventuate. The timing of when these performance fees may be recognised is not expected to be linear. 3. Excludes staff incentives.

- **Base funds management fee and transaction fee growth of 24% and 29% driven by:**
  - 49% increase in average invested FUM.
  - BMF and TF as % of average invested FUM declined slightly on FY22 due to transitory change in product and investor mix.
- Expansion in distribution, investment and portfolio management teams mostly in 2H23 led to increases in core employee costs with full year costs to be realised in future period
- **Funds management gross operating margin expansion of 2% on FY23 -** increasing platform efficiency.
- **Pool of embedded and unrecognised performance fees** based on capital deployed for the period of 7 years from June 2023[2,3] is not materially different to 1H23 estimate of $80m
  - Increasing performance fees attributed to credit funds with greater certainty of performance.
  - Revised estimate for equity funds under current market conditions.

Principal income and Arch Finance

Tactical utilisation of balance sheet capital driving substantial growth in principal income

PRINCIPAL INCOME ($THOUSANDS)	FY22	FY23	% (YOY)
Income from investments[1]	2,446	3,175[2]	30%
Cash interest income	480	4,938	930%
Underwriting income	1,327	7,737	483%
Total principal income	**4,252**	**15,850**	**273%**

ARCH FINANCE ($THOUSANDS)	FY22	FY23	% (YOY)
Financial services & net interest income	9,071	8,771	(3%)
(-) Credit loss provision	546	101	(82%)
(-) Arch Finance operating expenses	(5,715)	(4,993)	(13%)
Arch Finance EBITDA	**3,903**	**3,879**	**(1%)**
Gross loans outstanding	369,368	317,570	

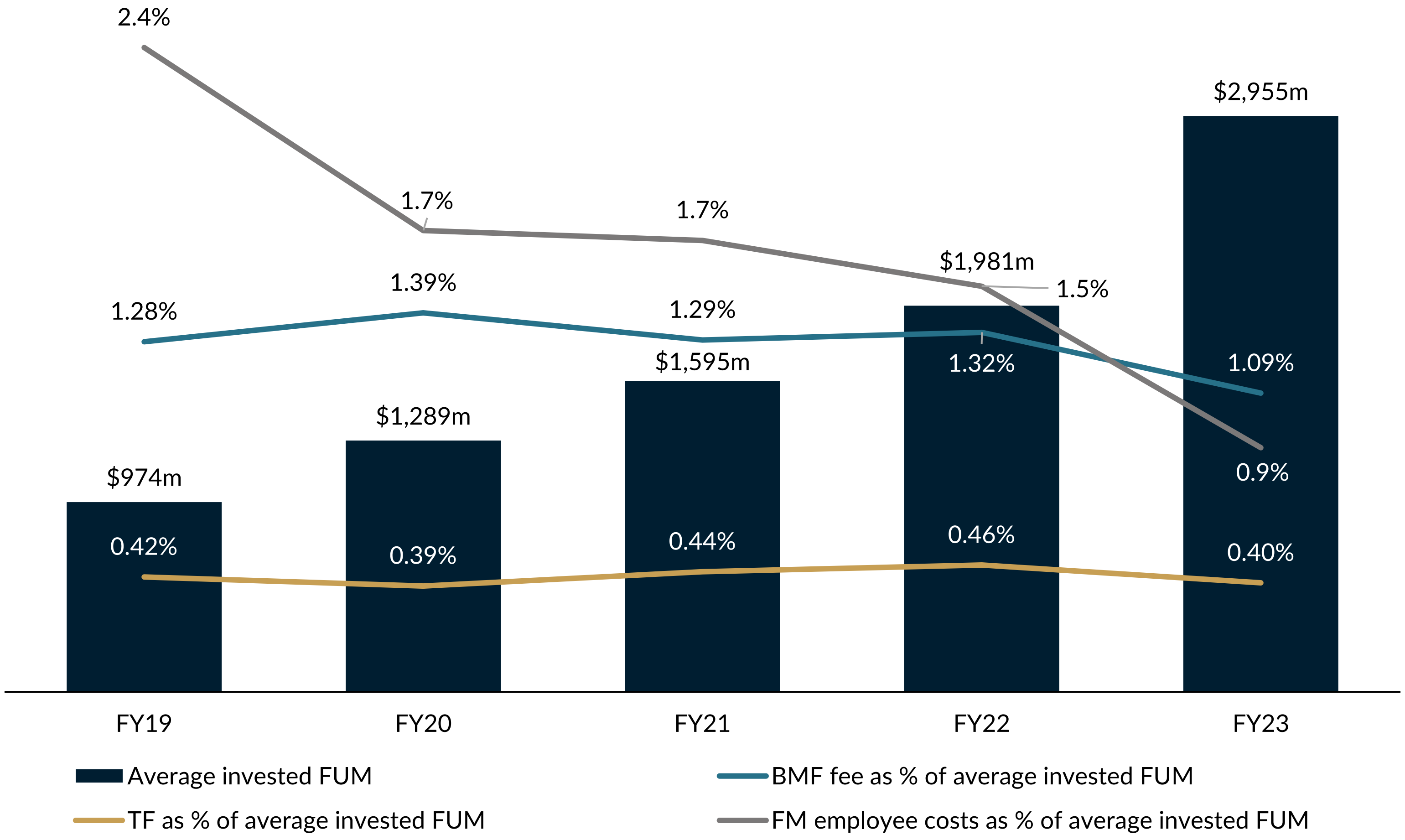
- **Gross total $427m[3] deployed for underwriting 13 transactions across private credit with $333m recycled to fund investments:**
  - FY23 weighted average yield of 9.2% p.a.[3]
  - $94m committed in underwriting as at 30-Jun-2023.
- **$125m underwriting facilities established for QRI and QSDF respectively in Dec-23 with:**
  - Additional $25m increase to QSDF facility **bringing total to $150m.**
  - Underwriting earns both transaction fees and interest returns and is designed to be short term. Total returns from underwriting increase as investment churn and utilisation increase.
- Reduction in Arch Finance loans outstanding reflective of increasing competition at smaller end of the market as we focus on credit quality.

Notes: 1. Earnings from BTR Equity JV is recognised in income from investments. 2. Includes ~$946k loss attributed to non-cash mark to market valuation movements. 3. Total $427m deployed includes one transaction with undrawn committed capital. Only line fee is accrued. Weighted average yield excludes transaction with undrawn commitment.

Operating performance

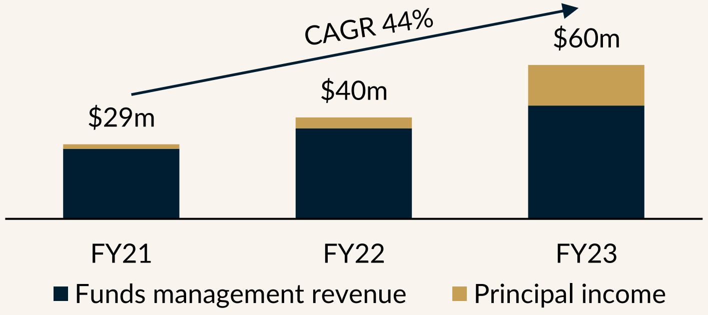
Step change in operational efficiency as invested FUM growth accelerates

PERFORMANCE METRICS – INCREASING ECONOMIES OF SCALE



- **Average invested FUM 4-year CAGR of 32%.**
- **Further upside to be realised for funds management fees in future periods as:**
  - 49% of FY23 deployment is in construction financing where fees increase over the construction drawdown period.
- Fees as % of average invested FUM likely to vary as directly correlated with investor and product mix.
  - Lower fees as % of average invested FUM due to shifting product mix to high-quality, long-term capital sources.
  - Larger single mandates accelerating scalability evidenced by declining employee costs as % of average invested FUM.

CONSISTENT GROWTH IN RECURRING FUNDS MANAGEMENT REVENUE AND PRINCIPAL INCOME



Balance sheet

Resilient balance sheet well-positioned for growth across market cycles

QUALITAS GROUP BALANCE SHEET ($THOUSANDS)	FY22	FY23
Assets		
Cash and cash equivalents	309,010	192,369
Trade and other receivables	15,452	16,029
Loan receivables	-	87,451
Accrued performance fees	44,654	48,928
Inventories	24,114	24,462
Investments	32,134	38,209
Mortgage loans (Arch Finance)	369,368	317,570
Other assets	18,032	14,900
Total assets	**812,764**	**739,918**
Liabilities		
Trade and other payables	11,511	7,589
Deferred income	6,336	4,476
Provision for employee benefits	23,812	25,053
Loans and borrowings	416,537	340,741
Total liabilities	**458,196**	**377,859**
Net assets	**354,568**	**362,059**
Securities on issue	294,000	296,016

Notes: 1. Undrawn commitment is under cash and cash equivalents.

- **Loan receivables $87m with additional $7m undrawn commitment[1],total $94m commitment in underwriting** positions are expected to be recycled to fund investments over time.
- Performance fees directly linked to timing of fund expiry. Total performance fees recognised at Group level is lower than total performance fees recognised at fund level.
- $301m reported under loans and borrowings is related to Arch Finance's external funding with limited recourse to QAL.

Outlook and Guidance

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Qualitas is well positioned moving into FY24 with meaningful dry powder, significant sources of capital and increasing efficiency

- FY24 guidance considerations:
  - Substantial dry powder and focus on asset and sponsor quality. Deployment quantum and timing a key variable of the guidance range.
  - Higher recurring base management fees anticipated to be a larger proportion of funds management revenue.
  - Product and investor mix skewed to strategic long-term capital providing growth in funds management revenue albeit with slightly lower % fee margin on average invested FUM.
  - Reduced contribution from Arch Finance due to anticipated smaller portfolio with credit quality a key focus.
- FY24 dividend per share (DPS) in line with target dividend payout ratio of between 50% – 95% of operating earnings.

Outlook statements and guidance have been made based on no material adverse change in the current market conditions.

FY24 GUIDANCE

Estimated range

$37m - $41m

NPBT[1]

Estimated range

8.75cps – 9.70cps

EPS[1,2]

Notes: 1. Excludes any MTM movements for Qualitas' co-investment in QRI, MTM movement in co-investment in funds or investments held on balance sheet where assets have completed construction, and QRI capital raising costs. 2. Based on the current total number of ordinary shares on issue, that is subject to any future changes.

Thank you

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The information that relates to the Qualitas Real Estate Income Fund ARSN 627 917 971 ('QRI' or 'Trust') is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235 150 (Perpetual) as responsible entity of the Trust. Any information not in reference to QRI has been prepared and issued by and its sole responsibility of Qualitas Limited (ACN 655 057 588).

Appendix 1

Qualitas Real Estate Income Fund (ASX:QRI)

QRI – the only mortgage real estate investment trust (MREIT) listed on the ASX

QUALITAS

TARGET RETURN – RBA CASH RATE + 5.0% TO 6.5%

Delivered attractive risk-adjusted returns[1]

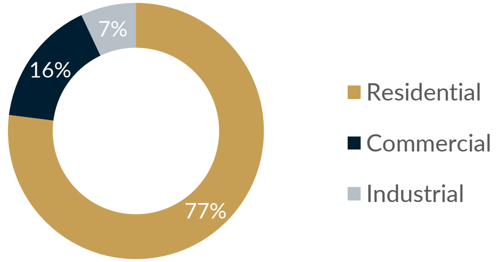
9.90%
Jun-23 annualised distribution return p.a. based on NAV of $1.60

9.71%
Jun-23 net return p.a. based on NAV of $1.60

Monthly cash distributions

PORTFOLIO METRICS AS AT 30 JUNE 2023

Weekly NAV disclosure with no impairment since IPO



65%
Weighted average LVR

36
Loans

1.1 year
Weighted loan maturity

90%
Floating interest exposure

UNIQUE PROPOSITION ON THE ASX

Attractive positive inflation adjusted returns

Defensive exposure to CRE through private credit with downside protection

Managed by an industry leading team with 15 year track record

Fund well-positioned to grow and take advantage of market dislocation as traditional financiers retreat

Increasing interest from active and passive fund managers with potential ASX300 and ASX300 A-REIT index inclusion in September 2023[2]

KEY RISKS OF THE FUND INCLUDE CREDIT AND VALUATION RISK

(please refer to PDS section 8 on risks related to QRI)

CREDIT RISK Qualitas evaluates the underlying credit risk of each potential secured real estate loan including the borrower's financial standing and ability to service the relevant loan and considers the type and purpose of the investment, the quality of the underlying security, valuations, leases, asset quality and the track record, background and recent financial statements and/or tax returns of the borrower.

VALUATION RISK Valuations are subject to uncertainty and in determining market value, valuers are required to make certain assumptions and such assumptions may prove to be inaccurate, particularly so in periods of volatility or when there is limited real estate data against which real estate valuations can be benchmarked.

**All figures are based on QRI exposure, look through to Qualitas wholesale funds.*

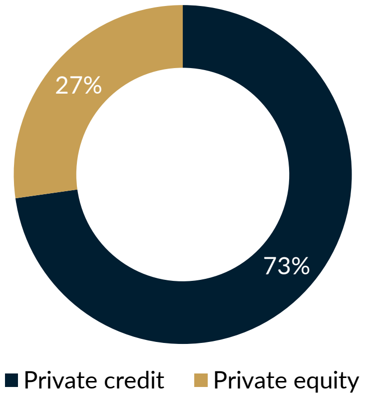
Notes: 1. Past performance is not a reliable indicator of future performance. 2. Subject to existing constituents falling below eligibility thresholds and being removed from the indices. Future inclusion in these indices is not known and inclusion is solely determined by S&P.

Appendix 2

Segment information

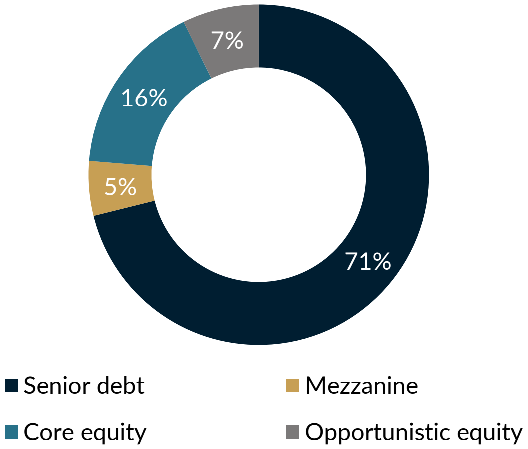
Diversified product and investment profile as at 30 June 2023

FUNDS UNDER MANAGEMENT[1]
(BY COMMITTED FUM)



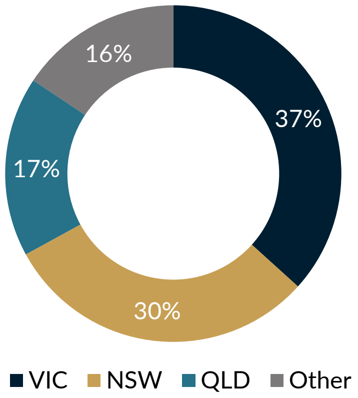
- $6.1bn of FUM across 17 active funds.

FUNDS UNDER MANAGEMENT RISK ALLOCATION[2]
(BY INVESTED FUM)



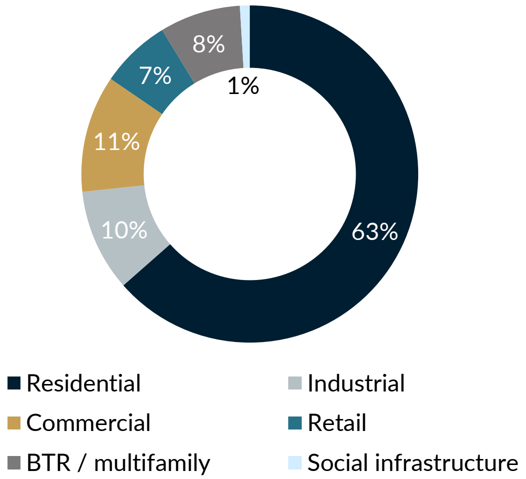
- 71% in senior credit with significant equity buffer.

UNDERLYING GEOGRAPHIC EXPOSURE[2]
(BY INVESTED FUM)



- Broad geographic dispersion risk exposure.

UNDERLYING SECTOR EXPOSURE[2]
(BY INVESTED FUM)



- 71% exposure in residential.[3]
- 6% exposure in office grouped under commercial.

Notes: 1. Represents committed capital as at 30 June 2023 excludes QCDF I. 2. Split based on allocated capital as at 30 June 2023 excluding the impact of unallocated / non-deployed capital and includes QCDF I. 3. Including BTR equity.

Appendix 3

FUM metrics

FUM overview as at 30 June 2023

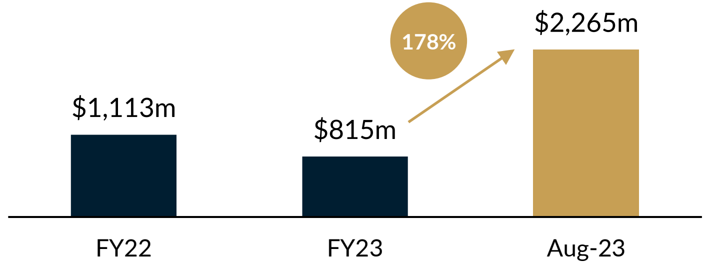
	FUND NAME	**STRATEGY**	**INVESTMENT TYPE**	**FUM**	**EXPIRY[1]**
CREDIT FUNDS	QRI (ASX listed)	Income	Senior debt / mezzanine	$601m	Perpetual
	QSDF		Senior debt – diverse	$703m	Perpetual
	QPICF		Senior debt – diverse	$220m	May-31
	Senior Debt SMA		Senior debt – diverse	$208m	Perpetual
	Arch Finance		Senior debt – investment	$400m	Perpetual
	QCDF II	Total return	Senior debt – construction	$1,196m	Jun-28 / Dec-27[2]
	QDCI		Senior debt / mezzanine – diverse	$735m	Jul-29
	QBIF (QLCDF)		Senior debt – investment / construction	$110m	Feb-32
	Other credit	Total return / income	Various mandates[3]	$235m	Varied
	Total credit FUM			$4,409m	
EQUITY FUNDS	Opportunity I	Total return	Equity opportunistic	$81m	Jun-24[4]
	Opportunity II			$273m[5]	Sep-27
	Opportunity III (QTCF)			$30m	Dec-29
	BTR Equity (2 funds)		Equity core	$620m[6]	Perpetual
	QFIF	Income	Equity core	$205m	Apr-25
	QDREF		Equity core / long WALE retail	$100m	Perpetual
	Other equity	Total return / income[7]	Equity core / opportunistic	$355m	Varied
	Total equity FUM			$1,665m	
	Total FUM			**$6,074m**	
OTHER	QCDF I (rolling-off mandate)[8]		Senior debt – construction	$504m	Jun-24

Notes: 1. Expiry refers to the fund term dates defined by the fund documentation, which may be amended from time to time and subject to extensions. 2. Initial tranche of $756m expires in June 2030. $440m additional commitment announced on 30 September 2022 expires in December 2027. 3. Includes Peer Estate and Direct Real Estate accounts. 4. Subject to timing of sale for the remaining assets. 5. Includes co-investments on certain assets. 6. Mandate for BTR equity second fund signed in December 2022. Commitment to the two BTR funds is based on Gross Asset Value (GAV) and as such, Committed FUM (reported on committed equity basis throughout the presentation) is derived by assuming potential leverage within the funds (BTR fund one GAV commitment of $1.2bn and BTR fund two GAV commitment of $2.0bn). Further, management platform for the BTR equity funds is a 50/50 JV between Qualitas and a development / operating partner, and as such QAL is recognising 50% of assumed committed equity. 7. Includes equity funds with a focus on Australian retirement villages, US BTR/multifamily, US office, Australian convenience retail sector and social infrastructure sector. 8. Investor increased further commitment in construction debt strategy as QCDF I matures. Maturity date for QCDF I extended to June 2024.

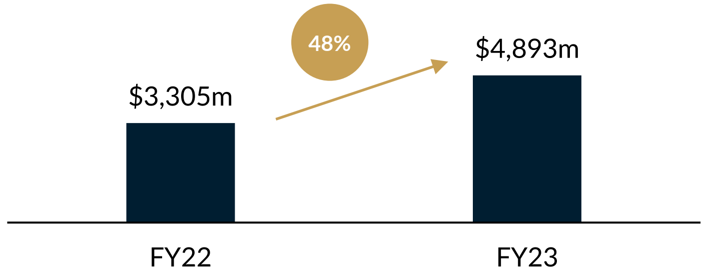
FUM metrics

Growth in deployment accelerates the conversion of FUM not yet earning fees to fee earning FUM and invested FUM

FUM NOT YET EARNING FEES – DRY POWDER

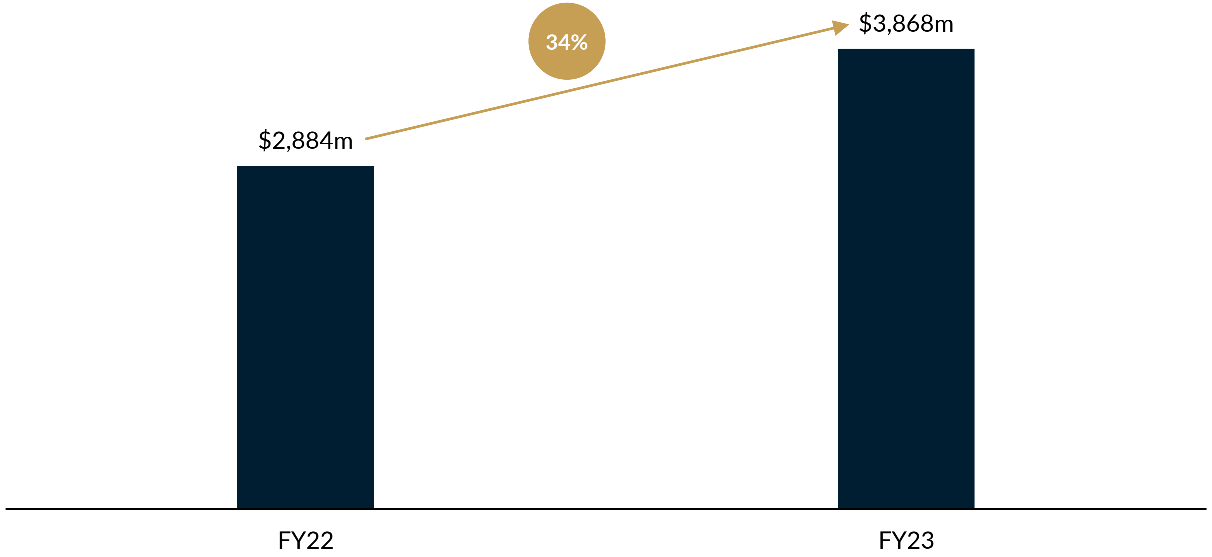


FEE EARNING FUM – DEPLOYED CAPITAL



INVESTED FUM – CAPITAL DRAWN

Invested FUM attracts the highest funds management revenue



$6,074m
FUM as at 30-Jun-2023

$3,868m
Invested FUM

$2,206m
Non-invested / undrawn FUM

$4,893m / $4,616 (excl. QCDF I)
Fee earning FUM

$620m
BTR equity

$815m
FUM not yet earning fees[2]

Committed capital from investors with signed agreements

Capital drawn / undrawn

FUM earning / not earning base management fees, transaction fees or line fees[1]

Notes: 1. BTR equity excluded from both categories as its earnings are accrued based on equity accounting and reported in principal income 2. FUM not yet earning fees excludes undrawn capital of $23m in Opportunity I as the fund is rolling off.

Credit funds – FUM metrics as at 30 June 2023

QUALITAS

	FUND NAME	COMMITTED FUM	INVESTED FUM	FEE EARNING FUM	FUM NOT YET EARNINGS FEES	FUND FEE STRUCTURE	BASE FEE BENCHMARK
CREDIT FUNDS	QRI (ASX listed)	$601m	$549m[1]	$601m	-	base fee, PF, transaction fee	% on net asset value
	QSDF	$703m	$659m	$659m	$44m	base fee, transaction fee	% of invested FUM
	QPICF	$220m	$73m	$73m	$147m		
	Senior Debt SMA	$208m	$140m	$140m	$68m		
	QBIF (QLCDF)	$110m	$25m	$25m	$85m		
	Other credit	$235m	$229m	$229m	$6m		
	QCDF II	$1,196m	$500m[2]	$1,327m[2]	$146m	base fee, PF, transaction fee	% of total facility limit
	QDCI	$735m	$335m	$539m	$196m	base fee, PF	
	Arch Finance	$400m	$320m	$320m	$80m	net interest margin, transaction fee	net interest margin
	Total (Jun-23)	**$4,409m**	**$2,830m (include QCDF I)**	**$3,912m (include QCDF I)**	**$774m**		

FUM for credit funds = Fee earning FUM + FUM not yet earning fees – QCDF I fee earning FUM (fund rolling-off)

Notes: 1. Excludes QRI Manager Loan, capitalising interest and other minor facility uplift and loan repayments. 2.Includes QCDF I invested FUM of $214m and fee earning FUM of $277m, fund is currently rolling off.

Equity funds – FUM metrics as at 30 June 2023

	FUND NAME	COMMITTED FUM	INVESTED FUM	FEE EARNING FUM	FUM NOT YET EARNINGS FEES	FUND FEE STRUCTURE	BASE FEE BENCHMARK
EQUITY FUNDS	Opportunity I	$81m	$58m	$58m	-[3]	base fee, PF	% of invested FUM
	Opportunity II	$273m	$229m	$273m	-		% of committed FUM (invested FUM post-investment period)
	Opportunity III (QTCF)	$30m	-	-	$30m		% of allocated FUM
	BTR Equity (2 funds)[1]	$620m	$101m	-[2]	-	base fee, PF, transaction fee	% of land acquisition price (pre-completion) % of GAV (post-building completion)
	QDREF	$100m	$100m	$100m	-		% of GAV
	QFIF	$205m	$205m	$205m	-		% of acquisition price for QFIF Mix of acquisition price and GAV for other equity
	Other equity	$355m	$344m	$344m	$11m		
	Total (Jun-23)	**$1,665m**	**$1,039**	**$981m**	**$41m**		

FUM for equity funds = Fee earning FUM + FUM not yet earning fees + BTR equity FUM + Undrawn Capital in Opportunity I[3]

Notes: 1. Mandate for BTR equity fund two signed in December 2022. Commitment to the BTR funds is based on Gross Asset Value (GAV) and as such, committed FUM (reported on committed equity basis throughout the presentation) is derived by assuming potential leverage within the funds (BTR fund one GAV commitment of $1.2bn and BTR fund two GAV commitment of $2.0bn). Further, management platform for the BTR funds is a 50/50 JV between Qualitas and a development / operating partner, and as such QAL is recognising 50% of assumed committed equity. 2. BTR equity JV earnings are reported in principal income instead of funds management revenue, therefore BTR Equity funds are not included in Fee Earning FUM and FUM not yet earning fees. 3. FUM not yet earnings fees excludes $23m undrawn capital in Opportunity I as it is rolling off.

Closing period FUM

$M	FY19	FY20	FY21	FY22	FY23
Committed FUM					
Funds management	1,810	2,290	2,503	3,794[1]	5,674[1]
Arch Finance	448	480	480	465	400
Total committed FUM	**2,258**	**2,770**	**2,983**	**4,259**	**6,074**
Invested FUM					
Funds management	1,086	1,444	1,660	2,458	3,448
BTR equity[2]	-	-	-	46	101
Arch Finance	399	440	423	380	320
Total invested FUM	**1,485**	**1,884**	**2,083**	**2,884**	**3,868**

Notes: 1. Excluding committed FUM related to QCDF I as fund is rolling-off. 2. BTR JV earnings are accrued in principal income, not in funds management revenue.

Fund key

QUALITAS

LISTED ENTITY

ASX: QAL	Qualitas Limited

LISTED FUNDS

ASX: QRI	Qualitas Real Estate Income Fund

UNLISTED FUNDS

QSDF	Senior Debt Fund
BTR	Build-To-Rent
QBIF	Build-to-Rent Impact Fund
QCDF	Construction Debt Fund
QCDF II	Construction Debt Fund II
QDCI	Diversified Credit Investments
QDREF	Diversified Real Estate Fund
QFIF	Food Infrastructure Fund
QLCDF	Low Carbon Debt Fund
QPICF	Private Income Credit Fund
QREOFI	Real Estate Opportunity Fund 1
QREOFII	Real Estate Opportunity Fund 2
QREOFIII	Real Estate Opportunity Fund 3
QSDEF	Senior Debt Enhanced Fund
QTCF	Qualitas Tactical Credit Fund
Senior Debt SMA	Senior Debt separately managed account

Glossary

AUM	Assets under management
Average invested FUM	Average monthly invested FUM excluding BTR equity and Arch Finance
CAGR	Compound annual growth rate
CRE	Commercial real estate
Closed-end fund	Fund with expiry date
Committed FUM	Committed capital from investors with signed contracts
Deployed capital	Capital committed on investments
EBITDA	Earnings before interest tax depreciation & amortisation
ESG	Environmental, social, and governance
Fee Earning FUM	Amount in committed FUM earning base management fees. Base management fee structures vary across investment platform including committed FUM, invested FUM, net asset value, gross asset value, acquisition price and other metrics used to calculate base management fees
FM	Funds management
FUM	Represents committed capital from investors with signed investor agreements
FUM not yet earnings fees	Undeployed committed capital that is not yet earning base management fees
GAV	Gross asset value
HNW	High net worth
Invested FUM / capital drawn	Funds currently deployed. Capital drawn for equity funds. Funds drawn on live deals / loans less repayments for credit funds
IPO	Initial public offering
JV	Joint venture

MREIT	Mortgage Real Estate Investment Trust
Open-ended Fund	Fund without expiry dates
Perpetual capital	Open-ended funds with no mandated expiry dates
PF	Performance fee
Total return credit	Construction and opportunistic credit
WALE	Weighted average lease expiry