

ASX Announcement**Qualitas Limited (ASX: QAL)****18 November 2022****Qualitas Limited – Annual General Meeting Speeches and Presentation**

Qualitas Limited (ASX: QAL) (**Qualitas** or **Company**) attaches a copy of the Chair’s Address and Group Managing Director’s Address and presentation to be delivered today at the 2022 Annual General Meeting (**AGM**), commencing at 10.00am (AEDT).

A recording of the AGM will be made available after the meeting at:
<https://investors.qualitas.com.au/investor-centre/?page=annual-general-meetings>

This notice is provided in accordance with Listing Rule 3.13.3.

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

For more information, please contact:

Investor Enquiries

Kathleen Yeung
Global Head of Corporate Development
Qualitas Limited
T: +61 3 9612 3939
E: kathleen.yeung@qualitas.com.au

Media Enquiries

Kate Stokes
Head of Marketing and Communications
M: +61 481 251 552
E: kate.stokes@qualitas.com.au

Investor Website:

<https://investors.qualitas.com.au/>

About Qualitas

Qualitas Limited ACN 655 057 588 (**Qualitas**) is an ASX-listed Australian alternative real estate investment manager with approximately A\$5.33 billion 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 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 14 years Qualitas has been investing through market cycles to finance assets with a combined value of over A\$17bn 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 70 professionals provides a unique offering in the market to accelerate business growth and drive performance for shareholders.

Disclaimer

This announcement contains general information only and does not take into account your investment objectives, financial situation or needs. Qualitas is not licensed to provide financial product advice in relation to Qualitas shares or any other financial products. This announcement does not constitute financial, tax or legal advice, nor is it an offer, invitation or recommendation to apply for or acquire a share in Qualitas or any other financial product. Before making an investment decision, readers should consider whether Qualitas is appropriate given your objectives, financial situation and needs. If you require advice that takes into account your personal circumstances, you should consult a licensed or authorised financial adviser. Past performance is not a reliable indicator of future performance.

Qualitas Limited

2022 Annual General Meeting Addresses

18 November 2022

Chair's Address

2022 year in review

The past year has been one of the most successful in Qualitas' history and places us on a very firm footing for continuing growth and success.

The 2022 financial year was a major milestone in the evolution of Qualitas, cementing our position as one of Australia's leading alternative real estate investment managers.

The year was punctuated by our successful IPO and ASX listing raising \$335 million in December 2021. The success of the offer reflected both the enviable track record of the business since it was founded in 2008, and a clear belief in the ability of the Qualitas team to continue to deliver outperformance in the years ahead.

A key benefit of the listing – on top of the higher profile for the Company it delivered – was the substantial increase in our balance sheet strength. This fresh capital positions us well to take advantage of future opportunities to accelerate FUM growth.

This includes the funding of co-investments and the ability to underwrite, bridge and warehouse compelling investment opportunities for our suite of funds. I am pleased to report that we are delivering on this undertaking and we exceeded all the FY22 targets included in our IPO prospectus.

A great example of the evolution of our reputation and market positioning is the mandate we recently secured with the Abu Dhabi Investment Authority, or ADIA. This mandate is to invest A\$700 million in Australian commercial real estate private credit opportunities.

It was an essential criteria for this mandate that we co-invest \$35 million.

This mandate also provides that ADIA can become a substantial shareholder in Qualitas subject to a further \$1 billion of investment. This is the subject of a resolution later in this meeting¹.

We are immensely proud that such a well-regarded leading global institutional investor chose Qualitas for such a significant mandate. An achievement, which is, we believe, testament to the expertise and quality of our in-house origination, investment assessment and management skills in the Australian commercial real estate market.

Turning now to ESG.

From a top-down perspective, we are firmly committed to the integration and management of appropriate Environmental, Social and Governance measures throughout the organisation, in our funds management and investment processes.

¹ Refer to resolution 7 of the 2022 AGM Notice of Meeting and Explanatory notes

By embedding ESG considerations and processes into the way we do business, we believe we will enhance the risk-adjusted returns for Qualitas' shareholders and the investors in our funds. As well, we are promoting a workplace that is inclusive, values diversity, and contributes to positive change for the environment.

We have articulated our beliefs, framework and commitments in our ESG Policy, which you can find on our website. We are also in the process of establishing an ESG Advisory Group with external members, to help guide our strategy, achieve our priorities and goals, and confirm the appropriateness of our 1 and 2-year ESG targets.

While we are at the relatively early stages in our ESG journey, we have commenced a number of important initiatives, including the creation of a Reflect Reconciliation Action Plan, which has been conditionally endorsed by Reconciliation Australia.

Core values

Over the course of this calendar year we have seen a major shift in market conditions. This is due to a variety of factors but, most significantly, a rise in inflation and successive interest rate rises to combat it. I am pleased to say that, as a business, we are well positioned for this next phase in the market, which presents significant opportunities for experienced, well-capitalised and disciplined alternative investors.

A core strength of the business, and a defining factor in our past and future success, is the culture and values exemplified by every member of the Qualitas team.

Qualitas is a dynamic, entrepreneurial organisation that is underpinned by values of respect, integrity, collaboration, excellence and entrepreneurship.

These values, and the behaviours that embody them, form the basis of our Values Statement and form part of our employee performance measures in our annual review process.

Our people are a key factor in our past, present and future success, and as our business grows so too does our need to retain and attract high performing staff.

The IPO served to increase the profile of Qualitas among industry professionals and enhance the attractiveness of Qualitas as an employer. These are important factors in retaining and attracting the best talent in what is a highly competitive employment market. As we move forward, having transparent and competitive incentive schemes will play an important role in this regard.

Our Remuneration policy is focused on aligning remuneration with the key strategic drivers of the business, and the creation of sustainable value for our fund investors and over the long-term.

To ensure we remain both competitive in the external jobs market and meet the market's expectations on compensation and performance alignment, we will continue to review the remuneration framework.

Our aim is twofold: to ensure that it supports staff retention, and enhances our ability to attract talent, but always aligning with our governance framework. This includes the risk parameters we set and the financial and non-financial key performance indicators used to reward individual employees.

Our inaugural Remuneration Report, which can be found on pages 39 to 47 of our Annual Report, provides a comprehensive review of the Company's remuneration outcomes and incentive structures consistent with Prospectus. This includes grants made under the Qualitas Employee Equity Plan, with approval of the Plan being sought in Resolution 6. I note that Andrew Schwartz is not eligible to participate in this Plan over the next 3 years.

In closing, while market conditions have changed, bringing with it a more cautious macro environment, we confidently embarked upon this new financial year with a strong platform for further growth.

On behalf of the Board, I would like to extend my thanks to every Qualitas employee for their hard work and commitment. To our commercial partners, the discerning investors in our funds, and to our shareholders – both old and new – thank you for your continued support.

I would now like to invite our Group Managing Director and Co-Founder, Andrew Schwartz, to the lectern to provide more detail on Qualitas' progress over the past year.

Group Managing Director's Address

Thank you, Andrew. As Andrew mentioned, the 2022 financial year was one of the most successful and important in our 14-year history.

The creation of Qualitas in 2008 marked the start of our journey – a journey of continued growth through multiple periods of market uncertainty. The past year since IPO of our company, has marked the start of the next exciting phase of our growth.

In retrospect, the timing of the IPO could not have been better. In many ways, the current period reminds me of 2008, with common elements being distortion and uncertainty prevailing in financial markets and our company having balance sheet to create funds and take advantage of the current economic environment. Of course, given it is 14 years later, our balance sheet strength is much larger given the capital relationships we enjoy.

We are deeply conscious of the fact that there is market uncertainty at this point of time as central banks are globally looking to curtail inflation with rapid rises in interest rates. Notwithstanding this global economic and geopolitical uncertainty, Qualitas' funds management platform benefits from rising interest rates as we are the only ASX-listed alternative real estate fund manager² with the majority of its funds under management (FUM) in private real estate credit which is a very attractive sector to investors in the current cycle. Real estate private credit which represents 77% of our total FUM, is secured against real property. In the event of recalibrating real property values, real estate private credit provides a layer of safety and comfort to our fund-investors.

Our operating model is differentiated from traditional listed Real Estate Investment Trusts and banks. As we highlighted at our recent Investor Day, Qualitas is the pioneer in the sector with a significant addressable market, limited replicability, and high barriers to entry.

Business and strategy summary

Looking back on the past financial year, we are proud to have exceeded – in some cases significantly – the FY22 forecasts in our IPO prospectus.

Group EBITDA³ of \$36.6 million was up 83 per cent on FY21 and 20 per cent ahead of prospectus, while statutory net profit before tax of \$23.5 million was 85 per cent ahead of FY21 and 17 per cent ahead of prospectus.

² Comparison to constituents in ASX200 Real Estate and A-REITs

³ Normalised EBITDA adjusted for abnormal items, QRI capital raise costs, QAL IPO costs in FY22 and mark to market adjustment from Qualitas' co-investment in QRI

We delivered a final dividend of 4c per share, as forecast, representing 3 per cent annualised yield at the IPO issue price.

Leveraging our strengthened balance sheet and higher profile enabled us to deliver both FUM and capital deployment growth well ahead of expectations.

We ended FY22 with record FUM of \$4.26 billion⁴, up 43 per cent.

We deployed a record \$1.93 billion through our credit and equity funds in FY22 – approximately \$500 million ahead of our prospectus forecasts – contributing to a 29 per cent increase in funds management fees to \$35.3 million on prior year.

The full benefit of the growth in deployed funds – with a surge in the final quarter of FY22 and continued strong deployment into FY23 on the back of new mandates – will be fully reflected in future reporting periods.

We ended the year with cash holdings of \$309 million, providing us with a strong balance sheet at exactly the right time in the property cycle giving Qualitas significant co-investment, warehousing and underwriting capability.

Qualitas now manages 15 funds as at 1 August 2022. This includes the ASX-listed Qualitas Real Estate Income Fund, three new credit and equity funds launched during FY22 and Qualitas Diversified Credit Investments as part of the ADIA mandate.

A strong start to the year

The momentum we experienced in FY22 has continued in the current financial year, with significant growth in FUM and deployment in commercial real estate private credit based on a deep investment pipeline and deepening relationships with institutional investors who see real estate private credit and investing alongside Qualitas, as a favourable thematic given the prevailing global uncertainties.

FUM is now \$5.3 billion⁵, with the 25 per cent increase since the start of FY23 driven primarily by the \$700 million mandate from the Abu Dhabi Investment Authority and \$440 million from another global institutional investor.

This latest capital has been immediately deployed to a residential development project in North Sydney. This is believed to be one of the largest property development project finance arrangements provided by an alternative financier in Australia. This demonstrates our ability to write more sizeable cheques as we attract larger capital mandates and fill funding gaps in the commercial real estate market as traditional financiers retreat from the sector.

Between 2015 and 2022, our capital deployment has increased at a compound annual growth rate of 46 per cent, with an increasing proportion deployed into senior debt investments.

We're proud to say that in the first four months of this year we have already deployed just over \$1 billion⁶ of funds. That's over 50 per cent of our total deployment last year in the first four months of this financial year.

⁴ Represents committed capital from investors with signed mandates as at 30 June 2022 in which Qualitas provides investment management services to deploy into investments

⁵ As at 14 October 2022

⁶ As at 14 October 2022.

ESG

Turning to our commitment to best-practice ESG principles and behaviour.

As Andrew mentioned, we are firmly committed to the integration and management of appropriate Environmental, Social and Governance measures throughout the organisation, in our funds and investment processes.

Importantly, our ESG beliefs and priorities were developed through a consultative process with our team to ensure they fully reflect the values we aspire to as an organisation.

Through this engagement, we have defined five priority areas:

Long-Term Temperature Goal – We strongly endorse strengthening the global response to climate change and are committed to reducing emissions as a business.

Adaptation – We acknowledge the importance of adaptation to a low-carbon future and will seek to increase the level of impact-style investments in our funds.

Mitigating climate change – We support and encourage borrowers to invest in real assets with a strong sustainability focus and, as an equity investor or joint venture partner, we can exert more influence concerning sustainability outcomes.

Diversity and inclusion – We are better equipped to face complex business challenges by harnessing a diverse team's unique talents and experiences.

Governance – we believe that good governance will tend to be rewarded, with strong governance translating into long-term investor value.

Despite significant progress in the past year, our ESG journey is far from over, with the next phase focused on identifying and measuring our real impact from our initiatives.

Key strategic pillars

As one of the leading Australian alternative real estate investment managers, our objective is to provide shareholders with attractive risk-adjusted returns throughout periods of volatility and uncertainty.

We have set strong growth ambitions. To achieve them, our strategy is focused on four pillars:

First, capitalising on structural industry tailwinds. Despite what you may read in the media, our conviction in the commercial real estate market – particularly residential, which makes up 63 per cent of our invested funds – is undiminished.

As I noted earlier, 77 per cent of our FUM is invested in private credit, mostly secured senior debt. When interest rates rise and credit margins widen, our fund returns are also anticipated to rise.

In the longer term, demand for residential property will continue to be driven by population growth, including a return to normal immigration rates. This is expected to help address labour shortages and encourage investment into new housing supply.

These factors provide sustainable tailwinds for residential real estate investors. For Qualitas, the opportunities are magnified as the retreat from the sector of traditional financiers is expected to accelerate with the implementation of Basel III in January 2023.

Secondly, we are focused on sustainable FUM growth by continuing to attract global capital as institutional investors continue to increase their allocations in commercial real estate. With the ongoing geopolitical tension and energy shortage in Europe, plus a high probability of a

recession in the US, along with continuing COVID-19 restrictions in China – institutional investors are recognising the attractiveness of Australia as a key investment destination during the current global economic and political instability – and also longer term due to forecast population growth.

Thirdly, by expanding our fund strategies via a client led model designed to adapt to changing market conditions. We have remained vigilant and agile in our investment and fund-raising approach. Our current key strategies, private credit, build-to-rent, core equity with inflationary hedge, and opportunistic equity are well-positioned in the current economic cycle.

The final and fourth pillar is our focus on the disciplined deployment of our IPO proceeds to capitalise on attractive market opportunities.

As I touched on earlier, these four strategic pillars are supported by our culture and core values, our ability to attract and retain top-class talent, embedding ESG considerations throughout our business and maintaining robust risk management and governance structures.

Outlook and guidance

In closing, I want to touch on our outlook and our guidance. Notwithstanding the significant increase in FUM and strong deployment in the first four months of the year, we are keeping our guidance at the current level of \$30 million-\$33 million in net profit before tax⁷ and earnings per share⁷ of 7.1c-7.9c.

The key reasons for this are the more cautionary macroeconomic environment and that we have a further 8 months to go in the financial year. We think it is prudent to maintain our guidance at current levels.

Thank you for joining us today and for your continued support as we enter this next exciting phase of growth.

End.

⁷ Excludes any mark to market movement in the Qualitas' co-investment in QRI and QRI capital raising costs

Qualitas
(ASX:QAL)

Annual General Meeting

18 November 2022



Acknowledgement of Country

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

Board of Directors



Andrew Fairley AM

Independent Non-executive
Director, Board Chairman

Appointment date: 4 November 2021



Andrew Schwartz

Group Managing Director,
Co-Founder and Chief Investment Officer

Appointment date: 4 November 2021



JoAnne Stephenson

Independent Non-executive Director

Appointment date: 4 November 2021



Mary Ploughman

Independent Non-executive Director

Appointment date: 4 November 2021



Brian Delaney

Non-independent
Non-executive Director

Appointment date: 4 November 2021



Michael Schoenfeld

Independent Non-executive Director

Appointment date: 4 November 2021

Executive management team



Andrew Schwartz

Group Managing Director
and Co-Founder



Mark Fischer

Global Head of Real
Estate and Co-Founder



Philip Dowman

Chief Financial Officer



Kathleen Yeung

Global Head of Corporate
Development



Anna Wagner

Head of People & Culture



Dean Winterton

Global Head of Capital



Tim Johansen

Global Head of Investment
and Funds Risk

Agenda

1

Chair's address

2

Group Managing Director's address

3

Formal items of business

4

General business

| Chair's address



2022 year in review

- First year listed after oversubscribed IPO raising \$335m allowed for co-investment opportunities to attract institutional mandates (e.g. ADIA \$700m via \$35m co-investment)
- 36% FUM CAGR since 2008 inception¹
- exceeded FUM forecast in prospectus

Looking forward



Qualitas enters a more cautious market environment with a strong platform for further growth



Global investors continue to recognise Qualitas' ability to deliver

Three new
**Credit &
Equity Funds**
Launched during FY22²

\$51m

Average gross
investment size^{2,3}

~74% FUM eligible for
performance
fee^{1,2}

Our **Reflect Reconciliation
Action Plan (RAP)**
conditionally endorsed by
Reconciliation Australia

Qualitas
certified
as a **Carbon Neutral
Organisation** by
climate
active⁴

Our core values underpin our success

Our success since establishment 14 years ago is a true reflection of our team, their levels of engagement and our **five core values** which they uphold



Respect

Treat all stakeholders fairly and enjoy the value of diversity



Collaboration

Build collaborative relationships as we can achieve more collectively than individually



Entrepreneurship

Encourage creativity and innovation to retain the entrepreneurial spirit that created the firm



Integrity

Honour commitments and be transparent in our dealings by conducting ourselves ethically



Excellence

Perform at our best and delight in excelling at our work to exceed expectations

| Group Managing Director's address



Business and strategy summary

Qualitas' 2022 financial year results represent our first financial results as a listed company following our successful \$735 million¹ Australian Securities Exchange (ASX) listing

✓ \$735m listing on ASX at perfect time to accelerate expansion

✓ Exceeded prospectus forecasts

✓ Strong balance sheet to continue co-investment

✓ 15 active funds²

Notes: 1. Market capitalisation on listing in December 2021. 2. As of 1 August 2022. 3. Normalised EBITDA adjusted for abnormal items, QRI capital raise costs, QAL IPO costs in FY22 and mark to market adjustment from Qualitas' co-investment in QRI. 4. Represents committed capital from investors with signed mandates as at 30 June 2022 in which Qualitas provides investment management services to deploy into investments.

Group highlights

\$36.6m

FY22 Group EBITDA³

Up 83% on FY21 and 20% ahead of prospectus

48.1%

FY22 EBITDA margin³

Up 12% on FY21

\$4.26bn

FUM⁴

Up 43% on FY21

4.0 cents

First dividend declared per share

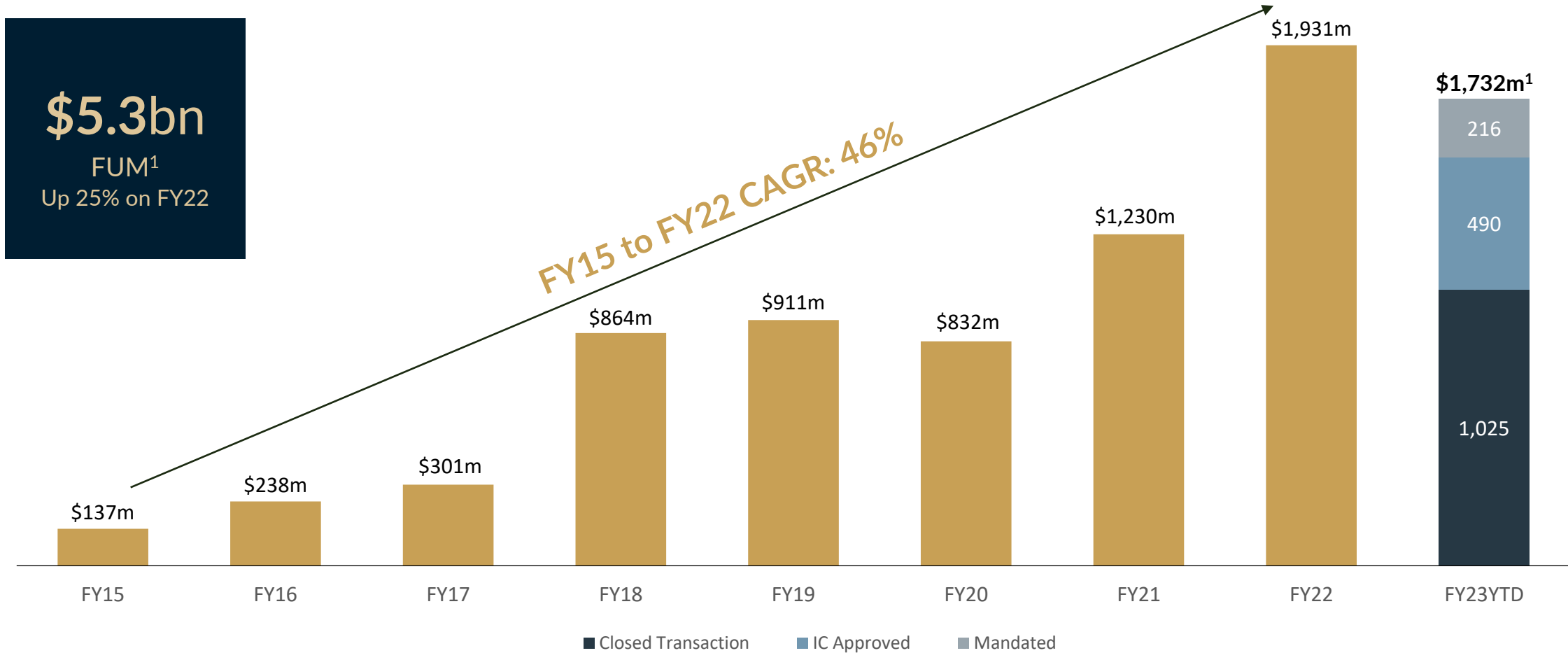
\$1.93bn

FY22 funds deployment

Up 57% on FY21 and 31% ahead of prospectus

A strong start to FY23

Significant deployment in commercial real estate (CRE) private credit in first quarter of FY23 and deep investment pipeline



Notes: 1. As at 14 October 2022.

Our Environmental, Social & Governance beliefs and priorities



Long-term temperature goal

Qualitas strongly endorses strengthening the global response to climate change and is committed to reducing emissions as a firm



Mitigate climate change

Qualitas encourages borrowers to invest in real assets with a strong sustainability focus, as an equity investor or joint venture partner we are focused on ways we can exert more influence concerning sustainability outcomes



Adaptation

In order to adapt to a low-carbon future, we seek to increase the level of impact-style investments across all our funds



Governance

Qualitas believes that strong governance translates into long-term investor value



Diversity and inclusion

Qualitas is better equipped to face complex business challenges by harnessing a diverse team's unique talents and experiences

Key strategic pillars

One of Australia's leading alternative real estate investment managers

Our strategy to deliver these outcomes focuses on four key pillars:

- Capitalise on structural industry tailwinds
- Focus on sustainable FUM growth
- Expand our Fund strategies
- Disciplined deployment

Our strategic pillars are supported by:

- Our culture and core values
- Retaining and attracting top class talent
- Incorporating ESG considerations into our operational and investment activities
- Maintaining robust risk management and governance structures



Outlook and guidance

FY23 outlook

- Whilst we have experienced a strong first quarter of new FUM and capital deployment, we are heading into a more cautionary environment with a further 8 months to go in the financial year
- We have a solid basis for our funds management fee revenue forecast (pre performance fees) and we retain a neutral outlook in relation to our performance fees in the FY23 guidance
- We reaffirm our FY23 guidance

FY23 guidance

Estimated range

\$30m - \$33m

NPBT¹

Estimated range

7.1cps - 7.9cps

EPS¹

| Thank you

