ASX Announcement

Qualitas Limited (ASX: QAL)

22 February 2024

Qualitas Limited – Interim Financial Results Presentation

Qualitas Limited (ASX: QAL) (**Company**) provides the attached Results Presentation for the 6-month financial reporting period ended 31 December 2023.

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

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About Qualitas

Qualitas Limited ACN 655 057 588 (**Qualitas**) is an ASX-listed Australian alternative real estate investment manager with approximately A$8.1 billion[1] 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, 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$21 billion[2] 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 provides a unique offering in the market to accelerate business growth and drive performance for shareholders.

Disclaimer

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[1] FUM metrics as at 31 December 2023.
[2] As at 30 June 2023.

Qualitas (ASX:QAL)

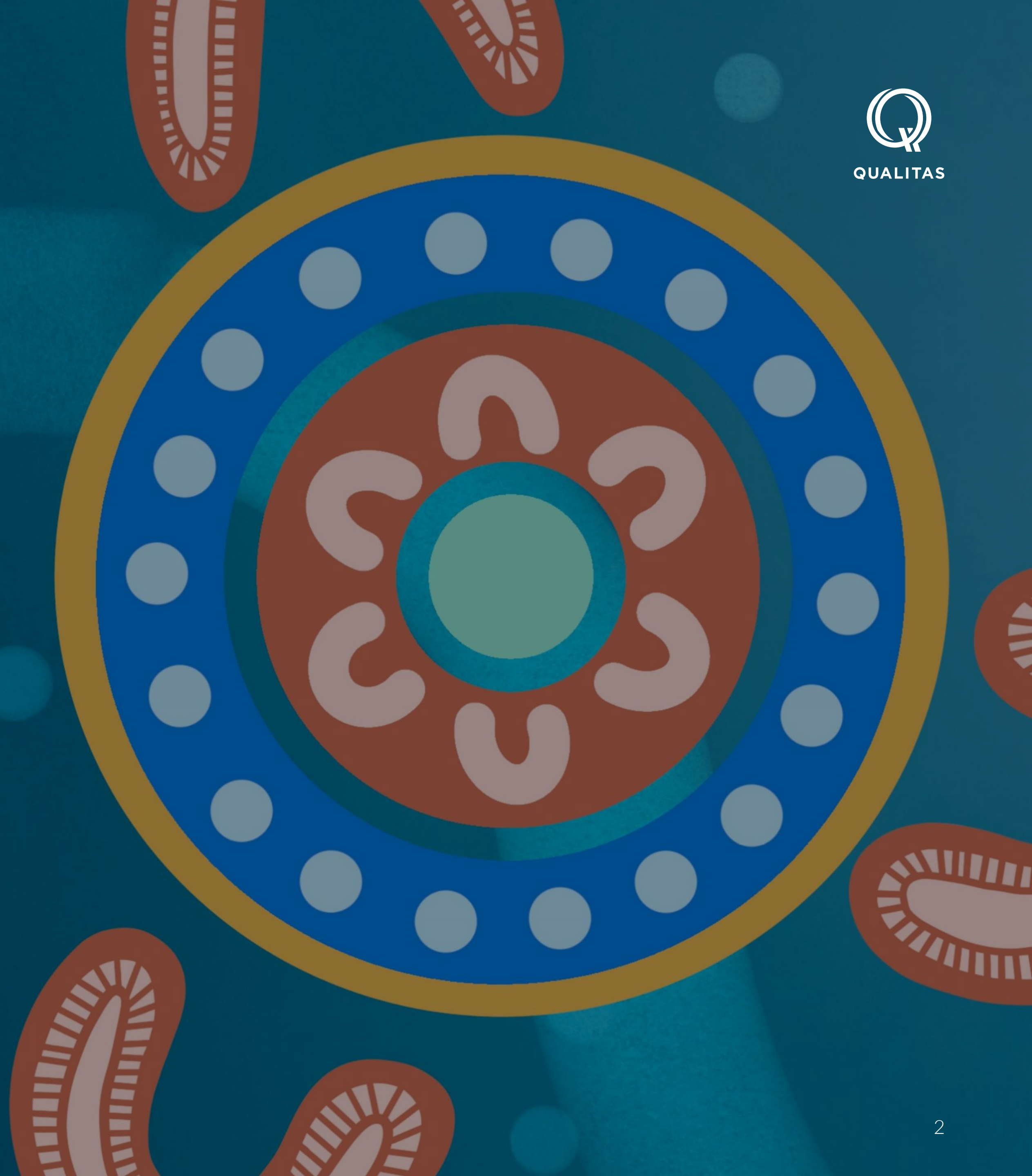
1H24 Results

22 February 2024

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	2	3	4	A
Market Outlook and 1H24 Highlights	Funds Management	1H24 Financial Results	Outlook and Guidance	Appendices

ANDREW SCHWARTZ
GROUP MANAGING DIRECTOR AND CO-FOUNDER

KATHLEEN YEUNG
GLOBAL HEAD OF CORPORATE DEVELOPMENT

PHILIP DOWMAN
CHIEF FINANCIAL OFFICER

1H24 – Focus on recurring earnings and strategic balance sheet utilisation in line with growth objectives

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- Increasing allocation to private credit from global investors due to permanent shift in the global banking sector
- Investors are focusing on selecting quality managers with scalable platforms and track record
- 1H24 saw substantial growth in key recurring revenue metrics including funds management revenue and principal income
- New cycle of Australian residential sector with private credit becoming a part of mainstream financing
- Executing to strategy and maximising growth utilising balance sheet capital through underwriting and co-investment
- Uncompromisingly disciplined in deployment is key to maintaining our investment track record especially in current environment

Market Outlook and 1H24 Highlights

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Increasing allocations to private credit from global investors with a focus on quality and scale

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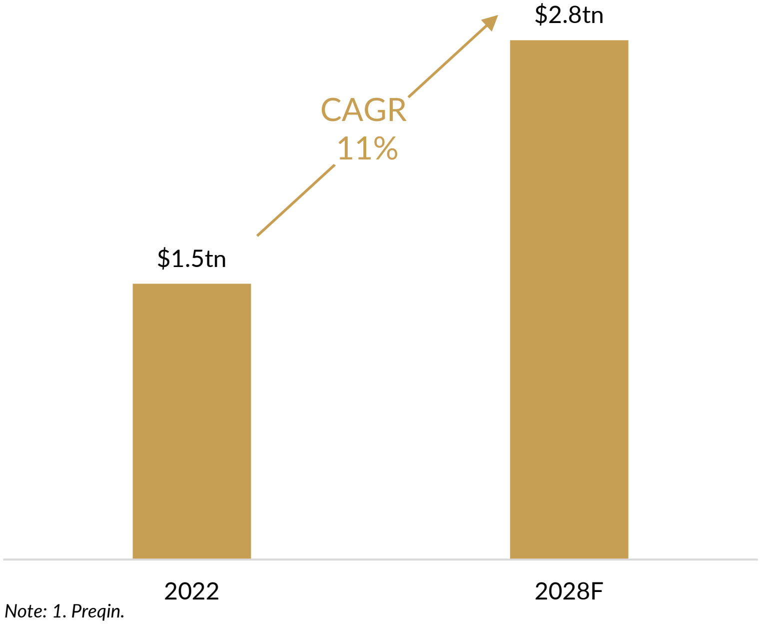
GLOBAL PRIVATE CREDIT AUM TO ALMOST DOUBLE BY 2028[1]

Private credit is the only private asset class for which investors expect returns to improve over 2024.[1]

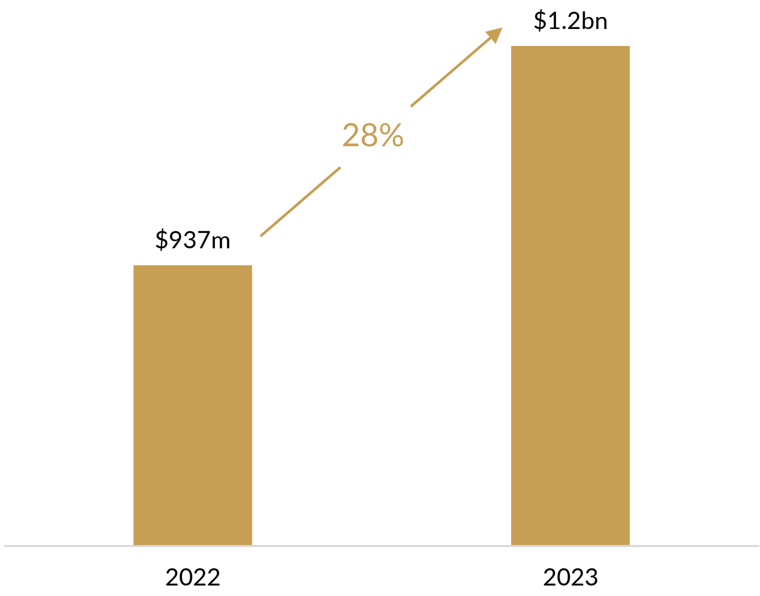
Global private credit AUM (US$)



INVESTORS ARE INCREASINGLY COMMITING LARGER MANDATES TO MANAGERS WITH A STRONG TRACK RECORD

Number of funds launched decreased by ~40% in 2023 while average fund size increased by 28%.[1]

Average private credit fund size (US$)



Note: 1. Preqin.

- Significant growth potential - private credit currently represents ~1% of global fixed income assets.[1]
- Scalability, quality and track record are the key differentiators amongst private credit managers.

Global investors are hunting for attractive risk-adjusted investment opportunities in specialised private credit subsegments and are selecting the best managers in the field.

Private credit is filling a void in CRE financing

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ELEVATED DEMAND FOR CREDIT FROM BORROWERS WITH ONGOING LIQUIDITY WITHDRAWAL FROM TRADITIONAL FINANCIERS

Qualitas private credit Fee Earning FUM

$2.4bn
Jun-22

56% CAGR →

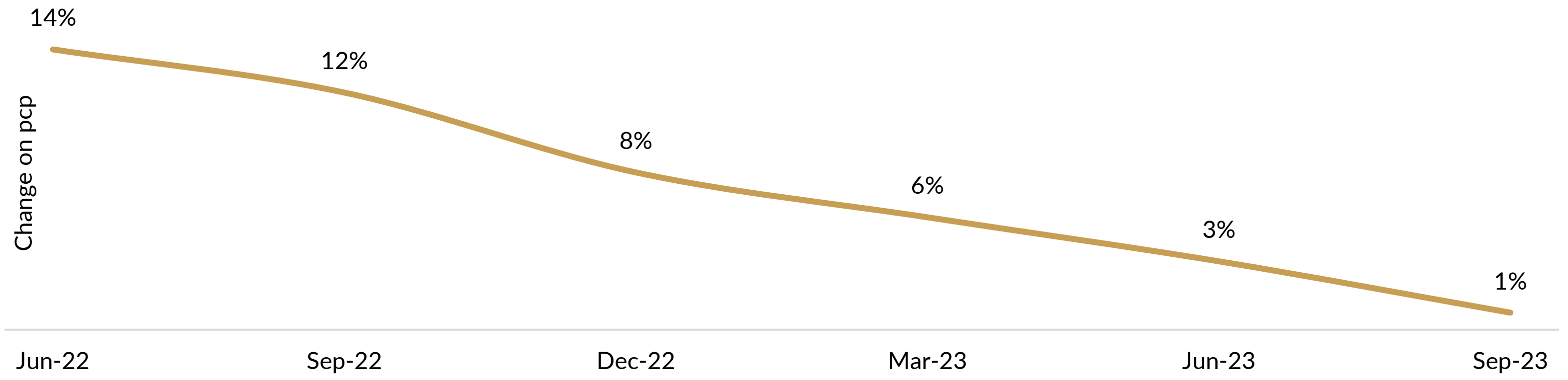
$4.6bn
Dec-23

Traditional financiers' exposure to CRE[1]

$414bn
Jun-22

5% CAGR →

$438bn
Sep-23



Traditional financiers' exposure to residential and land development[1]

Notes: 1. APRA, Quarterly authorised deposit-taking institution property exposure statistics for September 2023. 2. CBRE. 3. Domain, December 2023 House Price Report, combined capital cities unit median price.

Selected the residential sector as a key focus area given it presents the most attractive deployment opportunities:

- 300k[2] apartments needed over the next four years to avoid further falls from current record low vacancy.
- Current unit median value of $638k[3] implies a gross value of ~$191bn.
- Assuming an LVR of 60%, it implies a total gross financing requirement of ~$115bn.
- Representing a 54% increase to traditional financiers' current residential exposure.

CRE financing market needs to expand significantly to meet demand for new apartments and private credit will play a pivotal role as developers seek to start projects and maximise IRR

Long-term tailwinds in the Australian residential sector continue to attract global investors

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Unprecedented demand in residential assets	**518k** Record high net annual overseas migration[1]	**0.8%** Record low vacancy rate[2]
Apartments are key to overcoming residential shortage and building activity has been subdued due to elevated construction cost and slower growth in apartment value over the last few years	**300k** Apartments needed over the next four years[3]	**60k** Apartments to be completed in 2024[3]
Deteriorating affordability and significant premium of houses over apartments are shifting buyers' preference to apartments	**5.5yr** For average income household to save a 20% deposit on a median priced home[4]	**1.3x** Median house value over apartment value[5]

- Stabilising construction costs, increases in off-the-plan apartment sale prices boost development feasibility.
- Mounting political pressure to increase housing supply.

Is high density vertical living the new reality of the "Great Australian Dream"?

Notes: 1. ABS, Overseas Migration, 2022-2023 financial year. 2. Domain, Vacancy Rates: January 2024. 3. CBRE. 4. PropTrack, Housing Affordability Report, 2023. 5. ANZ Housing Affordability Report November 2023.

Significant growth in FUM and Fee Earning FUM with ~$2.1bn dry powder underpinning earnings capacity

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RESULTS HIGHLIGHTS

31 DECEMBER 2023

$8.1bn

FUM[1]

+41% vs. 1H23

Net capital commitment increase[2]

$2.1bn

1H24

$5.6bn

Fee Earning FUM[3]

+25% vs. 1H23

$4.2bn

Invested FUM[3]

+17% vs. 1H23

$2.1bn

FUM not yet earnings fees / dry powder[3]

+106% vs. 1H23

$1.75bn

1H24 deployment

+51% vs. 1H23 (excl. 'AURA by Aqualand')

-0.5% vs. 1H23 (incl. 'AURA by Aqualand')

PIPELINE 31 JANUARY 2024

$590m

IC approved[4]

$1.0bn

Mandated[5]

85%

Of total 1H24 deployment in residential sector

55%

Of total 1H24 deployment in construction credit

$77m

Avg. gross investment size

+8% vs. 1H23 excluding 'AURA by Aqualand'[6]

Pool of potential embedded and unrecognised performance fees at $75m[7,8]

- Increasing contribution from credit funds offset by decreases in equity funds

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. Difference between FUM as at 31 December 2023 and 30 June 2023. 3. Please refer to reconciliation between FUM, Fee Earning FUM and FUM Not Yet Earning Fees on page 15. 4. Investments approved by Qualitas Investment Committee with financial close subject to satisfaction of condition precedents. 5. Qualitas entered into exclusivity with borrowers with financial close subject to due diligence and Investment Committee approval. 6. Excluding 'AURA by Aqualand' due to its non-typical, significant size, single transaction nature. 7. Theoretical estimate based on Qualitas' assessment of the relevant fund's performance based on current valuations and market conditions as at February 2024. 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. 8. Excludes staff incentives.

+25% in funds management revenue on 1H23 and strategic utilisation of balance sheet capital driving recurring earnings growth and efficiency gains

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$25.9m
Funds management revenue
+25% vs. 1H23

$9.7m
Principal income
+31% vs. 1H23

$16.3m
Funds management EBITDA excl. performance fees[1]
+37% vs 1H23

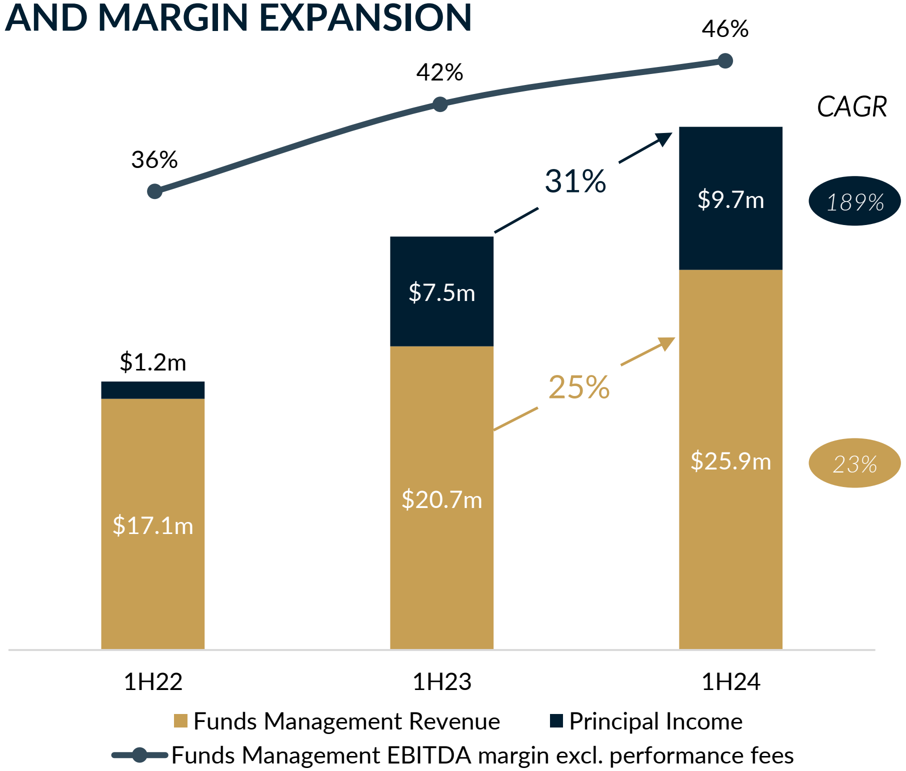
48.1%
Funds management EBITDA margin[1]
+4% vs. 1H23
46% funds management EBITDA margin excluding performance fees
+3% vs. 1H23

$18.1m
Normalised NPBT[1]
+23% vs. 1H23

$201m
Cash on balance sheet

$380m
Deployed in underwriting positions at 9.75%[2] weighted average return

CONSISTENT RECURRING REVENUE GROWTH AND MARGIN EXPANSION



Notes: 1. 1H24 normalised earnings adjusted for abnormal items including QRI capital raise costs and unrealised mark to market (MTM) gains / losses from Qualitas' co-investment in QRI. 1H23 normalised earnings adjusted for unrealised MTM gains / losses from Qualitas' co-investment in QRI.
2. Total $380m deployed includes one transaction with undrawn committed capital and only line fee is accrued. Weighted average yield excludes transaction with undrawn committed capital. 9.75% is calculated as the average of annualised return for each underwriting position weighted by the average drawn underwriting position during 1H24.

New capital from diverse investor channels and existing investors recommitting to scale flagship funds

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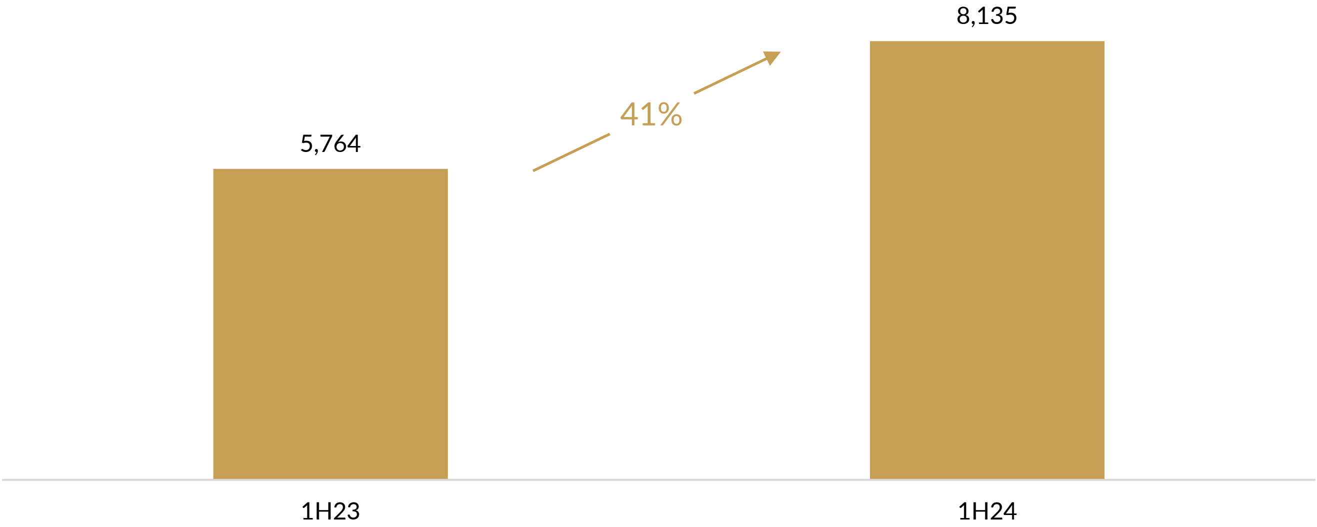
FUM ($M)

38%
1H24 CAGR since inception in 2008



- Secured three substantial institutional mandates in 1H24 totalling c.$2.0bn, executing strategy to scale flagship funds:
  - Additional $700m commitment from ADIA[1] increased FUM in QDCI by 100%.[2]
  - $750m additional commitment from an institutional investor in QCDF II.
- $113m from retail and wholesale investor channels which increased FUM for QRI and QSDF by $41m and $72m respectively.
- $2.1bn of dry powder underpins medium-term earnings opportunity with the timing and quantum of revenue correlated to deployment timing and product type.

Disciplined and efficient deployment of balance sheet capital to support FUM growth evidenced via weighted average co-investment across new flagship funds at c.2.5%.

Notes: 1. Abu Dhabi Investment Authority. 2. Options to acquire up to 22,841,263 Qualitas shares until 1 August 2024 are exercisable with the incremental $700m commitment. Options strike price at $2.50 is the volume weighted average price of shares issued since the IPO of Qualitas. Hence it is subject to future issuances of Qualitas shares.

Expanding pipeline with high conversion rate of mandated opportunities to closed investments

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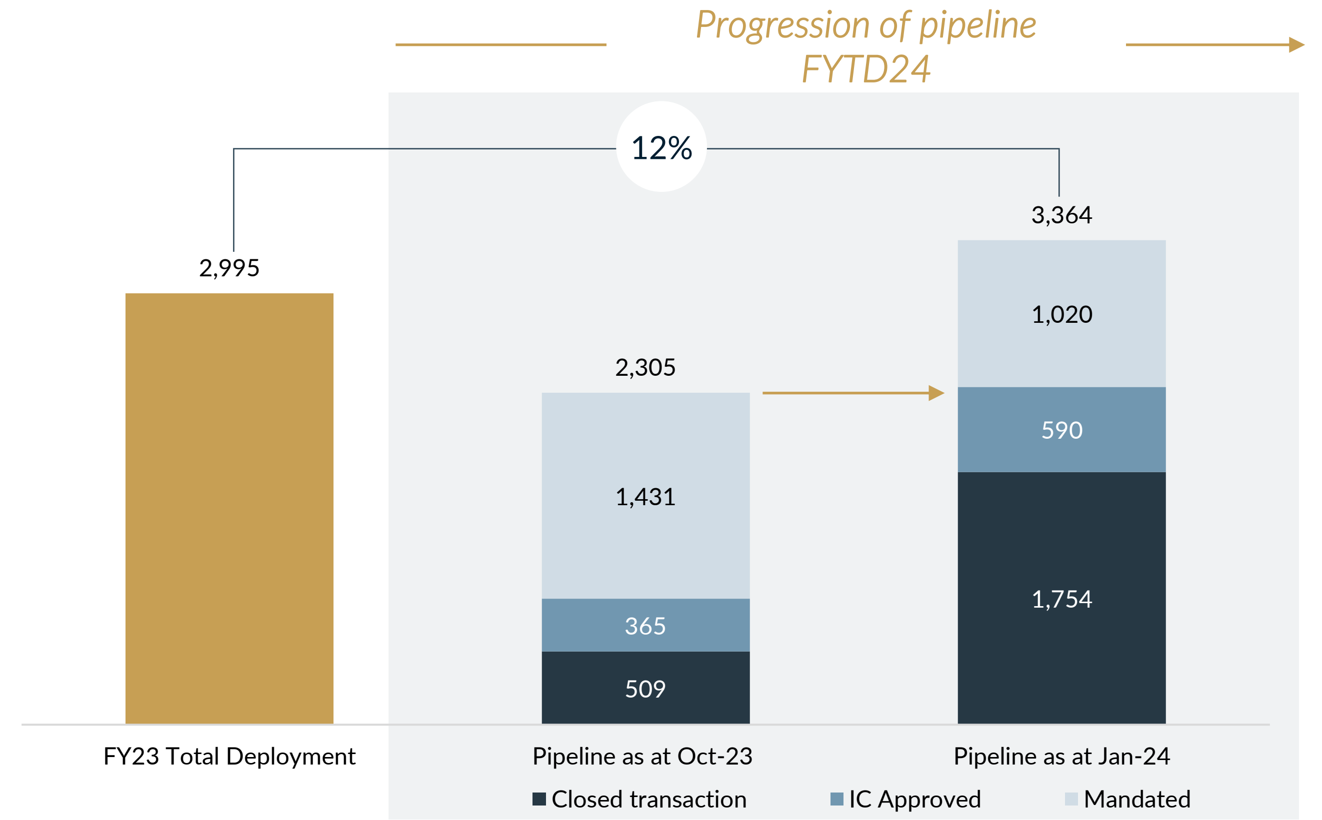
DEPLOYMENT ($M)



Notes: 1. Excluding 'AURA by Aqualand' due to its non-typical, significant size, single transaction nature.

- FYTD closed and IC approved transactions totaled $2.3bn as at 31 January 2024 exceeding pipeline as at 16 October 2023.
- Pipeline and deployment as at 31 January 2024 at c.$3.4bn representing a 12% increase on FY23 deployment with opportunities continuing to emerge over the next five months.
- ~$1.0bn deployment in construction in line with 1H23 despite a significant non-typical transaction like 'AURA by Aqualand' in 1H23.
- 77% of IC approved and mandated investments as at 31 January 2024 is in construction credit as the sector currently presents attractive investment opportunities.
  - Substantial dry powder in income credit with flexibility to pivot to other sub-segments.
- Average gross investment size increased to $77m (+8% on 1H23 excluding 'AURA by Aqualand'[1]) assisting efficiency gains as platform scales.

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

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 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, resilient income streams with the growth of the sector underpinned by long-term supply shortage.	Focus on inflation-hedging, resilient CRE assets underpinned by strong fundamentals irrespective of market cycles.	Attractive opportunities emerge during market dislocation.
QRI (ASX-LISTED)	BTR EQUITY (2 FUNDS)	QFIF	OPPORTUNITY I, II
QSDF		QDREF	
QPICF			
SENIOR DEBT SMA			
ARCH FINANCE			
QCDF I, II			
QDCI			
QLCDF (QBIF)			
QTCF			

Debt

Equity

Substantial dry powder and undrawn construction credit sets a strong foundation for future growth and margin expansion

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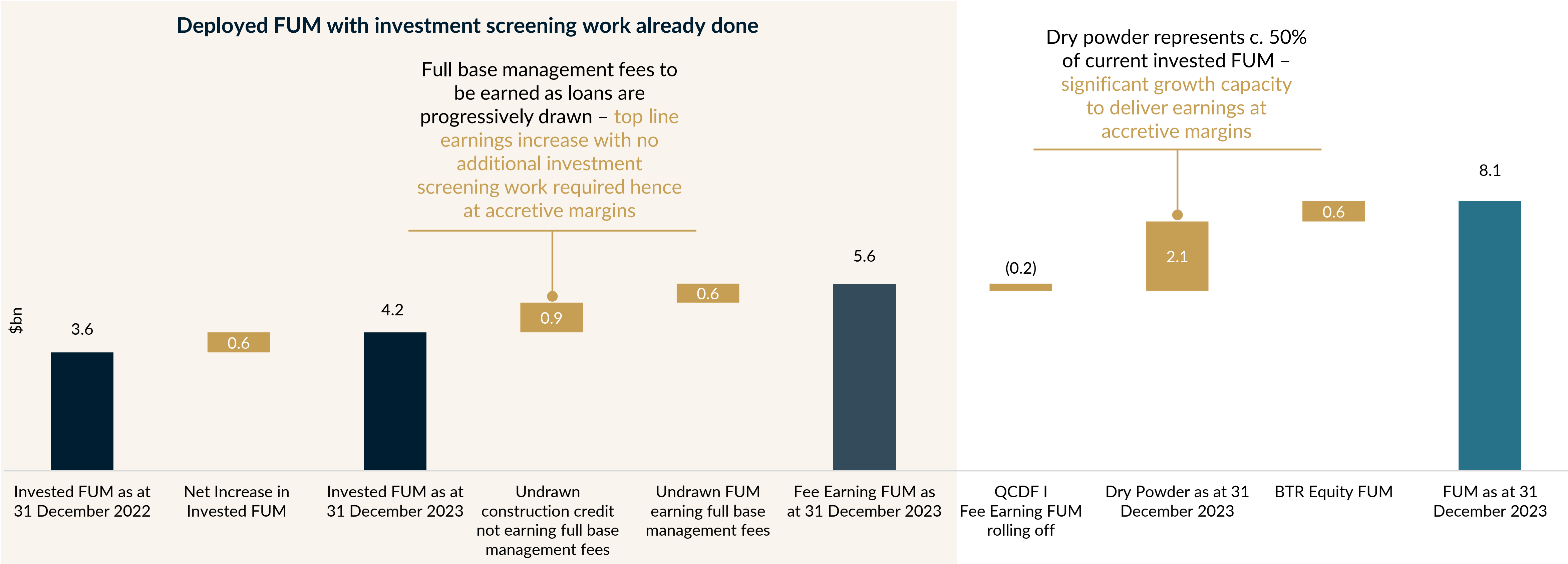
RECONCILIATION OF INVESTED FUM, FEE EARNING FUM AND FUM



Over 15 years track record of demonstrated investment performance continues to attract and retain investors across all channels and geographies

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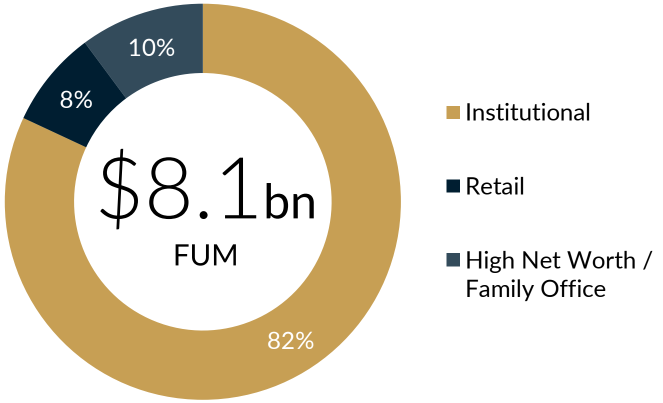
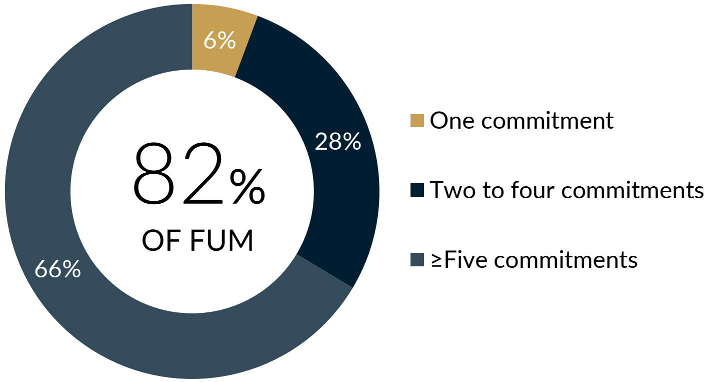
INVESTOR COMPOSITION



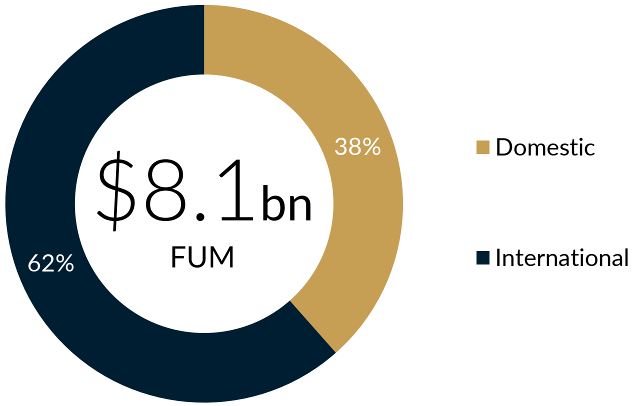
- Institutional investor commitment increased by 52% on 1H23 (predominantly in CRE private credit and BTR).
- QRI entered ASX300 and ASX300 A-REIT indices significantly broadening the investor universe attracting both active and passive listed equities managers.

INSTITUTIONAL CAPITAL BY CURRENT NUMBER OF COMMITMENTS



- Existing investors have deepened their relationships with Qualitas.
- Momentum in attracting new institutional investors.

GEOGRAPHIC SPLIT



- International investor split increased from 51% in 1H23 to 62% in 1H24.
  - Global investors continue to see the Australian CRE private credit sector as a safe haven amidst elevated market volatility with investment track record is key in manager selection.

Arch Finance

Execution focus on larger loans and realisation of cost synergies

Identified underserviced gap in the provision of credit for loans between $6m - $20m.

Market tailwinds supporting Arch are the same as Qualitas – ongoing generational shift in CRE private credit.

Qualitas has spent 15+ years building a trusted brand for investors and borrowers.

Sourcing capital from diversified investor base utilising Qualitas' proven distribution capability.

Leveraging Arch's proven sales and underwriting capabilities with alternative risk management model better suited to smaller loan sizes.

Improving operating efficiencies by integrating support teams of Qualitas and Arch Finance.

Arch Finance – the commercial mortgage broker origination channel for Qualitas.

QUALITAS

- Focus on high quality assets and borrowers under serviced by both traditional and alternative financiers.
- Building an origination ecosystem targeted at the broker channel.
- Integrate and innovate to capture synergies.
- Actively seeking to reduce the cost of capital.

Our ESG vision and progress

QUALITAS

ESG VISION

Leveraging Qualitas' platform and position as a leading alternative CRE financier to play a role in assisting Australia to transition to a more sustainable built environment, with a focus on residential property.

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

Continuing to review and refine our governance framework to work towards 'best-in-class' alignment to achieve our growth objectives.

1H24 ACTIVITY

Environmental

Product strategy
Launched the Qualitas Low Carbon Debt Fund, an impact driven credit fund focused on the decarbonisation of the residential building sector.

Carbon neutral operations
Reaffirmed carbon neutral at the corporate level by Climate Active. Corporate level emissions for 2023 were 200 t-CO_2-e[1] and our emissions intensity reduced, with a focus on reducing waste, energy and travel emissions firmwide.

Social

Expanded charitable partnerships
Launched partnership with batyr, an organisation working towards a world where all young people lead mentally healthy and fulfilling lives, complimenting our existing partnerships[2].

Reconciliation journey progress
Provided firmwide education ahead of the Voice to Parliament referendum with Mark Leibler AC.

Inclusive and diverse culture
Revised parental leave policy extending paid leave for both primary and secondary carers.

Governance

First Assessment Report as PRI[3] signatory
Received 5-star score in the 'Private debt' module, 4-star scores for 'Policy Governance and Strategy' and the 'Confidence building measures' and a 3-star score in the 'Direct - Real estate' module.

ESG assessment tool
Continued roll out of new ESG Rating tool as part of our investment due diligence, with 17 investments rated over the period (28% of Fee Earning FUM)[5].

LOOKING FORWARD

- Continuing to work with our borrowers and partners to improve ESG outcomes through awareness and education.
- Expanding key social initiatives and continue to work with partners to deliver real impact.
- Progressing our work on TCFD / ASRS[4] climate related financial reporting. Adopting the Modern Slavery Act.

Notes: 1. Tonnes (t) of carbon dioxide (CO_2) equivalent (e). 2. Existing partnerships are with the Property Industry Foundation and the Lighthouse Foundation. The Property Industry Foundation brings together the property and construction industry in a unique collaboration to have a tangible impact on Youth Homelessness. The Lighthouse Foundation provides homes and therapeutic care to the young people who need it. 3. Principles for Responsible Investment. 4. Task Force on Climate-Related Financial Disclosures (TCFD). Australian Sustainability Reporting Standards (ASRS). 5. As at 31 December 2023.

1H24
Financial Results

Group earnings[1]

Consistent strong recurring revenue growth with investments in funds management and capital platform to drive future growth

P&L BREAKDOWN ($THOUSANDS)	1H24	1H23	% (YOY)
Net funds management revenue[2]	10,754	8,619	25%
Net performance fee revenue	2,088	1,499	39%
Principal income[3,4]	9,741	7,458	31%
Arch Finance EBITDA	954	2,543	(62%)
(-) Corporate costs	(4,157)	(4,140)	-
Normalised EBITDA	**19,381**	**15,979**	**21%**
Normalised EBITDA margin	***47%***	***46%***	***1%***
Normalised EBITDA margin excl. performance fees	***44%***	***44%***	***0.6%***
Depreciation and interest expense	**(1,326)**	**(1,330)**	**-**
Normalised net profit before tax (NPBT)	**18,055**	**14,649**	**23%**
Normalised net profit after tax (NPAT)	**12,639**	**10,233**	**24%**
Normalised earnings per share (EPS) (cents)	**4.2**	**3.5**	
Gain / (loss) on mark to market (MTM) value of QRI investment	678	459	
QRI capital raising costs	(760)	-	
Statutory NPAT	**12,557**	**10,692**	**17%**

Notes: 1. Please refer to Appendix 1 for reconciliation of statutory financial to normalised financial. 2. Net funds management revenue includes transaction fees. 3. $414k and $176k BTR JV losses in 1H24 and 1H23 respectively are reported in principal income. 4. $243k and $481k losses in 1H24 and 1H23 respectively attributed to non-cash mark to market valuation movements in the carrying value of co-investments in the equity funds.

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- **Statutory NPAT of $12.6m, increased by 17% on 1H23 reflecting:**
  - Funds management fee growth driven by strong growth in FUM.
  - Increasing performance fees from private credit FUM.
  - Increase in principal income underpinned by strategic use of Group Balance Sheet.
  - Stable corporate costs through disciplined cost management.
- **Normalised EBITDA margin excluding performance fees increased marginally on 1H23:**
  - Timing of deployment later in half constrained revenue expansion in 1H24.
  - Cost flow through from new hires made in 2H23.
- Interim dividend declared of 2.25cps.

Funds management

Strong top line growth across all funds management earnings categories with meaningful funds management EBITDA margin expansion

P&L BREAKDOWN ($THOUSANDS)	1H24	1H23	% (YOY)
Base funds management fees	17,582	15,379	14%
Transaction fees	8,279	5,286	57%
Funds management revenue	**25,861**	**20,665**	**25%**
(-) Core employee costs	(15,107)	(12,046)	25%
Net funds management revenue	**10,754**	**8,619**	**25%**
Funds management gross operating margin	*42%*	*42%*	
Performance fee revenue	2,673	2,035	31%
(-) Performance fee incentives	(584)	(536)	9%
Net performance fee revenue	**2,088**	**1,499**	**39%**
Performance fee gross operating margin	*78%*	*74%*	
Principal income[1,2]	9,741	7,458	31%
(-) Corporate costs	(4,157)	(4,140)	-
Funds management EBITDA	**18,427**	**13,436**	**37%**
FM EBITDA margin	*48%*	*45%*	
FM EBITDA margin excl. performance fees	*46%*	*42%*	
Base funds management fees (BMF) as % of Average Invested FUM	*1.0%*	*1.1%*	
Transaction fees (TF) as % of Average Invested FUM	*0.5%*	*0.4%*	
TF as % of deployment	0.5%	0.3%	
Average Invested FUM ($m)	3,595	2,721	32%

Notes: 1. $414k and $176k BTR JV losses in 1H24 and 1H23 respectively are reported in principal income. 2. $243k and $481k losses in 1H24 and 1H23 respectively attributed to non-cash mark to market valuation movements in the carrying value of co-investments in the equity funds. 3. Theoretical estimate based on Qualitas' assessment of the relevant fund's performance based on current valuations and market conditions as at February 2024. 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. 4. Excludes staff incentives.

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- **Base funds management fee and transaction fee growth of 14% and 57% versus 1H23 driven by:**
  - Deployment skewed towards last quarter of 2023.
  - 32% increase in Average Invested FUM.
  - BMF as % of Average Invested FUM trending towards long-term range of 90bps – 100bps.
- Continued investment in staff to align with increased deployment opportunities.
- Pool of embedded and unrecognised performance fees based on capital deployed for the period of seven years from December 2023[3,4] at $75m.
  - Increasing contribution from credit funds with greater certainty and regularity in recognition compared to equity funds.
  - Estimate of future equity fund performance fees reduced due to more conservative valuation assumptions in the current market environment.

Principal income and Arch Finance

Sustained growth in principal income driven by increasing returns and deployment in underwriting

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PRINCIPAL INCOME ($THOUSANDS)	1H24	1H23	% (YOY)
Income from investments[1,2]	3,141	1,263	149%
Cash interest income	3,581	2,456	46%
Underwriting income	3,018	3,738	(19%)
Total principal income	**9,741**	**7,458**	**31%**

ARCH FINANCE ($THOUSANDS)	1H24	1H23	% (YOY)
Financial services & net interest income	3,263	4,860	(33%)
(-) Credit loss provision	(37)	25	(247%)
(-) Arch Finance operating expenses	(2,273)	(2,342)	(3%)
Arch Finance EBITDA	**954**	**2,543**	**(62%)**
Gross loans outstanding	281,235	355,194	(21%)

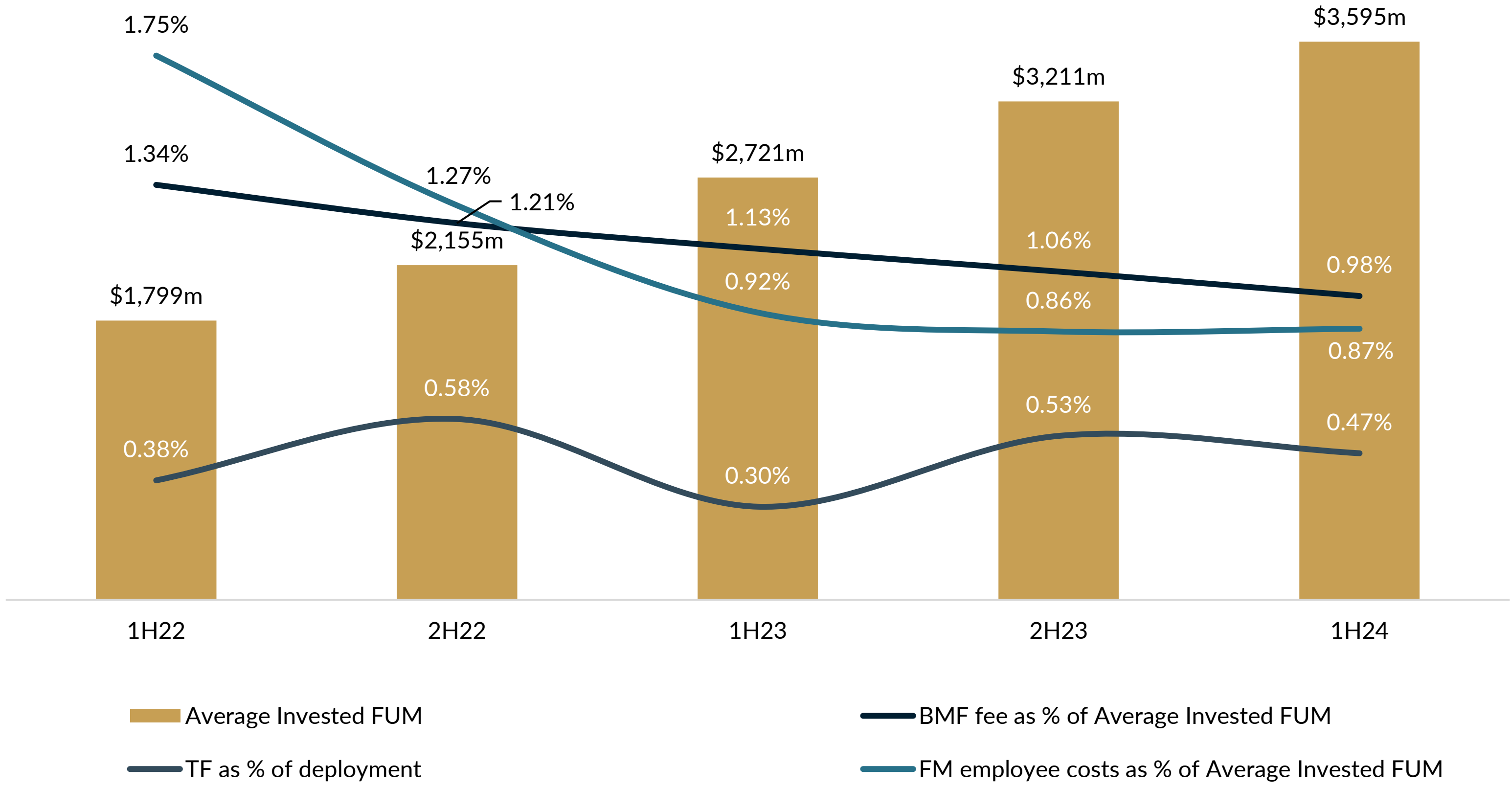
- **Gross total $380m[3] deployed for underwriting 18 transactions across private credit with $377m recycled to fund investments:**
  - Gross total deployment in underwriting up c.16% on 1H23.
  - 1H24 weighted average yield of 9.75% p.a.[3]
- Growth in income from investments driven by higher proportion of balance sheet capital in co-investments.
- Continued reduction in Arch Finance loans portfolio reflective of increased competition for broker channel loans under $6m.
  - Actively repositioning Arch Finance product offering, restructuring the cost base to improve contribution and diversifying its capital sources.

Notes: 1. $414k and $176k BTR JV losses in 1H24 and 1H23 respectively are reported in principal income. 2. $243k and $481k losses in 1H24 and 1H23 respectively attributed to non-cash mark to market valuation movements in the carrying value of co-investments in the equity funds. 3. Total $380m deployed includes one transaction with undrawn committed capital. Only line fee is accrued. Weighted average yield excludes transaction with undrawn commitment. 9.75% is calculated as the average of annualised return for each underwriting position weighted by the average drawn underwriting position during 1H24.

Operating performance

Consistent operational efficiency gains supported by stabilising fee margins and strong growth in Invested FUM

INCREASING ECONOMIES OF SCALE



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- **Average Invested FUM 2-year CAGR of 41%.**
- BMF as % of Invested FUM declining due to the deployment of large institutional mandates. Expected to stabilise between 0.9% and 1.0% over the long term.
- Transaction fees as % of deployment continued to be above expected long-term average, due to uptick in underwriting activities in the period. Expected to stabilise between 0.3% and 0.4% based on FUM mix.

Balance sheet

Increasing utilisation of balance sheet capital in underwriting and co-investment while maintaining flexibility for future growth opportunities

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QUALITAS GROUP BALANCE SHEET ($THOUSANDS)	1H24	FY23	1H23
Assets			
Cash and cash equivalents	200,511	192,369	200,411
Trade and other receivables	23,538	16,029	16,153
Loan receivables	7,241	87,451	88,923
Accrued performance fees	51,078	48,928	46,679
Inventories	24,522	24,462	24,123
Investments	105,213	38,209	45,147
Mortgage loans (Arch Finance)	281,235	317,570	355,194
Other assets	17,294	14,900	18,203
Total assets	**710,631**	**739,918**	**794,863**
Liabilities			
Trade and other payables	12,118	7,589	9,149
Deferred income	5,061	4,476	6,477
Provision for employee benefits	23,560	25,053	22,367
Loans and borrowings	310,035	340,741	402,447
Total liabilities	**350,774**	**377,859**	**440,440**
Net assets	**359,857**	**362,059**	**354,423**
Securities on issue	298,295	296,016	296,016

- Loan receivables c.$7m represents underwriting positions to existing funds.
- $4m increase of accrued performance fees on 1H23 is related to credit funds. Group recognition is lower than total performance fees recognised at fund level.
- $271m reported under Mortgage Loans is related to Arch Finance's external funding with limited recourse to QAL.
- Increases in trade and other receivables are mainly attributed to growth in management and transaction fees which are due for collection.
- Loans and borrowings are predominantly related to Arch Finance Warehouse wholesale funding sources.

Outlook and Guidance

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No change to outlook and guidance

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FY24 OUTLOOK

- Interim dividend of 2.25cps declared.
- FY24 dividend per share in line with target dividend payout ratio of between 50% to 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

Reconciliation of Financials

Reconciliation of statutory financial to normalised financial

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($THOUSANDS)	1H24	1H23	% (YOY)
Statutory EBITDA	**19,264**	**16,635**	**16%**
(Gain) / loss on mark to market (MTM) value of QRI investment	(969)	(656)	
QRI capital raising costs	1,086	-	
Normalised EBITDA	**19,381**	**15,979**	**21%**
Statutory net profit before tax (NPBT)	**17,938**	**15,305**	**17%**
(Gain) / loss on mark to market (MTM) value of QRI investment	(969)	(656)	
QRI capital raising costs	1,086	-	
Normalised NPBT	**18,055**	**14,649**	**23%**
Statutory net profit after tax (NPAT)	**12,557**	**10,692**	**17%**
(Gain) / loss on mark to market (MTM) value of QRI investment	(678)	(459)	
QRI capital raising costs	760	-	
Normalised NPAT	**12,639**	**10,233**	**24%**

Appendix 2

Segment information

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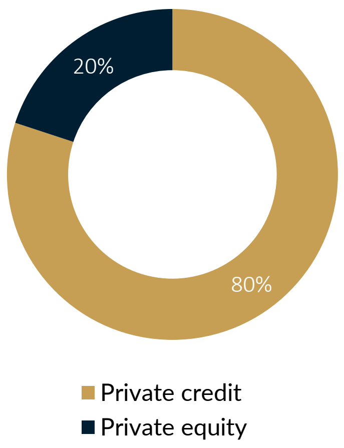
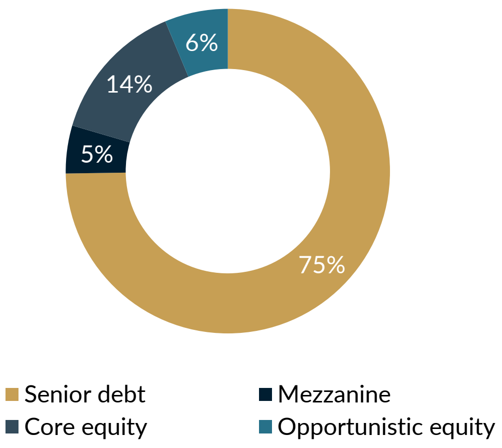
Diversified product and investment profile as at 31 December 2023

FUNDS UNDER MANAGEMENT[1] (BY COMMITTED FUM)



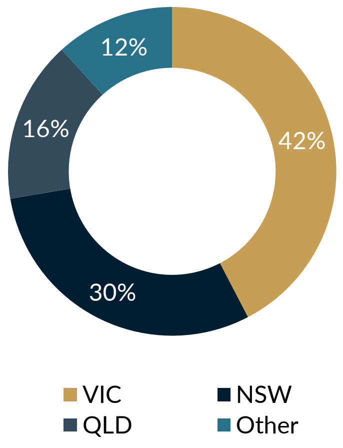
- $8.1bn of FUM across 17 active funds.

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



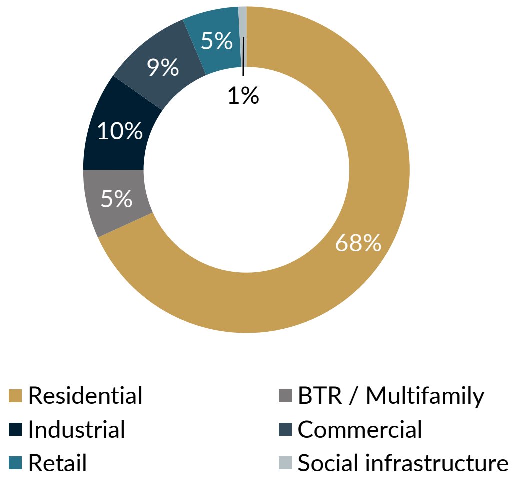
- 75% in senior credit with a significant equity buffer.

UNDERLYING GEOGRAPHIC EXPOSURE[2] (BY INVESTED FUM)



- Broad geographic dispersion risk exposure.

UNDERLYING SECTOR EXPOSURE[2] (BY INVESTED FUM)



- 75% exposure in residential.[3]
- 7% exposure in office grouped under commercial.

Notes: 1. Represents committed capital as at 31 December 2023 excludes QCDF I. 2. Split based on allocated capital as at 31 December 2023 excluding the impact of unallocated / non-deployed capital and includes QCDF I. 3. Including BTR equity.

Appendix 3

FUM metrics

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FUM overview as at 31 December 2023

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	FUND NAME	STRATEGY	INVESTMENT TYPE	FUM	EXPIRY[1]
CREDIT FUNDS	QRI (ASX listed)	Income	Senior debt / mezzanine	$642m	Perpetual
	QSDF		Senior debt – diverse	$776m	Perpetual
	QPICF		Senior debt – diverse	$773m	May-31
	Senior Debt SMA		Senior debt – diverse	$211m	Perpetual
	Arch Finance		Senior debt – investment	$350m	Perpetual
	QCDF II	Total return	Senior debt – construction	$1,951m	Varied[2]
	QDCI		Senior debt / mezzanine – diverse	$1,450m	Jul-29
	QBIF (QLCDF)		Senior debt – investment / construction	$110m	Feb-32
	Other credit	Total return / income	Various mandates[3]	$242m	Varied
	Total credit FUM			$6,505m	
EQUITY FUNDS	Opportunity I	Total return	Equity opportunistic	$81m	June-25[4]
	Opportunity II			$259m[5]	Sep-27
	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	$364m	Varied
	Total equity FUM			$1,630m	
	Total FUM			**$8,135m**	
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 $750m expires in June 2030. $440m additional commitment announced on 30 September 2022 expires in December 2027. The $750m announced on 16 August 2023 expires in September 2031. 3. Includes Peer Estate, Direct Real Estate accounts and Qualitas Tactical Credit Fund. 4. Expires in June 2024, subject to two 12-monthly extensions as the discretion of the Manager. Qualitas is looking to take up the first 12-month extension shortly. 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.

Credit funds – FUM metrics as at 31 December 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)	$642m	$519m[1]	$642m	-	base fee, PF, transaction fee	% on net asset value
	QSDF	$776m	$615m	$615m	$160m	base fee, transaction fee	% of Invested FUM
	QPICF	$773m	$247m	$247m	$525m		
	Senior Debt SMA	$211m	$116m	$116m	$95m		
	QBIF (QLCDF)	$110m	$46m	$46m	$65m		
	Other credit	$242m	$212m	$212m	$30m		
	QCDF II	$1,951m	$774m[2]	$1,675m[2]	$486m	base fee, PF, transaction fee	% of total facility limit
	QDCI	$1,450m	$270m	$802m	$648m	base fee, PF	
	Arch Finance	$350m	$289m	$289m	$61m	net interest margin, transaction fee	net interest margin
	Total (Dec-23)	**$6,505m**	**$3,087m (include QCDF I)**	**$4,644m (include QCDF I)**	**$2,071m**		

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 $199m and fee earning FUM of $210m, fund is currently rolling off.

Equity funds – FUM metrics as at 31 December 2023

QUALITAS

	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	-	base fee, PF	% of Invested FUM
	Opportunity II	$259m	$225m	$249m	-		% of committed FUM (Invested FUM post-investment period)
	BTR Equity (2 funds)[1]	$620m	$121m	-[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	$364m	$353m	$353m	-		
	Total (Dec-23)	**$1,630m**	**$1,063m**	**$966m**	**-**		

FUM for equity funds = Fee earning FUM + FUM not yet earning fees + BTR equity FUM + undrawn capital in funds due to roll-off

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.

Closing period FUM

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$M	FY19	FY20	FY21	FY22	FY23	1H24
Committed FUM						
Funds management	1,810	2,290	2,503	3,794[1]	5,674[1]	7,785[1]
Arch Finance	448	480	480	465	400	350
Total Committed FUM	**2,258**	**2,770**	**2,983**	**4,259**	**6,074**	**8,135**
Invested FUM						
Funds management	1,086	1,444	1,660	2,458	3,448	3,741
BTR equity[2]	-	-	-	46	101	121
Arch Finance	399	440	423	380	320	289
Total Invested FUM	**1,485**	**1,884**	**2,083**	**2,884**	**3,868**	**4,150**
Fee Earning FUM						
Funds management[2]				2,944	4,573	5,321
Arch Finance				361	320	289
Fee Earning FUM				**3,305**	**4,893**	**5,610**

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. It is therefore excluded from Fee Earning FUM.

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 I
QREOFII	Real Estate Opportunity Fund II
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
BMF	Base management fee
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
IC approved investments	Investments approved by Qualitas Investment Committee with financial close subject to satisfaction of condition precedents
JV	Joint venture

Mandated investments	Qualitas entered into exclusivity with borrowers with financial close subject to due diligence and Investment Committee approval
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
TF	Transaction fee
Underwriting	Warehousing, underwriting or bridging assets or loans for a fund prior to the completion of a capital raising or receiving an anticipated repayment for a fund or the launch of a new fund following which the fund will take out or refinance the warehousing, underwriting or bridging arrangement (including by repayment or acquiring or directly pursuing the investment opportunity).
WALE	Weighted average lease expiry