

ASX Announcement
Qualitas Limited (ASX: QAL)
25 February 2025
RECORD FIRST HALF DEPLOYMENT UNDERPINS GROWTH FOR FY25

Qualitas Limited (ASX: QAL) (**Qualitas, or Company**), a leading Australian alternative real estate investment manager, is pleased to present its financial results for the six months to 31 December 2024 (**1H25**)¹ along with financial and operational updates.

Financial Highlights:

Half-year ended 31 December 2024 (\$000)	1H25	1H24	Variance
Funds management revenue	30,837	25,861	19%
Principal income	13,336	9,741	37%
Funds management EBITDA ²	24,045	18,427	30%
Normalised Group EBITDA ²	24,686	19,381	27%
Normalised Group EBITDA margin ²	49%	47%	
Normalised Group net profit before tax (NPBT) ²	23,173	18,055	28%
Statutory Group net profit after tax (NPAT)	16,277	12,557	30%
Normalised Group NPAT ²	16,206	12,639	28%
Normalised Group earnings per share (EPS) (cps) ²	5.4	4.2	29%
Total dividend (cps, fully franked)	2.50	2.25	
Cash	105,101	200,511	(48%)
Financials excluding performance fees²			
Funds management EBITDA	21,175	16,338	30%
Funds management EBITDA margin	48%	46%	
Normalised Group EBITDA	21,817	17,293	26%
Normalised Group EBITDA margin	47%	44%	
Normalised Group NPBT	20,304	15,966	27%

Operational Highlights:

- \$2.4 billion total deployment, up by 34% on 1H24
- Fee Earning FUM³ of \$7.9 billion, up 41% on 1H24
- Committed funds under management (**FUM**)⁴ of \$9.2 billion, up 13% on 1H24
- \$1.0 billion FUM not yet earning fees, down 50% on 1H24
- Pool of potential embedded and unrecognised performance fees over the next seven years increased to \$90 million, up 20% on the estimate made in August 2024⁵.

¹ Comparison to 1H24 refers to the six months to 31 December 2023 throughout this announcement.

² 1H25 normalised earnings adjusted for abnormal items, including unrealised mark-to-market (MTM) gains (\$0.3m) from Qualitas' co-investment in QRI and QRI capital raising costs (\$0.2m). 1H24 normalised earnings adjusted for unrealised MTM gains (\$1.0m) from Qualitas' co-investment in QRI and QRI capital raise costs (\$1.1m). Please refer to Appendix A for reconciliation of restatement for 1H25 financial and statutory financial to normalised financial.

³ Amount earning base management fees. Base management fee structures vary across investment platforms. Committed FUM, Invested FUM, net asset value, gross asset value, acquisition price and other metrics may be used to calculate base management fees.

⁴ FUM represents committed capital from investors with signed investor agreements.

⁵ Theoretical estimate based on Qualitas' assessment of the relevant funds' performance based on current valuations and market conditions as at February 2025. 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. Excludes staff incentives.

Funds Management Performance

Funds management revenue grew 19% on 1H24 to \$30.8 million, and since our IPO has nearly doubled. Base management fee growth accelerated in 1H25 driven by significant growth in Fee Earning FUM over the last twelve months. We maintained a funds management EBITDA margin above our long-term target of 50% while continuing to expand our investment team. We expect to realise further economies of scale in 2H25.

Of our total deployment in 1H25, 85% was in the residential sector and was skewed to the second quarter of FY25. This provides good visibility for strong base management fee growth in 2H25.

FY25 Guidance⁶:

We reaffirm our market guidance for FY25⁶:

- FY25 NPBT⁷ of between \$49 million and \$55 million, representing an increase of 26% to 41% respectively on FY24
- FY25 EPS⁷ is estimated between 11.50 cps and 12.91 cps⁸

Group Managing Director and Co-Founder Andrew Schwartz said:

“December 2024 marked the third anniversary of Qualitas’ listing on the ASX. We’ve delivered strong organic growth since IPO with our FUM and recurring revenue more than doubling. Fee Earning FUM has nearly tripled driven by strong deployment. Our uncompromising standards in investment selection and asset management continue to be the foundation for our strong track record and fund performance.

Australia’s commercial real estate private credit market is still in its early stages compared to other geographies and is well positioned to further grow given strong residential tailwinds and access to attractive risk-adjusted returns.

As Qualitas continues to expand and deepen its institutional relationships, we have entered a phase where FUM growth is propelled by deployment growth. We achieved a record half -year deployment of \$2.4 billion in private credit in 1H25 which followed a record full year deployment of \$4.2 billion in FY24. This supported the 41% growth in Fee Earning FUM and has established a solid foundation for base management fee growth in 2H25.

Our FY25 year-to-date pipeline and closed transactions as at January 2025 have reached \$3.8 billion, up 12% on the same period last year. We believe that we are at the start of the next residential development cycle and as economic indicators improve in anticipation of rate cuts later this year, we believe we are potentially entering a highly conducive deployment environment. As one of the largest commercial real estate alternative financiers, our business will be one of the first to benefit from it.

Looking forward, we are excited about the growth runway for private credit in Australia. We are confident that with our access to sticky institutional capital, along with our origination capabilities, we can continue to drive long-term growth.”

Market briefing

Qualitas’ market briefing is being held today, 25 February 2025 at 10:00am (AEST), with presenters:

Andrew Schwartz (Group Managing Director and Co-Founder), Mark Fischer (Global Head of

⁶ Outlook statements and guidance have been made based on no material adverse change in the current market conditions.

⁷ Excludes any MTM movements for Qualitas’ co-investment in QRI and QRI capital raising costs.

⁸ Based on the total number of ordinary shares on issue as at 21 August 2024, that is subject to any future changes.

Real Estate and Co-Founder), Kathleen Yeung (Global Head of Corporate Development) and Philip Dowman (Chief Financial Officer).

Webcast

Please use the following link to access the webcast presentation:

<https://webcast.openbriefing.com/qal-hyr-2025/>

Teleconference

Prefer to dial-in? Please pre-register using the link below and to access dial-in details:

<https://s1.c-conf.com/diamondpass/10044552-sg5f86.html>

A replay of the webcast will be available on the Qualitas website following the conclusion of the briefing.

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 \$9.2 billion⁹ 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 16 years, Qualitas has been investing through market cycles to finance assets, now with a combined value of over \$27 billion¹⁰ 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

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

⁹ As at 31 December 2024.

¹⁰ As at 30 June 2024.

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 results are reported under International Financial Reporting Standards (IFRS), which are used to measure group and segment performance. The presentation also includes certain non-IFRS measures, including Normalised earnings before interest, taxes, depreciation and amortisation (EBITDA), Normalised net profit before tax (NPBT) and Normalised net profit after tax (NPAT). These measures are used internally by management to assess the performance of our business, make decisions on the allocation of resources, and assess operational management. All non-IFRS information unless otherwise stated has not been extracted from Qualitas' financial statements and has not been subject to audit or review. Certain figures may be subject to rounding differences. Refer to Appendix A for the reconciliation of statutory earnings to normalised earnings. All amounts are in Australian dollars unless otherwise stated.

Statements contained in this presentation may be forward looking statements. Such statements are inherently speculative and always involve some risk and uncertainty as they relate to events and depend on circumstances in the future, many of which are outside the control of Qualitas. Any forward-looking statements contained in this presentation are based on a number of assumptions which may prove to be incorrect, and accordingly, actual results or outcomes may vary. Past performance is not indicative of future returns.

Appendix A – Statutory to normalised reconciliation

(\$THOUSANDS)	1H25	1H24
Statutory EBITDA	24,788	19,264
(Gain) / loss on mark to market (MTM) value of QRI investment	(313)	(969)
QRI capital raising costs	211	1,086
Normalised EBITDA	24,686	19,381
Statutory net profit before tax (NPBT)	23,275	17,937
(Gain) / loss on mark to market (MTM) value of QRI investment	(313)	(969)
QRI capital raising costs	211	1,086
Normalised NPBT	23,173	18,055
Statutory net profit after tax (NPAT)	16,277	12,557
(Gain) / loss on mark to market (MTM) value of QRI investment	(219)	(678)
QRI capital raising costs	148	760
Normalised NPAT	16,206	12,639