Queka Real Partners PEF 1

First Quarter 2021 Report

Issued in May 2021

Table of contents

1. Fund Data

Fund Name	Queka Real Partners PEF 1
Fund Final size	€151,281,250
Fund Manager	Quadriga Asset Managers, S.A., S.G.I.I.C.
Fund Advisor	Queka Real Partners, S.L.
Website	www.quekarp.es
First Closing	October 23, 2018
Final Closing	October 31, 2020
Vintage year	2018
Structure	Two linked co-investment vehicles: Queka Real Partners PEF 1 S.C.A., SICAV-RAIF based in Luxembourg, and Queka Real Partners PEF 1 S.C.R, S.A. based in Spain
Regulatory Bodies	The Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg and the Comisión Nacional del Mercado de Valores (CNMV) in Spain
Investment Focus (Stage)	Buy-Outs, Consolidation/Buy & Build, Expansion Capital, Replacement Capital
Investment Focus (Geography)	Spain and opportunistically Portugal
End of Investment Period	October 23, 2023
Termination Date	Ten years from first closing plus a maximum of two additional successive periods of one year each
Management Fee	2% p.a. (1% p.a. for first closers who paid a one-off 1% inception fee; 1.7% p.a. for investors with commitments of at least €20 million)
Preferred Return	8% IRR
Carried Interest	20% (15% for investors with commitments of at least €20 million)
Transaction fees	100% offset
Clawback	Yes
Auditors	KPMG Spain and Mazars Luxembourg
Legal Advisors	Cuatrecasas, Elvinger Hoss Prussen
Bank	Targo Bank, Banque Internationale à Luxembourg
Depositary and Transfer Agent	Banque Internationale à Luxembourg, BIL Fund and Corporate Services, BNP Paribas

2. Fund Executive Summary

Drawdown and distributions

As of March 31st, 2021, Queka Real Partners PEF 1 had called for €36.1 million, a 24% drawdown.

As of March 31st, 2021, Queka Real Partners PEF 1 has received no significant proceeds from companies in the portfolio, thus no distribution was made to investors (0.0x DPI); the TVPI multiple – pre-carried interest - is 1.1x.

Investments

Queka Real Partners PEF 1 has closed two investments since inception being Medac and LipoTrue.

As of March 31st, 2021, the total investment amounted to €23.0 million.

Divestments

No divestment has taken place since inception.

The portfolio valuation as of March 31st, 2021, is included in this report.

Management Fees, Other Fees and Expenses

As of March 31st, 2021, management fees amount to €5.5 million (including €0.6m from the 1% inception fee paid by first closers) and operating costs amount to €1.4 million. The costs figure includes €0.5 million (including VAT) of inception costs, €0.5 million of expenses incurred in transaction monitoring, closing and abort costs, and finally on-going expenses amounting €0.4 million.

Carried Interest and Clawback

As of today, the Fund has not accrued for or paid any carried interest.

Fund Litigation

As of today, there are no legal proceedings or claims against the Fund.

Valuation Principles

The Fund portfolio companies' valuations are produced quarterly following the International Private Equity and Venture Capital (IPEV) Reporting Guidelines. They will be presented to the Fund's Advisory Committee.

This quarterly report includes the fair market valuation of the two companies in the portfolio as of March 31st, 2021. A separate Valuation Report is produced quarterly and is available to investors upon request.

ESG

In accordance with Queka´s ESG policies, the portfolio companies are required to complete an ESG compliance questionnaire at the time of investment and to disclose any changes of circumstances that may result in a material breach of the ESG principles.

We also request a completed quarterly questionnaire from all current portfolio companies and monitor their progress to ESG goals. All current portfolio companies have completed their ESG questionnaires for this and the findings are presented in the companies´ summaries in section 4 of this report.

Advisory Board

The Fund Advisory Board has been formed after the final closing and comprises seven of the most relevant investors in the Fund.

The Portfolio valuation as of March 31st, 2021, included in this report was approved by the Fund's Investment Committee. The two companies have been valued at its fair value.

Investor Relations

Queka is committed to a detailed and regular investor communication, providing regular portfolio updates to ensure transparency and strong dialogue with its Limited Partners.

Subsequent Events

Queka Real Partners PEF 1 has executed its third investment in April 2021. This is a €11.1 million investment (including transaction expenses) for the acquisition of a 20% stake in MN Program, a company engaged in the development and commercialization of management software (SaaS - Software as a Service) for Spanish SME´s operating mainly in legal, health and beauty services.

A transaction summary document on this investment has already been provided to all investors.

Queka Real Partners PEF 1 – Key Performance Indicators

Queka Real Partners PEF 1- Key Net Performance Indicators as of 31.03.2021

	million €
Total committed QRP PEF 1	151,3
Commitment Target	125,0
Vintage year	2018

I.- Drawndown		II.- Proceeds	
A.- Invested in companies	23,0	A.- Received from companies	0,0
Medac - initial: €15.5 less proceeds received from coinvestment: -€0.4m	*15,1*	*Lipotrue*	*0,0*
Lipotrue	*7,9*		
B.- Fees and Expenses	7,0		
Management fees (includes Inception fee)	*5,5*		
Inception costs	*0,5*		
Operational expenses (auditor, depositary, accounting, transfer agent, etc.)	*0,5*		
Monitoring, abortion and closing costs	*0,4*		
C.- Less: Reinvested or not distributed amounts (clauses 23.2 & 25.2)	0,0	B.- Reinvested or not distributed amounts (clauses 23.2 & 25.2)	0,0
D.- Cash drawn in advance to be applied to A.- or B.- above or to C.- on right hand side	6,1	C.- Distributed	0,0
		of which Temporary Distributions (clause 26)	*0,0*
Total drawndown (A+B-C)	36,1	D.- Available for distributions (A-B-C)	0,0

Invested / Commited capital	15%	III.- Cash position of the Fund	
Drawndown / Commited capital	24%		
DPI	0,0x	Cash drawn in advance (I.- D)	6,1
TVPI (pre-carried interest)	1,1x		
Total Unrealised Value QRP PEF 1	33,0	Total	6,1
Total Value QRP PEF 1	39,2		

Total drawndown	36,1
Total distributed	0,0
Amounts available for further drawdowns (Commitment-drawdown+temporary distributions)	115,2

Note: April 2021 €6.2 million drawdown for the MN Program investment not included in this figures

3. Portfolio Report

3.1 Portfolio Valuation

3.2 Portfolio Key Data

3.1 Portfolio Valuation as of March 31st, 2021

PORTFOLIO VALUATION

(in €)

Company	% owned	% of Fund size	Date of Investment	Date of Divestment [1]	Holding period (months)	Cost of Investment	Realized Value	Residual Value	Total Value	Money Multiple (x)	IRR (%)	Entry EBITDA Multiple	Current or Exit EBITDA Multiple	Exit route
UNREALISED														
Medac (2)	52,7%	10,0%	Nov 2018	n.a.	28	15.114.194	0	25.099.475	25.099.475	1,7x	24%	8.9x	8.9x	n.a. [1]
Lipotrue (3)	12,8%	5,2%	Oct 2019	n.a.	17	7.872.784	24.120	7.937.640	7.961.760	1,0x	1%	6.7x [4]	6.7x	n.a. [1]
Total Unrealised						22.986.978	24.120	33.037.115	33.061.235	1,4x	19%			
TOTAL QUEKA REAL PARTNERS PEF 1						22.986.978	24.120	33.037.115	33.061.235	1,4x	19%			

[1] Only for total realizations

[2] €0.4 million sold to a coinvestor in February 2019; 2% full stake from a non-executive partner acquired by Medac as treasury stock in June 2020

[3] €3.5 million add-on investment in July 2020

[4] Considering €9m EBITDA Run Rate (estimated peak sales of current products portfolio)

3.2 Portfolio Key Data as of March 31st, 2021

PORTFOLIO KEY DATA

(in € thousand)

Company	Sector (1)	Address	SME / Non SME at entry (2)	Employment	Revenues	EBITDA	EBIT	Corporate Income Tax (CIT)	Intangible Assets	Total Assets	% Exports	Net Debt/EBITDA ratio
Medac	Consumer products, services and retail - Consumer services: Other - Educational and training products/services - 85.- Education	Spain	SME	126	20.750	5.621	4.470	-612	22.794	42.113	0%	1.5x
Lipotrue	Biotech and healthcare - Biotechnology - Life sciences - 72.1 Research and experimental development on natural sciences and engineering	Spain	SME	36	5.416	1.181	354	0	3.187	8.524	81%	1.3x

(1) As per Invest Europe & NACE sectoral classification
(2) As per EU criteria

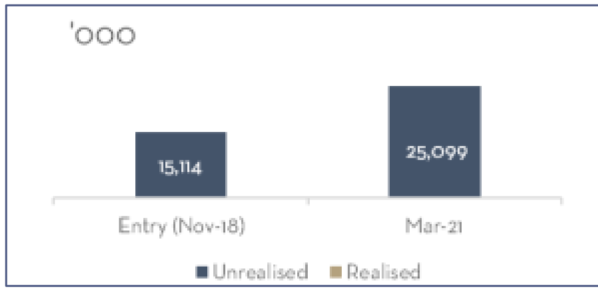
4. Portfolio Companies

4.1 Medac

4.2 LipoTrue

4.1 Medac

(PEF 1 Mediterráneo Activo, S.L.)
https://medac.es/



Investment Summary

Business: Vocational Education & Training	Investment Date:		November 2018
Sector: Education	QRP Investment (Entry; add-ons): €15.1m (initial €15.5m) ; €0.0m		
Sourcing: In-house	Ownership: 52.7% (Combined fund vehicles own 68%, as per the chart)		
Value Creation Theme: National roll-out	Equity Value (Entry; 100%):		€29.3m
Deal Type: Replacement capital	EV at Entry:		€29.3m
QRP Role: Lead	EV / EBITDA Multiple (Entry):		8.9x
QRP Team : P. Gandarias, E. Martinavarro	Total QRP Cost (Entry):		€15.1m
I. Resusta and C. Alvarez			

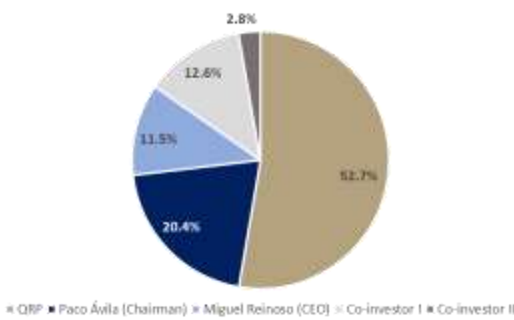
The Company

Medac, based in Malaga, is an official institute of Vocational Training founded in 2010 by Paco Ávila (Chairman, 40% stake), Miguel Reinoso (CEO, 18% stake) and Javier Imbroda (non-executive partner, 40% stake).

The Company closed FY20 with sales of €14.6m and EBITDA of €4.1m. Medac offers more than 15 vocational training certificates with 24 centers operative throughout Spain. Medac also offers online vocational training education.

The company has strong growth potential and requires low capex to grow rapidly.

Ownership post transaction



Investment Thesis

- Leader in private vocational education in Spain with 24 centres in 12 regions and forecast to have national presence by 2023 academic year
- Profitable and cash generative business: 33% EBITDA margin and 80% cash flow conversion
- Led by serial entrepreneurs in the education sector who worked together for 13 years
- Entry EV 8.9x EBITDA significantly below comparable transactions average 15.2x and trading multiples average 14.7x
- No debt and €0.8m cash position at the time of investment
- VET is a non-cyclical sector with 48% 2011-2018 growth
- Fragmented sector with consolidation opportunity: Top 3 players hold only 3% market share

Sources & Uses

Sources	€m	Uses	€m
Queka Real Partners	15.1	Egead (Paco Ávila)	7.9
Co-investor 1	3.6	Javier Imbroda	8.6
Co-investor 2	0.8	Miguel Reinoso	2.2
		María Dolores Linares	0.2
		Guillermo Álvarez	0.6
Total equity	19.5	Total price	19.5

Summary Trading

Profit & Loss Account

'000	Aug 2020	LTM mar-21	Aug 2021	Aug 2022E	Aug 2023E
Revenues	14,556	20,750	25,081	42,014	58,774
Gross Profit	10,161	14,446	17,682	29,828	41,810
EBITDA	4,118	5,621	6,728	14,239	22,049
EBITDA Margin	*28%*	*27%*	*27%*	*34%*	*38%*
EBIT (excl. goodwill amortiz.)	3,726	4,470	6,038	12,184	19,110
EBIT Margin	*26%*	*22%*	*24%*	*29%*	*33%*
EBIT (incl. goodwill amortiz.)	1,135	1,753	3,447	n.a.	n.a.
Financial Debt	12,006	11,270	10,667	9,329	7,990
Cash	(3,488)	(2,585)	(2,646)	(4,646)	(6,646)
Net Financial Debt	8,518	8,685	8,021	4,683	1,344
Net Debt/EBITDA	*2.1x*	*1.5x*	*1.2x*	*0.3x*	*0.1x*
Capex	(10,490)	(13,426)	(5,791)	(5,300)	(5,300)
Employees (FTE)	106	113	123	148	173

Source: Management Information

Balance Sheet

'000	As of Aug 31st 2020 (1)	As of Mar 31st 2020
Current Assets	4,648	3,326
(Current Liabilities)	(8,439)	3,149
Working Capital	(3,791)	6,475
Fixed Assets	41,220	38,787
Total Assets	45,868	42,113
Fixed Liabilities	9,561	10,289
Total Liabilities	18,000	13,438
Financial Debt	12,006	11,270
Cash position	(3,488)	(2,585)
Net Debt (Cash)	8,518	8,685
Equity	27,868	28,675

Source: Management Information

- Medac has closed FY20 with sales of €14.6m and EBITDA of €4.1m., 47.4% and 28.9% annual increase respectively. Besides COVID-19, the Company has been able to close the year as expected in terms of sales. However, EBITDA has closed €0.5m below estimated budget of €4.7m due to an increase in marketing expenses to capture students for academic course 20-21. Due to COVID-19 all marketing campaigns had to be done online which has resulted in an increase in total marketing expenditure since online marketing is considerably more expensive than offline campaigns. However, this increase should be considered non-recurrent.
- Regarding FY21, there are 9,850 students enrolled this course 20-21, 88.5% increase with respect to course 19-20. Since the sales period finalized in December 2020 we can conclude that the company has generated €25.1m sales (72.3% y-o-y growth) reaching an EBITDA of c.€6.7m. Additionally, as of March 31st there are 1.253 new enrolments (82% y-o-y growth) for next course. However, the strong sales period starts in May and finishes in October.
- FY21 EBITDA margin has dropped to 27% because all centers opened in Sept. 20 only have 1st year students but Medac is paying full rent penalizing the profitability.
- As of end of March 21, Medac had €11.3m of financial debt and a cash balance position of €2.6m resulting in a net financial debt of €8.7m. As a precaution, Medac was granted two additional financial loans, one in April 2020 from B. Santander for €2.5m and another one in June from Bankinter for €1.5m, both 80% state endorsed, with a 1.5% interest rate, a 5-year repayment term and a grace period of 1 year of debt amortization. The Company decided to increase its debt position in order to take advantage of the favorable conditions banks have been offering during the pandemic.
- The company still has a lot of growth potential and with the expansion plan described in the next page the budget is to reach c.€14m EBITDA in course 21-22 and c.€22m in course 22-23.
- Regarding capex, Medac expects to spend €5.8m in FY21 to finance i) the opening of new centers, ii) the digitalization of the new educational content, iii) the improvement of platforms and IT systems
- The increase in the number of employees is due to i) the opening of new centers, ii) the increase of structure personnel linked to the growth of the Company and iii) the transfer of several employees from a temporary to a permanent labor contract.

(1) Medac closes its fiscal year on August 31st

Company Developments & Investment

Besides COVID-19 pandemic Medac has reported a sales grown of 88.5% this academic course 20-21.

General news:

Course 20-21 is progressing normally. All Medac's centers meet the requirements imposed due to covid-19 and in the centers where there have been any case of covid, students have been able to continue with their courses from home. Medac is managing in an exemplary way the difficulties caused by the pandemic thanks to:

- Outstanding management team: who have taken the right decisions at all times for the greater benefit of all Medac's stakeholders – students, teachers, staff, shareholders; etc.
- Full digitalization: Medac's IT team, equipment, digital platforms and internal systems (many of them self-developed) have allowed students to continue their courses from home with little or no disruption. This has generated great customer satisfaction and has strengthen Medac's market positioning as the Spanish leader in private VET.

Additionally, and after this year dealing with the pandemic, we can conclude that:

- Medac has a solid and anticyclical business model: despite the pandemic, the Company has generated €25.1m sales this course 20-21, corroborating Queka's investment thesis at entry –VET is a non-cyclical industry.
- Great Growth Potential: Medac maintains its growth potential and the team remains 100% committed to exceeding the expectations of the business plan agreed. COVID-19 has not slowed the business plan, in fact it has served to accelerate the growth of the online sales.

Expansion Plan:

The current situation of the pandemic makes it impossible to continue with the current expansion plan, based on opening centers in 10 new cities per year, since public administrations are not responding in a timely manner. In this regard, Medac's management team presented in the latest board of directors a new expansion plan based on the three following growth levers:

- In the short term (course 20-21), expand current centers, widen the offer of degrees (10 new degrees will be launched this September 2021) and open 4 new centers 2 in Malaga, 1 in Zaragoza and 1 in Pinto (exclusively for online courses).
- In the medium term, continue working on the opening of new centers throughout Spain targeting new cities such as Zaragoza, Barcelona, Vigo or Bilbao.
- Take advantage of the potential of the online business. In this regard, the team is constantly coming up with new initiatives to capture online students through innovative digital marketing strategies. By September 2021 Medac will have 12,900 online vacancies available.
- Inorganic growth – the management team is analysing the possibility of integrating a certain number of local official vocational training institutes located in cities where Medac does not have physical presence yet and which generate little or no EBITDA. This is an alternative to opening a center with everything it implies in terms of licences and facilities. There is a large number of centers that meet the characteristics mentioned and which would be easily integrated.

New Business Line:

- The company is still working on the opening of a private University (UTAMED) in Málaga.

Operational improvements:

- Medac's IT team continue digitalizing and improving IT tools which are enabling the company to be more efficient and to avoid business interruption during COVID-19 pandemic.
- Furthermore and linked to the strong growth of the Company, Medac continues reinforcing the team with new hires in the marketing, legal and sales departments.

Investment Outlook

- Positive news explained above as we face the third quarter of course 20-21 (*).

(*) Medac courses start in September and finish in June.

ESG Highlights

- COVID-19 pandemic:
  - ✓ The company is providing a positive social impact as Medac has committed to keep the entire workforce employed during the COVID-19 pandemic which will underpin future growth.
  - ✓ Additionally, Medac has provided essential health equipment to the Andalusian Government, so that it can supply the local health centres and hospitals that need it.
- Almost 90% of Medac's students obtain a job after graduation which is particularly remarkable as the youth unemployment rate reached 41% in Spain (and a 52% in Andalusia) by the end of 2020.
- The net job creation in the company since Queka Fund 1 invested in Medac, until the end of the current reporting period amounts to 66 (Full Time Employment equivalent which represents a 110% increase since Queka Fund 1 entry).
- Women represent 57% of the total employees, 22% of the middle management, and 18% of the top management, including one board member. The absenteeism and occupational accident rates are close to 0%.
- Medac has been awarded with 2019 Malaga's SME Award granted by the Spanish Chamber of Commerce in the category of Educational Training and Employment.

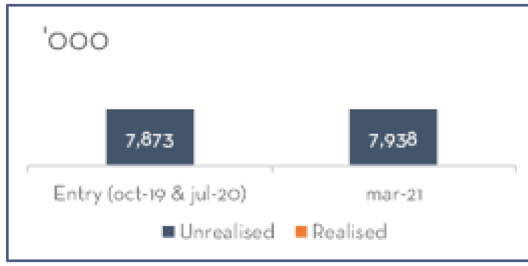
Valuation

'000	Nov 2018 Entry	Dec 19	Dec 20	Mar 2021 Current
Investment cost (1)	(15.514)	(15.114)	(15.114)	(15.114)
Realised value	-	-	-	-
Dividends	-	-	-	-
Interests	-	-	-	-
Loan repayment	-	-	-	-
Sale of shares	-	-	-	-
Unrealised FMV	15.514	15.114	25.031	25.099
Methodology	*Cost*	*Cost*	*FMV*	*FMV*
Multiple	8.9x	8.9x	n.a.	n.a.
Total QRP PEF 1	15.514	15.114	25.031	25.099
Realised Value / Cost	0.0x	0.0x	0.0x	0.0x
Gross MoIC	1.0x	1.0x	1.0x	1.7x
Gross IRR	N/A	N/A	26%	24%

MoIC: (realized + unrealized FMV)/cost

4.2 LipoTrue

(LipoTrue, S.L.)
https://lipotrue.com/



Investment Summary

Business: Producer of Cosmetic Active Ingredients	Investment Date:	October 2019
Sector: Cosmetics	QRP Investment (Entry; add-ons):	€6.1m; €1.75m
Sourcing: In-house	Ownership (including coinvestor):	15.5%
Value Creation Theme: International Growth	Equity Value (Entry; 100%) (*):	€60.8m
Deal Type: Replacement and Expansion Capital	EV at Entry (*):	€61.1m
QRP Role: Controlled Minority with ambition to buyout additional shareholders	EV / EBITDA Multiple (Entry):	6.7x (**)
	Total QRP Cost (Entry):	€7.8m

QRP Team: F. Elío, E. Martinavarro, N. Maraver and C. Álvarez

(*) Weighted average value of both acquisitions – one executed in October 2019 (€6.1m) and the other one in July 2020 (€1.75m)
(**) Assuming EBITDA runrate of €9m considering the estimated peak sales of the current portfolio of products

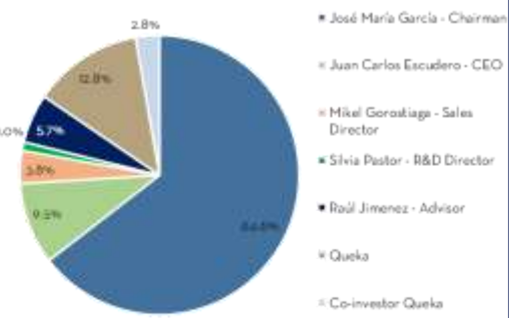
The Company

LipoTrue was founded in 2015 with the mission to develop high technological ingredients for leading cosmetics of the future.

The company is led by the former chairman and the key management team (head of commercial operation and R&D) of Lipotec (which was sold in 2012 to Lubrizol (Berkshire Hathaway) at an EV/EBITDA multiple of 19.8x for a total amount of €168m.

The company has the following product lines: biotechnology (wild plants), peptides, marine ingredients, and botanical extracts with a current portfolio of 28 unique products (either patented or unique formulations)

Ownership post transaction



Investment Thesis

- Led by ACI serial entrepreneurs who previously sold Lipotec to Lubrizol (owned by Berkshire Hathaway) EV €168m and 19.8x EBITDA in 2012
- €1.5b market growing 5% per year even through economic downturns
- 4-6 product launches per year (1-2 sector average) leveraging expertise, faster proprietary research process and internal big data capability
- Client diversification: blue chip ACI buyers, cosmetics and luxury groups and Client lock-in: changing product formula is very complex and takes years
- Terms: exit with drag along rights after 2 years and 8% preferred return

Sources & Uses

Sources	€m	Uses	€m
Equity	61.4	Purchase price	58.3
Queka Real Partners	9.6	Purchase price selling shareholder	6.5
Management reinvestment	51.8	Remaining shareholders	51.8
		Post- Aquisition cash	3.0
		Transaction costs	0.1
Total sources	61.4	Total uses	61.4

Summary Trading

Profit & Loss Account LipoTrue S.L. (*)

'000	Dec 2020A	Mar 2020A (Q1 FY20)	Mar 2021A (Q1 FY21)	LTM mar-21
Revenues	5,095	1,291	1,612	*5,416*
Gross Profit	3,281	828	1,150	*3,604*
EBITDA	839	81	393	*1,151*
EBITDA Margin	*16%*	*6%*	*24%*	*21%*
EBIT	58	(103)	193	*354*
EBIT Margin	*1%*	*-8%*	*12%*	*7%*
Financial Debt	1,804	1,567	1,686	*1,686*
Cash	402	355	109	*109*
Net Financial Debt	1,403	1,211	1,577	1,577
Capex	(1,227)	(190)	(220)	(1,257)
Employees (FTE)	36	28	36	36

Source: Management Information

Balance Sheet LipoTrue S.L.

'000	Dec 31st 2020A	Mar. 31st 2021
Current Assets	3,147	3,033
(Current Liabilities)	(1,953)	(1,671)
Working Capital	1,194	1,362
Fixed Assets	5,441	5,460
Total Assets	8,587	8,494
Fixed Liabilities	10,258	10,258
Total Liabilities	12,210	11,929
Financial Debt	1,804	1,686
Cash position	402	109
Net Debt (Cash)	1,403	1,577
Equity	(3,623)	(3,435)

Source: Management Information

**Note: The above financial statements do not include LipoTrue Inc. – American subsidiary for the commercialization of LipoTrue's active ingredients in USA*

- During Q1 FY21, LipoTrue S.L. has generated sales of €1.6m representing 24% y-o-y and positive EBITDA of €393k.
  1. Sales breakdown by geography: EMEA (48%), APAC (34%), USA (16%) and LATAM (3%).
  2. Sales breakdown by product category: Marine Bio-Research (32%), Wild Plants (43%), Peptides (11%) and Generics (14%).
- Additionally, LipoTrue S.L. holds a 60% stake of LipoTrue Inc. (American subsidiary for the commercialization of LipoTrue's active ingredients in USA) which has generated sales of €749.7k during Q1 FY21 of which €247.4k are attributable to LipoTrue S.L. resulting in total yearly sales of €1.9m for Queka's corporate perimeter.
- Covid-19 has caused a delay in sales mainly due to: i) the need to postpone required laboratory audits for key clients to approve the purchase of LipoTrue's ingredients; ii) delay in the launching of new products by LipoTrue's clients causing the corresponding delay in the purchase of ingredients to LipoTrue, iii) delay of cosmetic fairs and other commercial events where LipoTrue launches new products and captures new clients. Due to the aforementioned, the expected closing of FY20 has been below budget figures pre-covid. However, the company has recorded a sales growth of 125% y-o-y confirming the thesis that LipoTrue operates in an anti-cyclical industry.
- Regarding gross profit, LipoTrue continues improving gross margin by reducing purchasing prices to suppliers and internalizing part of the production process.
- Regarding Capex, LipoTrue has invested €220k in Q1 FY21, of which 74% correspond to R&D investments and the other 26% correspond to investments in IP and equipment. In 2021, the Company plans to undertake a total capex of €1.1m to set up a scale lab to internalize part of the production process in order to reduce production costs (€0.7m) and to finance the change of offices for LipoTrue to have its independent headquarters offices (€0.4m).
- LipoTrue has closed Q1 FY21 with a financial debt of €1.7m and a cash position of €0.1m, resulting in a NFD of €1.6m.
- The increase in the number of employees, 8 additional employees vs Q1 FY19, is due to the spin-off from GOAF Services and the corresponding transfer of certain employees for back-office services such as IT, accounting, customer services, etc. Additionally, in August a quality director was hired who is playing a key role in the improvement of production processes and quality control of final products with the aim of exceeding industry standards.

Company Developments & Investment

In Q1 FY21, LipoTrue has reported a 24% y-o-y sales growth. It is worth mentioning that Estee Lauder has not started to buy Argireline yet. This is expected to occur shortly with the consequent expected sales rebound.

General news:

- On Monday March 8th Queka sold a 2.75% stake to Filmore Town, Ltd (investor in Queka Fund) at the same valuation of Queka's acquisition of an additional 5.5% executed in July 2020 (Equity Value of €63.6m), resulting in an ownership post deal of 12.75% stake.
- LipoTrue has been able to overcome the challenges of the COVID-19 pandemic by maintaining a stable level of sales with a a loyal geographically diversified client base.
- Besides Covid-19, LipoTrue has continued working capturing new clients. Due to the pandemic, commercial trips have been cancelled and so all meetings with both current and prospect clients have had to be done remotely. However, this has not prevented the Company from continue offering the same quality service to its existing clients while increasing its client base to a total of 164 clients as of year-end.
- In this regard, the Company has a series of ongoing projects with key accounts that are expected to be materialized in the short/medium term. Among these projects the following stand out:
    - Bioderma - bespoke cyclical peptide for Bioderma (NAOS) – potential of €300k/year
    - Filorga – launching in may of the first product which includes LipoTrue's marine ingredient. Close to approve marine ingredient to replace the current API of its best seller product – potential of €250k/year
    - LVMH – one marine ingredient approved and anotherone in process of approval
    - Channel – project with a marine ingredient expected to be launched in 2024
    - Clarins – marine ingredient approved and launching of the product with LipoTrue's API in 2023
    - Thalgo – already buying marine ingredient and another one in process of approval
    - Korres – marine ingredient approved and ongoing projects with a botanical extract
    - Strivectin – bespoke project with a peptide ingredient – potential of $1m aprox./year
    - Estee Lauder – AH8 already approved. However, the Company continues finalizing its internal compliance process. No certainty on the timing of the first purchase but it seems it will occur soon.

  From all the above projects it is difficult to estimate purchase volumes since most of them are linked to Company's new launches but it is important to highlight that this year there are already best seller cosmetic products from key accounts with LipoTrue's ingredients in the market.

Portfolio of products and pipeline:

- In 2020 LipoTrue has continued R&D efforts and besides COVID-19 the Company has managed to successfully launch four products online – i) a new anti-ageing product (AEONOME), ii) an anti-hair greying ingredient , iii) iPeptide and iv) total antiradical blend. With these 4 recent launches the company finished 2020 with a portfolio of 30 innovative and unique products.
- Regarding 2021 pipeline, the R&D team is working on the development of 7 new products to respond to the market demand; i) anti-body odor; ii) collagen fragmented protein, iii) volume plumping botanical, iv) slimming botanical, v) telometers anti-fatigue botanical; vi) telometers emostress ferment; vii) telometer inflammaging peptide. Of these 7 products, 4 are expected to be launched in 2021.
- LipoTrue will participate in the InCosmetics Virtual fair, the most relevant global cosmetic fair that will take place in October virtually. In this fair the Company will present its new platform "*LipoTrue Greenbeat*" based on botanical extracts with the launching of two new products SILSTEM-U and COL-FRAG.

Operational improvements and team enhancements:

- During Q1 FY21 the Company has finalized successfully the audit by KPMG. In this regard the CFO, who joined the Company in March 2020, is playing a key role in the professionalization of the Company.
- Additionally, a financial controller will be hired in LipoTrue Inc which will enable us to gain visibility over the American subsidiary's financials.
- Finally, the Company is working in the opening of a commercial office in Singapore (operative in 1 to 2 months), hiring a commercial responsible to cover the Asian market.

ESG Highlights

Environmental: LipoTrue has established a policy covering its eco responsibility in a 360º vision basis:

- What do we buy? With description of our supply chain
- What do we do? With our production system respectful of the environment
- What do we sell? Our formulation biodegradable and non eco-toxic
- People engagement and involvement

In addition, there are several initiatives currently being included in internal guidelines (e.g. disposable plastic cups ban, etc.)

A number of Lipotrue's active ingredients have already been approved by Cosmos (ECOCERT) one of the foremost certifying entities in the cosmetics industry.

Lipotrue´s actives have been vegan certified by The Vegan Society.

In 2021 BSB Innovation Award edition two active ingredients from Lipotrue have been awarded by the independent BSB Consulting Services Agency. In the category "Most Innovative Natural Raw Material Microbiome targeted", Aeonome has been awarded with the gold prize, whereas iPetide has been awarded with the bronze prize in the category "Most Innovative Raw Material for skin and eye appearance".

Social: Women represent 61% of the total 36 employees (which represents a 34% increase since Queka Fund 1 entry). 97% of the employees have fixed contracts. Both the rate of absenteeism and occupational accidents are currently 0%.

LipoTrue has signed co-operation agreements with Gava and Viladecans city halls supporting Local Social Projects in order to assist & mentor teenagers in entrepreneurial projects.

LipoTrue also offers support to young students to develop a project and enter into the labour market and promotes tradership and job creation.

Up to 6% of the Company's shares are held by non-executive employees.

Governmental: LipoTrue has written policies concerning regulation compliance and ethical codes. The company has never faced any legal proceedings or claims against the business.

Valuation

'000	Oct 19 Entry	Dec 19	Dec 20	Mar 2021 Current
Investment cost (1)	(6.108)	(6.108)	(9.623)	(7.938)
Realised value	-	-	-	-
Dividends	-	-	-	-
Interests	-	-	-	-
Loan repayment	-	-	-	-
Sale of shares	-	-	-	-
Unrealised FMV	6.108	6.108	9.623	7.938
Methodology	*Cost*	*Cost*	*FMV*	*FMV*
Multiple (*)	6.7x	6.7x	n.a.	n.a.
Total QRP PEF 1	6.108	6.108	9.623	7.938
Realised Value / Cost	0.0x	0.0x	0.0x	0.0x
Gross MoIC	1.0x	1.0x	1.0x	1.0x
Gross IRR	N/A	N/A	N/A	1%

MoIC: (realized + unrealized FMV)/cost
(*) Assuming run rate EBITDA of €9m considering the estimated peak sales of the current portfolio of products

Annex

Capital Accounts

Capital Accounts as of March 31st, 2021

QUEKA REAL PARTNERS PEF 1 - CAPITAL ACCOUNTS

As of March 31st 2021

Investor	% Fund	Commitment	Draw down to date	Undrawn Commitment	Investments	Management Fees (2)	Operating costs (1)	Realised gains	Distributions	Temporary Distributions	Capital account at cost	Unrealised Gains on Investments	Carried interest accrued	Capital account at market value
		I	II	III=I-II	IV	V	VI	VII	VIII	IX	X=II+V+VI+VII+VIII+IX	XI	XII	XIII=X+XI+XII
Queka Team	1,32%	2.000.000	890.394	1.109.606	302.642	-63.836	-18.782	212	0	0	807.989	132.867	0	940.856
Quadriga Funds SICAV SIF - RHO Mutistrategy	6,61%	10.000.000	4.451.972	5.548.028	1.513.209	-319.178	-93.908	1.058	0	0	4.039.944	664.335	0	4.704.279
Rapzon SCSp (Imkercapital)	3,31%	5.000.000	2.225.986	2.774.014	756.604	-159.589	-46.954	529	0	0	2.019.972	332.167	0	2.352.140
Framtid Inversiones, S.L.	0,66%	1.000.000	445.197	554.803	151.321	-31.918	-9.391	106	0	0	403.994	66.433	0	470.428
Stak Rox Investments (Timeless Investments)	1,65%	2.500.000	1.142.788	1.357.212	378.302	-109.589	-23.477	265	0	0	1.009.986	166.084	0	1.176.070
J. Slaats	0,66%	1.000.000	115.604	884.396	151.321	-43.836	-9.391	106	0	0	62.484	66.433	0	128.917
Filmore Town Ltd	18,51%	28.000.000	3.236.915	24.763.085	4.236.984	-1.043.288	-262.943	2.963	0	0	1.933.648	1.860.137	0	3.793.785
Argentum Primary AS as GP of Argentum Queka 1 IS	13,88%	21.000.000	2.427.687	18.572.313	3.177.738	-782.466	-197.207	2.222	0	0	1.450.236	1.395.103	0	2.845.339
Committed Advisors Primary Fund I, S.L.P.	1,98%	3.000.000	346.812	2.653.188	453.963	-131.507	-28.172	317	0	0	187.451	199.300	0	386.751
Committed Advisors Secondary Fund IV, S.L.P.	3,31%	5.000.000	578.021	4.421.979	756.604	-219.178	-46.954	529	0	0	312.418	332.167	0	644.585
QUEKA REAL PARTNERS PEF 1 S.C.A., SICAV-RAIF	51,89%	78.500.000	15.861.377	62.638.623	11.878.687	-2.904.384	-737.179	8.307	0	0	12.228.122	5.215.027	0	17.443.148
Queka Team	8,79%	13.300.000	5.359.292	7.940.708	2.029.922	-424.507	-121.461	2.890	0	0	4.816.214	883.565	0	5.699.779
Fond-ICO Global FCR	9,62%	14.556.250	2.295.674	12.260.576	2.221.658	-542.370	-132.934	3.163	0	0	1.623.533	967.022	0	2.590.555
Jomar e Hijos, S.L.	6,61%	10.000.000	4.029.543	5.970.457	1.526.257	-319.178	-91.324	2.173	0	0	3.621.214	664.335	0	4.285.548
WE Finance & Services (Luxembourg) S.àr.l.	2,64%	4.000.000	588.446	3.411.554	610.503	-122.671	-36.530	869	0	0	430.114	265.734	0	695.848
Dominio de Mercados, S.L.	0,33%	500.000	201.477	298.523	76.313	-15.959	-4.566	109	0	0	181.061	33.217	0	214.277
Juan Esquer	0,26%	400.000	149.212	250.788	61.050	-12.767	-3.653	87	0	0	132.879	26.573	0	159.453
Total sum of Private Banking clients (first closers)	1,98%	3.000.000	1.096.751	1.903.249	457.877	-95.753	-27.397	652	0	0	974.253	199.300	0	1.173.553
Total sum of Wealth Management clients (first closers)	0,88%	1.325.000	492.022	832.978	202.229	-42.291	-12.100	288	0	0	437.918	88.024	0	525.942
Real Estate Guadiana, S.L.	1,32%	2.000.000	843.135	1.156.865	305.251	-63.836	-18.265	435	0	0	761.469	132.867	0	894.336
Elias Díaz Sese	0,26%	400.000	161.182	238.818	61.050	-12.767	-3.653	87	0	0	144.849	26.573	0	171.422
Parador de Oza, S.L.	0,33%	500.000	100.739	399.261	76.313	-15.959	-4.566	109	0	0	80.322	33.217	0	113.539
La Fe Previsora Compañía de Seguros, S.A.	0,17%	250.000	100.739	149.261	38.156	-7.979	-2.283	54	0	0	90.530	16.608	0	107.139
Francisco Huertas	0,13%	200.000	80.591	119.409	30.525	-6.384	-1.826	43	0	0	72.424	13.287	0	85.711
Pedro Caro Carvajal	0,10%	150.000	60.443	89.557	22.894	-4.788	-1.370	33	0	0	54.318	9.965	0	64.283
Sarah Harmon	0,10%	150.000	60.443	89.557	22.894	-4.788	-1.370	33	0	0	54.318	9.965	0	64.283
Clara Esteban/Philippe Paul	0,17%	250.000	100.739	149.261	38.156	-7.979	-2.283	54	0	0	90.530	16.608	0	107.139
Borja Pena-Rich Álvarez-Novoa	0,10%	150.000	60.443	89.557	22.894	-4.788	-1.370	33	0	0	54.318	9.965	0	64.283
Jarial Investment Properties, S.L.	0,08%	125.000	50.369	74.631	19.078	-3.990	-1.142	27	0	0	45.265	8.304	0	53.569
Aldrovi, S.L.	0,66%	1.000.000	404.872	595.128	152.626	-33.836	-9.132	217	0	0	362.121	66.433	0	428.555
MareaRoja Internacional, S.L.	0,13%	200.000	80.974	119.026	30.525	-6.767	-1.826	43	0	0	72.424	13.287	0	85.711
Egead, S.L.	0,23%	350.000	141.705	208.295	53.419	-15.342	-3.196	76	0	0	123.242	23.252	0	146.494
Javier de Jaime/Ana Silvia Soldevilla	0,79%	1.200.000	485.847	714.153	183.151	-52.603	-10.959	261	0	0	422.546	79.720	0	502.266
Artra, S.L.	0,20%	300.000	121.462	178.538	45.788	-13.151	-2.740	65	0	0	105.636	19.930	0	125.566
Javier Pascual Naveda	0,08%	125.000	50.609	74.391	19.078	-5.479	-1.142	27	0	0	44.015	8.304	0	52.319
Casilda Mazarrosa Escoriaza	0,08%	125.000	50.609	74.391	19.078	-5.479	-1.142	27	0	0	44.015	8.304	0	52.319
Cipriano Rodríguez Arias	0,08%	125.000	50.609	74.391	19.078	-5.479	-1.142	27	0	0	44.015	8.304	0	52.319
María Pérez Maffei	0,08%	125.000	50.609	74.391	19.078	-5.479	-1.142	27	0	0	44.015	8.304	0	52.319
Zongar, S.L.	0,08%	125.000	50.609	74.391	19.078	-5.479	-1.142	27	0	0	44.015	8.304	0	52.319
Antonio Solera Sanz-Bustillo	0,08%	125.000	50.609	74.391	19.078	-5.479	-1.142	27	0	0	44.015	8.304	0	52.319
Arturo Cabezudo Valbuena	0,33%	500.000	202.436	297.564	76.313	-21.918	-4.566	109	0	0	176.061	33.217	0	209.277
Antonio Molina Franquelo	0,33%	500.000	202.436	297.564	76.313	-21.918	-4.566	109	0	0	176.061	33.217	0	209.277
Corporación Avonway, S.L.	0,33%	500.000	202.436	297.564	76.313	-21.918	-4.566	109	0	0	176.061	33.217	0	209.277
Total sum of Private Banking clients (subsequent closers)	4,83%	7.300.000	888.727	6.411.273	1.114.168	-320.000	-66.667	1.586	0	0	503.647	484.964	0	988.611
Total sum of Wealth Management clients (subsequent closers)	0,68%	1.025.000	167.657	857.343	156.441	-44.932	-9.361	223	0	0	113.587	68.094	0	181.682
Valier Agrícola, S.L.	3,37%	5.100.000	834.195	4.265.805	778.391	-223.562	-46.575	1.108	0	0	565.166	338.811	0	903.977
Limitless Gestión de Activos, S.L.	0,66%	1.000.000	163.568	836.432	152.626	-43.836	-9.132	217	0	0	110.817	66.433	0	177.250
Mastia Agrícola, S.L.	0,33%	500.000	81.784	418.216	76.313	-21.918	-4.566	109	0	0	55.408	33.217	0	88.625
Southway Participaciones Empresariales, S.L.	0,33%	500.000	81.784	418.216	76.313	-21.918	-4.566	109	0	0	55.408	33.217	0	88.625
Álvaro Elío Dolz de Espejo	0,10%	150.000	6.575	143.425	22.894	-6.575	-1.370	33		0	-1.337	9.965	0	8.628
Christian Hultner	0,07%	100.000	4.384	95.616	15.263	-4.384	-913	22		0	-892	6.643	0	5.752
Stefan Andreas	0,03%	50.000	2.192	47.808	7.631	-2.192	-457	11		0	-446	3.322	0	2.876
Northern Technologies, S.L.	0,33%	500.000	21.918	478.082	76.313	-21.918	-4.566	109	0	0	-4.458	33.217	0	28.759
QUEKA REAL PARTNERS PEF 1 SCR, S.A.	48,11%	72.781.250	20.229.844	52.551.406	11.108.292	-2.640.315	-664.668	15.813	0	0	16.940.675	4.835.110	0	21.775.785
TOTAL QUEKA REAL PARTNERS PEF 1	100,00%	151.281.250	36.091.222	115.190.028	22.986.978	-5.544.699	-1.401.847	24.120	0	0	29.168.796	10.050.137	0	39.218.933

(1) Includes Fund´s launching expenses and monitoring, closing and abortion costs. Operating costs net of interest income, if any (according to Invest Europe/ILPA Reporting Guidelines), as of December 31, 2020 - Not yet audited.
(2) 1% A and B shareholders, 2% C shareholders and 1,7% D shareholders. Includes 1% inception fees paid by A and B shareholders
(3) Subsequent closers figures are notional - as if they would have already disbursed in the same proportion than first and second closers

QUEKA