



# Impact **Report**

2021



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## Table of contents

<b>Mission and vision</b> _____	Team message	P. 2
	Q-Impact Principles	P. 3
	Affiliations	
<b>Investment areas</b> _____	Our Investment areas	P. 4
<b>2021 in numbers</b> _____	Portfolio performance	P. 5
	Annual impact	
<b>Impact analysis</b> _____	Our impact measurement and management process	P. 6
<b>Our Portfolio</b> _____	Un Inicio	P. 7
	Talento y Experiencia	P. 8
	Auara	P. 9
	Linkia	P. 10
	Perfecta Finance	P. 11
	Robotix	P. 12
	Menorca Renovable	P. 13
	CrowdFarming	P. 14

## Team message

Dear investors and friends

During 2021, we have continued our path to proof that impact investing is not only possible, but necessary. We believe that profitable SMEs with a strong social and environmental purpose have a clear competitive advantage thus generating clear value for investors.

During the second year of our first fund, we continue to live in an environment of enormous global uncertainty: the COVID-19 pandemic was followed by the collapse of global supply chains, shortages of essential components and raw materials, and currently rising inflation in major markets. At the time of preparing this report, we are also experiencing a serious geopolitical crisis with the invasion of Ukraine, which threatens to disrupt the world order as we know it today.

Despite all this uncertainty, at Q-Impact we keep on working to generate new opportunities and also to help portfolio companies grow. We have had the opportunity to see the commitment from the management teams of our invested companies and how they have found solutions to mitigate the risks of the global economic situation.

In addition, this year there has been very relevant regulatory activity and changes in the investment sector. While new European sustainability regulation and reporting requirements will attract new funds to the sustainable investing space, this will also require a bigger differentiation effort for funds, like Q-Impact, which genuinely and actively seek to mitigate social and environmental issues.

**Investments in companies with a clear purpose offer protection against market volatility.**

In 2021, despite the enormous uncertainty, we continued to consolidate the growth of our portfolio:

### Investments

We have completed our eighth investment, taking a minority stake in Crowdfarming, a pan-European digital platform selling organic products directly from farmers to end customer.

### Growth

Portfolio companies' sales grew by an average of 22%.

### Impact

Hundreds of people are positively affected by our investments. Impact grew over 20% in just one year of average tenure.

### New opportunities

We continue our origination efforts among the best SMEs in Spain.

### Sectors

Five sectors of activity linked to the main social and environmental problems in Spain.

### Reference

We continue working to be the benchmark investor in Spain in high-growth, high-impact SMEs.

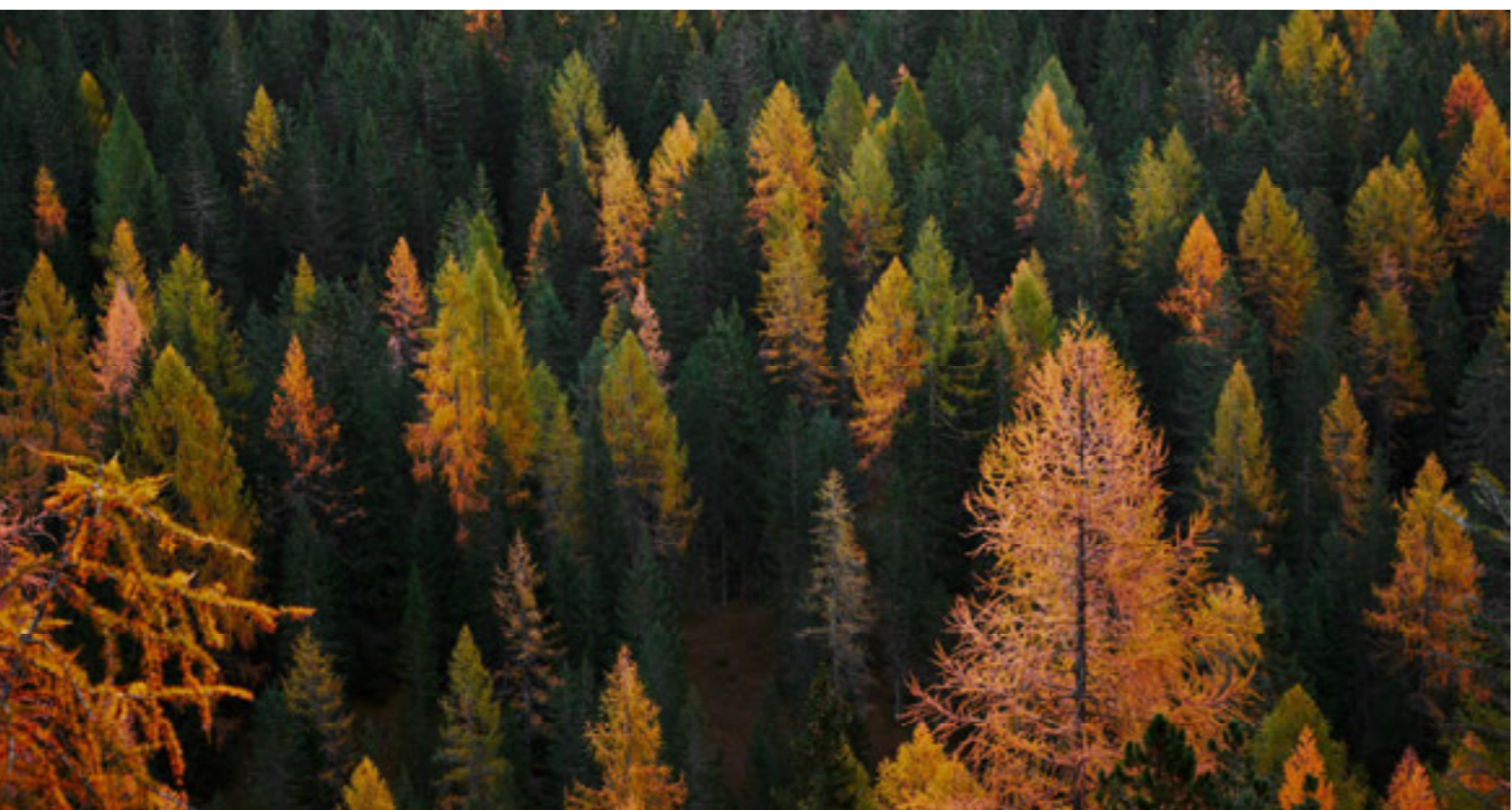
Internally, 2021 has been a year of intense activity for Q-Impact. Our origination activity, based on finding business solutions to major social and environmental challenges, has been very active with close to 300 opportunities analyzed.

In terms of management and value creation, we are developing industrial capabilities to support businesses and best practices in very cross-cutting areas of our portfolio companies (digitization, marketing and sales strategies, talent and impact management) and are working with specialists to add that expertise in business management.

Finally, not only the "what" is important but also the "how". We work to turn companies into best-in-class organizations by the way they behave with their customers, employees, financial backers and, in general, the community in which they operate. We believe that the best companies will be those that are able to measure and manage their contribution, and thus develop sustainable competitive advantages over time.

**At Q-Impact, we are addressing social and environmental issues, helping profitable and growing companies that act on them with genuine purpose.**

Finally, all these efforts would not be possible without your help. We are approaching the end of the investment period of our first fund, which we hope to finally deploy during this year 2022. We will continue to work growing the value of the current portfolio, and also to expand our investment capacity with new funds to carry new investment opportunities we are already working on. Opportunities to invest profitably, and also to generate value for both society and shareholders.



## Q-Impact Principles

At Q-Impact we believe that profitability and sustainability can not only coexist, but that it is necessary for them to do so, as they enhance each other. Profitability makes a project solid, independent and sustainable over time. A genuine focus on social and environmental sustainability provides companies with a long-term advantage which boosts profitability.

We would like to remind you our four principles, which are the backbone of Q-Impact's culture:

### People first

We incorporate an integral and human approach. We seek to inspire change in people through empathy, professionalism and a sense of responsibility that reaches all aspects of our work.

### The project before the transaction

We pursue results that include and go beyond pure financial returns. We seek to leave a footprint to be proud of and measure the impact of our actions in a global and long-term manner.

### Lifelong learning

Each project is unique and we take nothing for granted. We maintain an attitude of curiosity and research, learning on a daily basis from all those with whom we interact. We care about the results as much as the quality of the processes through which we achieve them.

### We speak with facts

We seek to inspire with actions, not statements. We value excellence and humility equally and are consistent with our principles in every decision we make.

## Affiliations

Q-Impact was born with the firm purpose of promoting the involvement of private investment in solving major social and environmental challenges.

In addition to our own investment activity with our funds and investors, we also assume the responsibility of contributing to the development of the sector by participating in various associations and forums to promote knowledge about impact investing methodology, share best practices and, in general, accelerate the growth of impact investing globally.

For this reason, we actively participate in various national and international organizations and associations:













## Our investment areas

We believe that companies can and must provide solutions to the main social and environmental challenges and thus contribute to the Sustainable Development Goals (SDGs) set by the United Nations.

Hence, we have identified investment themes in which we identify the best companies, help them grow and increase their impact:

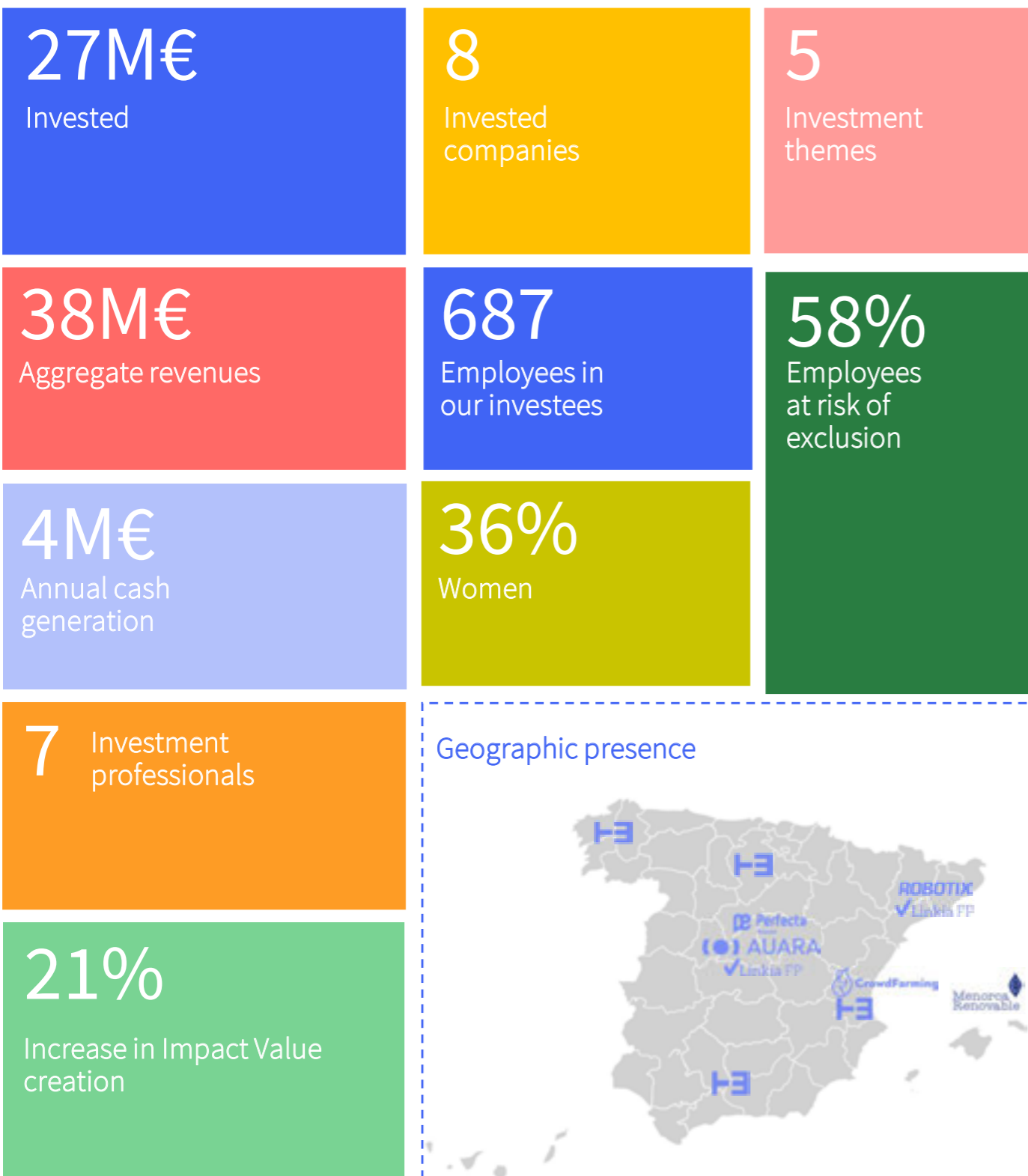
### Social Inclusion

### Ecological transition

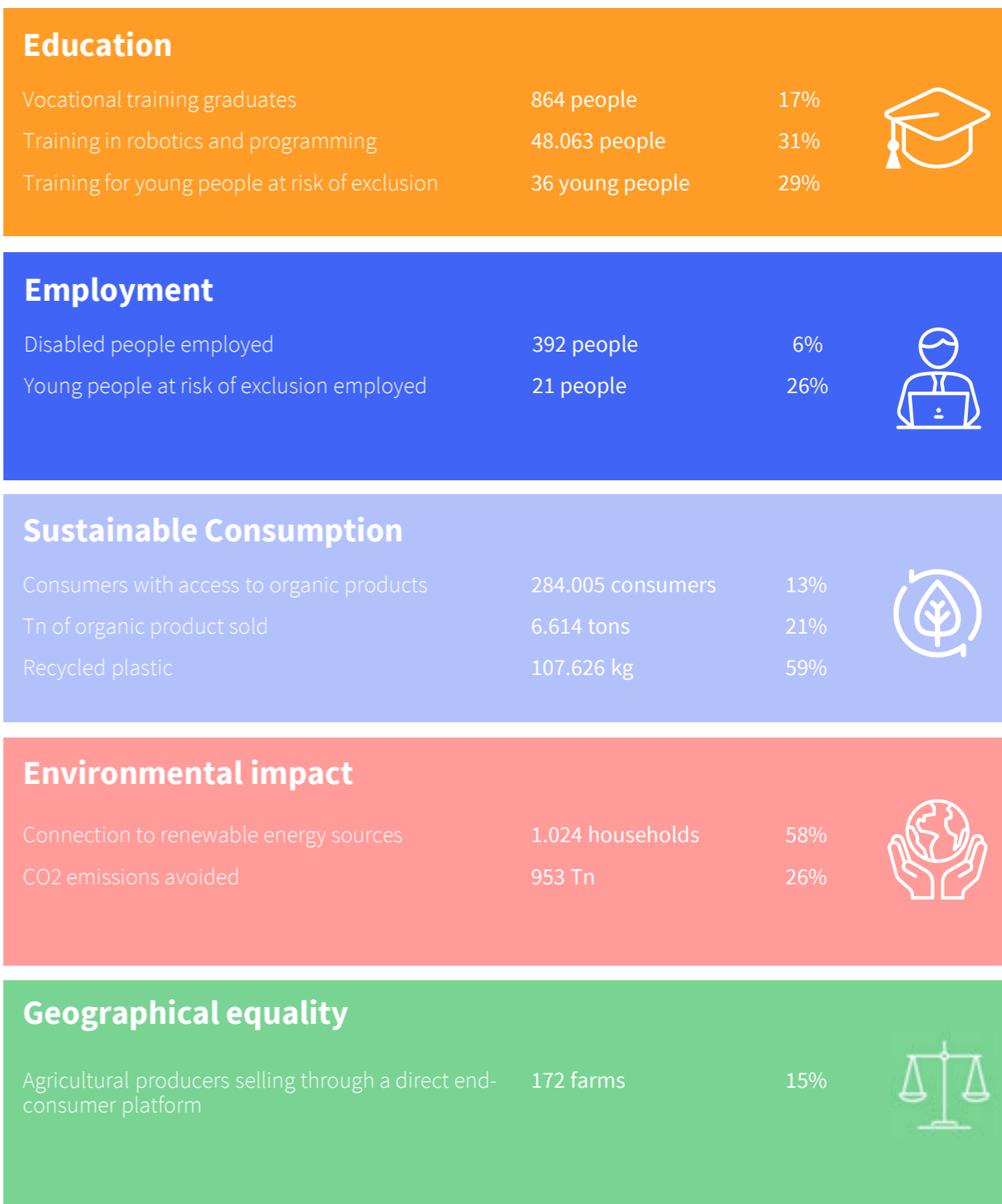
Main problems in Spain	Social Inclusion	Youth unemployment	Rural depopulation	Sustainable consumption	Underserved markets
<b>Current status</b> 26% Population at risk of poverty or exclusion 3,3M People in severe poverty 28% More risk of exclusion	26% Population at risk of poverty or exclusion 3,3M People in severe poverty 28% More risk of exclusion	31% Youth unemployment (2x UE) 14% School dropout (1,4x UE)	6.800 Municipalities with less than 5,000 inhabitants 6M population lost in 10 years 39% Agricultural production wasted	5,5% GHG emissions reduction (vs 1990)	46% Renewable energy 39,5% Energy efficiency improvement by 2030
<b>Market niches</b>	Insertion companies Special employment centers	Vocational training Technical vocations Entrepreneurship	Companies in rural environments (agriculture, reforestation...) Organic production and transformation and regenerative production	Circular economy and responsible consumption	Hybrid solar plants with batteries on the islands Solar distributed generation and self-consumption
<b>Investments</b>					
<b>Sustainable Development Goals</b>					

## Portfolio performance

During 2021, our second year of investment, we have already achieved significant growth both in portfolio companies and new investments, but also and more important, in the impact generated. We continue to advance in our journey to become a benchmark company in impact investment management in Europe.



## Annual impact



# (●) un inicio

## Socioeconomic inclusion through gastronomy.

Un Inicio trains and provides access to employment for young people at serious risk of exclusion coming from vulnerable groups or situations.

Un Inicio provides training to youngsters that enables them to pursue excellence in everything they do, to be responsible for their own future and, ultimately, to find a job.

Number of youngsters hired at the end of the course

2020	2021
8	21

Number of youngsters hired by Un Inicio

2020	2021
0	5

Youngsters completing the training course

2020	2021
17	36



### WHAT

Social inclusion through training and employment



### WHO

Young people at high risk of social exclusion between 15 and 25 old



### HOW MUCH

75 young people per year have access to training  
c. 40 young people trained  
42% employability



### CONTRIBUTION

Young students participating in the courses have no current or future employment options



### RISK

Moderate risk that students who start the course do not complete it.

*As a mitigating factor, the company supports students with counseling and psycho-pedagogical assistance.*

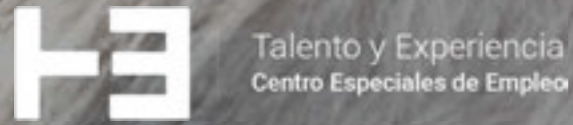
### Starting again

During 2021, Un Inicio faced the challenge of resuming its traditional activity after a 2020 in which the company had to reinvent itself.

The company has continued working fully convinced to train as many youngsters as possible to give them an opportunity to enter the labor market, persisting in its search for caterings, a business where they are aware that youngsters can develop in a better way and achieve a more complete training. They have also recovered the activity of the kitchen.



Un Inicio was born to serve others. As such, the company is putting all its resources to continue helping young people with very difficult backgrounds enter the labor market so that they can have a second chance.



## Training and employment for people with disabilities.

TyE offers them a job that allows them to develop their skills in a professional environment, providing value-added services to large clients in the industrial sector.

TyE aims at providing an opportunity to improve the quality of life of disabled people, through training and providing a stable employment situation, which is the best way for them to be certain about their future.

### Disabled employees

2020	2021
371	392

### Disabled women employed

2020	2021
97	107

### Highly disabled employees

2020	2021
106	120



#### WHAT

Promote the employment of disabled people



#### WHO

Disabled people



#### HOW MUCH

c. 400 disabled people  
+ 5% growth in one year



#### CONTRIBUTION

Training for disabled people providing personal and professional development that enables their future integration in the industrial or service sector.

Contributes to the employability of this group, which has an unemployment rate of c.23%



#### RISKS

Low risk of no impact due to the nature of the business and the sensitivity of governments to these groups.

### Validation and granting of the Equality Visa

In September 2021, Talento y Experiencia received the Equality Visa granted by the Valencian Community to companies that stand out for the application of equality policies.

The company is strongly committed to gender equality by adopting effective monitoring and evaluation strategies, practices and systems with the firm conviction of eliminating gender discrimination.



Talento y Experiencia is convinced that human potential is a strategic factor for improving results and that companies that do not take advantage of these resources fail to be efficient. Equal opportunities between men and women are becoming a determining factor in achieving business success in today's globalized competitive environment.

# AUARA

Commercialization of bottled water made from 100% recycled plastic to finance drinking water projects in developing countries.

AUARA aims at changing the world through the products we consume every day: (i) reducing the environmental impact of the bottles we consume and (ii) promoting human development in vulnerable populations in developing countries by providing access to drinking water and water for general use to people living in extreme poverty.

**Kg of recycled plastic**

2020	2021
67.533	107.626

**People with access to drinking water**

2020	2021
10.539	27.764



**WHAT**

Providing access to potable water  
Contribute to the reduction of plastic waste



**CONTRIBUTION**

Projects in depopulated regions  
1st to launch 100% recycled bottles, which has motivated other brands to follow this trend.



**WHO**

Developing countries  
The environment



**HOW MUCH**

c. 25k people with access to safe drinking water.  
c. 87k kg of recycled plastic



**RISKS**

Low risk that projects are not implemented (audit of organizations).  
Moderate risk that Auara bottles will not be recycled.

**Clean water and sanitation in Cambodia**

Cambodia is one of the poorest countries in the world, ranking 144th out of 189 according to the United Nations, with an estimated 25% having no access to clean water and sanitation facilities.

In addition, one of the main problems the country faces is the consequences of landmines and unexploded artefacts due to almost three decades of armed conflict. One out of every 2,336 people is disabled.

After months of work identifying the needs of the population for access to clean and safe water, AUARA has built:

- 5 wells
- 2 cisterns
- 2 sinks
- 8 water treatment plants



The sinks at the school playgrounds are facilitating hygiene to fight Covid 19, making these schools a safe meeting point for children, parents and teachers. Promoting basic hygiene.

Thanks to this AUARA project, more than 470 people have access to clean and safe water every day.



Training young people in high quality vocational training so that they can access to qualified jobs, which are currently in high demand, and thus contribute to reducing youth unemployment in Spain.

Linkia FP is contributing to reduce youth unemployment in Spain by offering a complete and high quality vocational training.

**Number of students graduated**

2020	2021
736	864

**Graduates who are employed after completing the course**

2020	2021
353	507



**WHAT**

Reducing youth unemployment through modern vocational education and training



**CONTRIBUTION**

Modernization of vocational training focused on the professions of the future



**WHO**

Young people between 16 and 25 years old



**RISKS**

Low risk: track record of the team and of the young people who have completed the courses demonstrated



**HOW MUCH**

More than 800 young people have access to quality vocational training  
c. 500 young people with jobs after completing the courses, with an improvement in the previous employment situation of about 60% of the trainees.

**Opening of Madrid center**

In order to bring modern vocational training to young people, Linkia identified the need to increase its exposure in Madrid.

To this end, a great deal of work has been done to adapt a building in Madrid that stands out for the quality of its facilities and training programs.

Applying an innovative methodology, Linkia FP continues with its eagerness to give opportunities to all young people and access to the best positions always with the Linkia FP training seal.

Thanks to the opening of a new 3,300 m2 center with a capacity for 500 students in a modern building in Madrid, Linkia FP will have a new opportunity to grow in the 21/22 academic year.



In its first course, the on-site center in Madrid has enrolled more than 100 students.



# Reduction of carbon footprint through the financing of self-consumption solar panels for residential customers.

Prefecta Finance aims at being the catalyst for financing in underserved markets such as residential distributed generation, contributing to the ecological transition in Spain towards renewable energies.

### Number of households connected to renewable energy

2020	2021
165	1.024

### Tons of CO2 avoided\*

2020	2021
24	953

\* For the calculation of the Tn of CO2 avoided, an emission factor tCO2-eq/MWh of 0.19 has been used, according to the data provided by REE for the whole of the Peninsula in 2019.



### WHAT

Bringing renewable energy closer to individuals



### WHO

Citizens and environment



### HOW MUCH

Reducing CO2 emissions by installing photovoltaic panels in homes



### CONTRIBUTION

Efficient financing of facilities to increase impact



### RISKS

Installation rate risk

*As a mitigating factor, the installation company is reaching agreements with third party installers.*

## Financing and installation of batteries

In 2021, Prefecta has continued to promote residential solar self-consumption in Spain, expanding its product range at the end of the year through the installation and financing of batteries.

In the last quarter of 2021, 10 batteries have been installed throughout Spain, with significant growth forecast for 2022.

As a result, Prefecta intends to take another step towards energy efficiency.

The installation of solar batteries can lead to electricity bill savings of up to 70%. In addition, the installation is modular, so it can be easily expanded and allows customers to adapt it according to their needs.

The purpose is firm and clear: to bring clean, quality energy to as many homes as possible.

# ROBOTIX

Promoting technical vocations ("STEAM") among school-age youth through robotics and programming solutions for schools to better prepare young people for the professions of the future.

ROBOTIX aims at reducing youth unemployment through the promotion of STEAM (Science, Technology, Engineering, Arts and Math) vocations among young people.

### Young people receiving STEAM hands-on training

2020	2021
36.582	48.063

### STEAM hands-on learning hours\*

2020	2021
821.899	531.324

Until 2020, the company organized the First Lego League, a very intense competition in hours. It is expected that with the full launch of the platform, this drop in metrics will be reversed.



## WHAT

Combating unemployment through the development of technical vocations at an early age



## CONTRIBUTION

Training through "hands-on" learning that increases comprehension and retention rates



## WHO

Students aged 6-16 years old



## RISKS

Low risk thanks to the launch of the online platform that facilitates access to a larger number of students



## HOW MUCH

Young people from private and public schools can access this technological training through the recently launched 360 platform.

## STEAM online for everyone

ROBOTIX has launched a project to promote and improve the digital skills of students in a highly complex center in Santa Coloma de Gramanet, Barcelona.

This project encourages students in vulnerable situations to develop practical skills such as programming, creativity or computational thinking, with the aim of generating a positive impact on their professional and personal projection.

This successful initiative, now in its second edition, has doubled its scope compared to the first edition, exceeding 10,000 hours of robotics taught to students from 9 different schools.

The new learning environment recently launched by the company, ROBOTIX C360, has been key to scale the social impact of this project, achieving an increasing number of users.

From its commitment to promote better citizens, ROBOTIX Hands-on Learning carries out actions like this one, with great impact on the educational community and that allow preparing young people for the challenges and opportunities of the future.





# Promoting the ecological transition of the island of Menorca through the development and construction of five solar plants with batteries.

Menorca Renewable aims to contribute decisively to the decarbonization of the island of Menorca, as well as to become an example of ecological transition of an island at a global level.

**Objective reduction of annual production hours of the Mahón diesel thermal power plant.**

**28%**

**Target tons of CO2 avoided annually\***

**107.595**

\* For the calculation of the Tn of CO2 avoided, an emission factor tCO2-eq/MWh of 0.799 has been used according to the data provided by the Balearic Government for the year 2019.



### WHAT

Development of hybrid photovoltaic energy projects in Menorca with batteries.



### CONTRIBUTION

Contribute to the decarbonization of the island of Menorca.



### WHO

Inhabitants of Menorca and the environment



### RISKS

Low risk after obtaining project permits and approvals



### HOW MUCH

Reduction of one third of production hours at the Mahón thermal power plant

With the consequent significant reduction in CO<sub>2</sub> emissions

## Ecological transition in the islands

Menorca Renewable is born with the impulse of the energy transition project promoted locally for the Balearic Islands. The non-peninsular systems are the most polluting and expensive of all electricity generation in Spain and the objective of Menorca Renewable is to create a model that will serve as a reference to the rest of the islands of Spain.

After several months of searching, studying and analyzing different locations, at the end of 2020 we obtained the Access Feasibility Report for 90MW and are in the process of obtaining the corresponding declarations of general and industrial strategic interest, which are expected to be obtained in 2022.

Menorca Renewable will offer an alternative that reduces the cost of electricity generation (€/MWh) compared to the current one, CO<sub>2</sub> emissions and environmental pollution as a result of the disconnection of the Mahón plant during the day. In addition, it will be the first seed for the rest of the islands to see that it is possible to support sustainable energies in an insular way.

This initiative will be a pioneer in demonstrating a functional, highly functional and replicable model of sustainable energy generation.



European digital platform for the sale and distribution of sustainable products coming from organic, biodynamic and regenerative agriculture.

The CrowdFarming project aims at promoting sustainable and responsible agricultural practices.

Number of farms selling through CrowdFarming

2021

172

Number of annual consumers who have made a purchase

2021

284.005

Tons of organic product sold

2021

6.614



**WHAT**

Promoting organic agriculture and responsible consumption



**WHO**

Farmers and end consumers



**HOW MUCH**

More than 400k consumers with direct access to the farmer and traceability of the product purchased.



**CONTRIBUTION**

Putting the end consumer in direct contact with the farmer.

"From tree to table".



**RISKS**

Low risk of no impact

More than 5x additional profit to the farmer compared to selling through a traditional distributor.

**Sergio´s transition to organic**

After four years being part of CrowdFarming, Sergio, from Jardín del Gordo has begun the transition of his orange farm with CrowdFarming, who will support him throughout this process.

The reason why they could not previously be referred to as organic was the use of synthetic fertilizers for their orange trees.

They have first started this transition with the orange fields to see how they develop. If the impact is positive, the next fields will be clementines.

This is a long process, which can take around three years, but in the long run they are convinced it will be worth it.

"It will be a difficult road, because we will see a decrease in our production, but we know it will be worth it in the end."



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