

SUMMARISED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2021

Universal Partners has a primary listing on the Official Market of the Stock Exchange of Mauritius Ltd (“SEM”) and a secondary listing on the Alternative Exchange of the JSE Limited (“JSE”).

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments in high quality, growth businesses across Europe, with a focus on the United Kingdom (“UK”). The Company’s investment mandate also allows up to 20% of total funds at the time an investment is made to be invested outside the UK and Europe.

The Company’s primary objective is to achieve strong capital appreciation in Pounds Sterling (“GBP”) over the medium to long-term by investing in businesses that meet the investment criteria set out in the Company’s investment policy.

As is the ordinary course of business, the Company continually assesses various opportunities for new acquisitions as well as disposals of assets in its portfolio.

BUSINESS REVIEW

Since its listing on the SEM and the JSE, the Company has worked closely with its investment advisor, Argo Investment Managers (“Argo”), to identify potential investments that meet its investment criteria.

In August 2021, the Company completed its maiden exit when it disposed of its shares in Yasa Limited to Mercedes Benz AG for a total consideration of GBP 42.8 million. Proceeds of GBP 36.4 million have been received and the remainder will be received over a period of 65 months. The proceeds received were used to settle existing debt facilities from RMB (Mauritius) Limited (“RMB”) and GBP 15 million was distributed to UPL shareholders as a cash distribution in November 2021. The remaining cash, together with GBP 8 million from a new GBP 10 million term loan facility raised from RMB, was used to purchase additional shares to the value of GBP 10 million in JSA Services Limited (“JSA”).

An update on investments held at the reporting date is presented below.

Dentex Healthcare Group Limited (“Dentex”) www.dentexhealth.co.uk

Dentex is a dental consolidation group focusing on acquiring dental practices in the UK. Dentex completed the acquisition of its 110th practice in January 2022, a significant milestone for the business considering that the group owned 3 dental practices when Universal Partners first invested in the business in 2017. Around 85% of the practices operate in the Private market, and the balance serve the NHS market. Dentex is the second largest private market focused dental corporate in the UK and is currently the only dental corporate that partners with dentists by offering them equity in the holding company.

Dentex continues to trade ahead of budget in respect of the current financial year, which ends on 31 March 2022. Demand for private dentistry remains high and we expect the strong trading to continue for the balance of the financial year. Dentex benefits from a well invested central partner support function and has successfully acquired and integrated 40 practices since November 2020. Dentex has a further 12 practices under signed heads of terms that are currently in due diligence and has a significant pipeline of acquisition opportunities that it is evaluating.

The price at which Dentex issues shares to Dentists as part-payment for the purchase of their practices increased from GBP 1.70 to GBP 2.10 per share with effect from November 2021. Accordingly, UPL has increased the valuation of Dentex to GBP 2.10 per share, which has increased the overall value of the UPL holding in Dentex by GBP 9.9 million during the quarter, from GBP 42.2 million to GBP 52.1 million.

JSA Services Limited (“JSA”) www.jsagroup.co.uk

During the quarter, UPL acquired shares from the remaining shareholders in JSA for a total consideration of GBP 10 million, increasing its shareholding to 56%. Since UPL first invested in JSA in May 2018, the business has substantially increased its customer base and profitability while at the same time expanding its offering through a combination of organic and acquisitive growth. UPL’s initial investment in JSA has been revalued during the quarter to the transaction price at which the additional shares were acquired. This has resulted in an increase in the value at which this investment is held of GBP 2.3 million.

The last quarter saw continued growth in the number of contractors paid and the level of back-office services provided to employment agencies. As expected, this growth was partially offset by a decline in the number of PSC customers due to the ongoing effects of IR35 legislative changes. JSA met its performance and profitability targets for the quarter, the first of its new financial year.

The acquisition of Eden Outsource was completed in mid-December. This acquisition will add a substantial customer base of employment agencies and end-hiers who purchase back-office services from JSA. Towards the end of January, JSA completed the acquisition of 6Cats International, the acknowledged sector leader in cross border contractor payment services in the UK. JSA is now able to act as the Employer of Record in eight European countries and can pay contractors in a further 70 countries via its international partnership arrangements.

Further important initiatives that were undertaken during the quarter were the broadening of the management team and the successful launch of a re-branding campaign that will see JSA trade under the name “Workwell” in future. The re-branding will consolidate a number of different brands that the group currently trades under.

SC Lowy Partners (“SC Lowy”) www.sclowy.com

SC Lowy Partners is a specialist financial group covering high yield and distressed debt market-making and investment management, along with its Italian and Korean banking subsidiaries.

The SC Lowy Primary Investments Fund delivered returns in excess of 12% for the year ended 31 December 2021, net of management and performance fees. Performance in Q4 of 2021 was adversely impacted by volatility in Chinese debt securities. However, management remains confident that these positions will show good returns in future. SC Lowy continued to deploy money in the Strategic Investments (Asia) Fund.

Performance fees, trading income and net profit exceeded budget for the 2021 calendar year and showed substantial growth on the results achieved during the prior year.

SC Lowy management continues to see excellent opportunities arising from the normalisation of financial markets, as evidenced by increases in global base interest rates.

Xcede Group (Formerly Techstream Group) (“Xcede”) www.xcede.com

During the quarter under review, TechStream Group was rebranded as Xcede Group. Xcede is a global recruitment specialist operating across the UK, Europe, North America, Africa and Asia. It specialises in the data, technology, cyber, digital, embedded software and energy sectors and assists clients with the placement of both permanent and contractor candidates.

The business delivered another strong quarter of trading and finished its financial year ended 31 December 2021 ahead of budget. Under the leadership of a new management team, 2021 was a year of transformational change for the business as significant progress was made with the integration of its global operations. Demand for specialist recruitment services in Xcede’s core geographies and sectors remains high and management has budgeted for a further increase in profitability during 2022.

Propelair www.propelair.com

Propelair ended the quarter behind plan, primarily due to further COVID related disruptions in the UK and South Africa that delayed installations of new units. Good progress was made in new markets in the Gulf Co-operation Council region. Propelair has had a better than expected start to the 2022 year, with forecast shipments exceeding budget by a small margin.

FINANCIAL REVIEW

Interest income of GBP 84,780 for the quarter was mainly comprised of interest earned from providing a loan to Xcede.

Dividend income of GBP 155,782 relates to an accrual raised on the preferred shares subscribed for by Universal Partners in Xcede.

The Board is of the opinion that, at the end of the quarter under review, the valuation of Xcede should remain unchanged.

The Company’s investment in SC Lowy is reflected at its original cost and is denominated in US Dollars (“USD”). During the quarter, the translation effect of exchange rate movements between the USD and the GBP resulted in a foreign exchange loss of GBP 6,300.

Management fees paid during the quarter amounted to GBP 462,888 incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to GBP 106,082 were incurred. The accrual for performance fees is calculated on the revaluation of the Company’s investments. These fees, which are recalculated quarterly, only become payable to Argo if the Company realises the expected profit on disposal of the investments. No performance fees are payable to Argo until a successful exit of an investment has been achieved. These fees are paid as and when each investment is exited. During the quarter under review, an additional performance fee accrual of GBP 1,876,163 was raised due to the increased valuations of JSA and Dentex.

The Company incurred interest of GBP 48,704 during the quarter on the new RMB term loan facility.

In accordance with the investment management agreement between the Company and Argo, as part payment of the performance fee due to Argo, shares to the value of GBP 634,696 were issued to Argo at the Net Asset Value per share prevailing at the conclusion of the sale of Yasa Limited.

NET ASSET VALUE (“NAV”)

The NAV per share as at 31 December 2021 was GBP 1.376 (30 June 2021: GBP 1.453), post payment of the dividend of GBP 0.207 per share in November 2021.

EARNINGS PER SHARE

The earnings per share of 13.51 pence for the quarter ended 31 December 2021 and the earnings per share of 13.13 pence for the six months ended 31 December 2021 are based on a profit after tax of GBP 9,801,045 and a profit after tax of GBP 9,515,883 for the Company respectively. The weighted average number of shares in issue for the quarter was 72,563,408 and for the six months was 72,456,769.

DIVIDEND

A cash distribution of GBP 15 million (GBP 0.207 per share) in relation to the financial year ended 30 June 2021 was paid to shareholders on 29 November 2021.

In line with the Company’s investment strategy to achieve long-term growth in NAV, dividends are not declared on a regular basis. Accordingly, no dividend has been declared for the period under review.

BASIS OF PREPARATION

The summarised unaudited financial statements for the quarter and six months ended 31 December 2021 (“summarised unaudited financial statements”) have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting, the SEM Listing Rules and the JSE Listings Requirements.

The accounting policies and methods of computation adopted in the preparation of these summarised unaudited financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended 30 June 2021.

The directors are not aware of any circumstances or matters arising after 31 December 2021 that require any additional disclosure or adjustment to these summarised unaudited financial statements.

These summarised unaudited financial statements were approved by the Board on 8 February 2022. These summarised unaudited financial statements have not been reviewed or reported on by the Company’s external auditors, Grant Thornton.

By order of the Board

9 February 2022

Intercontinental Trust Limited Company secretary For further information please contact: South African corporate advisor and JSE sponsor Java Capital +27 11 722 3050

SEM authorised representative and sponsor Perigeum Capital Ltd +230 402 0890

Company Secretary Intercontinental Trust Limited +230 403 0800

NOTES

Copies of these summarised unaudited financial statements as well as copies of the statement of direct or indirect interests of the Senior Officers of the Company pursuant to Rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 are available to the public upon request to the Company Secretary at the registered office of the Company at c/o Intercontinental Trust Limited, Level 3 Alexander House, 35 Cybercity, Ebene 72201, Mauritius.

This announcement is issued pursuant to the SEM Listing Rule 12.19 and the JSE Listings Requirements.

The Board accepts full responsibility for the preparation of these summarised unaudited financial statements and for ensuring that the financial information has been correctly extracted from the underlying unaudited financial statements.

UNIVERSAL PARTNERS LIMITED

(Incorporated in the Republic of Mauritius) (Registration number: 138035 C1/GBL) SEM share code: UPL.N0000 JSE share code: UPL ISIN: MU0526N00007 (“Universal Partners”, “UPL” or “the Company”)

SUMMARISED UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	As at 31 December 2021 (Unaudited) GBP	As at 30 June 2021 (Audited) GBP
Assets		
Non-current assets		
Investments at fair value through profit or loss	102,671,072	80,111,899
Receivables	6,438,651	-
	109,109,723	80,111,899
Current assets		
Investments at fair value through profit or loss	-	42,806,128
Receivables and prepayments	1,881,104	1,739,825
Cash and cash equivalents	2,167,428	1,315,339
	4,048,532	45,861,292
Total assets	113,158,255	125,973,191
Equity		
Stated capital	72,481,860	71,847,164
Retained earnings	27,693,947	33,244,889
	100,175,807	105,092,053

Liabilities		
Non-current liabilities		
Borrowings	8,006,815	-
Current liabilities		
Borrowings	-	14,530,235
Payables and accruals	4,975,633	6,350,903
	4,975,633	20,881,138
Total liabilities	12,982,448	20,881,138
Total equity and liabilities	113,158,255	125,973,191

NAV per share 1.376 1.453
Number of shares in issue 72,786,163 72,350,131
The NAV per share as at 31 December 2021 was GBP 1.376 (30 June 2021: GBP 1.453), post payment of the dividend of GBP 0.207 per share in November 2021.

SUMMARISED UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2021

	Quarter ended 31 December 2021 (Unaudited) GBP	Quarter ended 31 December 2020 (Unaudited) GBP	Six months ended 31 December 2021 (Unaudited) GBP	Six months ended 31 December 2020 (Unaudited) GBP
Income				
Interest income	84,780	189	148,067	256
Dividend income	155,782	143,640	308,352	283,337
Total income	240,562	143,829	456,419	283,593
Expenditure				
Management fees	(462,888)	(436,498)	(976,995)	(876,091)
Transaction costs	-	(2,932)	(8,125)	(2,932)
Performance fees (accrued but not paid)	(1,876,163)	152,034	(1,807,840)	380,166
Interest paid	(48,704)	(86,212)	(115,127)	(151,139)
Amortisation of structuring fee	(4,167)	(28,125)	(60,417)	(56,250)
General and administrative expenses	(106,083)	(89,233)	(172,855)	(173,269)
Total expenditure	(2,498,005)	(490,966)	(3,141,359)	(879,515)
Operating loss	(2,257,443)	(347,137)	(2,684,940)	(595,922)
Fair value gain / (loss) on remeasurement of financial assets at fair value through profit or loss	12,064,788	(143,640)	11,912,218	(283,337)
Net foreign exchange (loss) / gain	(6,300)	(618,460)	288,605	(1,124,718)
Profit / (loss) before tax	9,801,045	(1,109,237)	9,515,883	(2,003,977)
Tax expense	-	-	-	-
Profit / (loss) for the quarter / period	9,801,045	(1,109,237)	9,515,883	(2,003,977)
Other comprehensive income				
Items that will not be reclassified subsequently to profit and loss	-	-	-	-
Items that will be reclassified subsequently to profit and loss	-	-	-	-
Other comprehensive income for the quarter / period, net of tax	-	-	-	-
Total comprehensive income for the quarter / period	9,801,045	(1,109,237)	9,515,883	(2,003,977)

	Pence	Pence	Pence	Pence
Basic and headline earnings / (loss) per share (pence)*	13.51	(1.53)	13.13	(2.77)

* The earnings per share for the quarter ended 31 December 2021 and earnings per share for the six months ended 31 December 2021 are based on a profit after tax of GBP 9,801,045 and a profit after tax of GBP 9,515,883 for the Company respectively and the weighted average number of shares in issue of 72,563,408 for the quarter and 72,456,769 for six months (31 December 2020: Based on a loss after tax of GBP 2,003,977 and the weighted average number of shares in issue of 72,350,131).

There were no dilutive shares in issue. There were no reconciling items between the basic and headline earnings/loss per share.



UNIVERSAL PARTNERS

SUMMARISED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Stated capital GBP	Retained earnings GBP	Total GBP
Balance at 1 July 2020	71,847,164	7,347,022	79,194,186
Loss for the period	-	(2,003,977)	(2,003,977)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(2,003,977)	(2,003,977)
Balance at 31 December 2020	71,847,164	5,343,045	77,190,209
Balance at 1 July 2021	71,847,164	33,244,889	105,092,053
Issue of ordinary shares	634,696	-	634,696
Cash distribution	-	(15,066,825)	(15,066,825)
Transactions with shareholders	634,696	(15,066,825)	(14,432,129)
Profit for the period	-	9,515,883	9,515,883
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	9,515,883	9,515,883
Balance at 31 December 2021	72,481,860	27,693,947	100,175,807

SUMMARISED UNAUDITED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	Six months ended 31 December 2021 (Unaudited)	Six months ended 31 December 2020 (Unaudited)	Year ended 30 June 2021 (Audited)
Operating activities			
Profit / (loss) for the period / year	9,515,883	(2,003,977)	25,897,867
Adjustments for:			
Fair value (gain) / loss on remeasurement of investments at fair value	(11,912,218)	283,337	(33,378,947)
through profit or loss			
Interest income	(1,085)	(256)	(109,753)
Dividend income	(308,352)	(283,337)	(574,540)
Dividend paid	(15,066,825)	-	-
Amortisation of structuring fee	60,417	56,250	112,500
Interest on borrowings	115,127	151,139	390,773
Net foreign exchange (gain) / loss	(288,853)	1,124,600	1,341,471
Raising fees	-	-	(30,000)
Commitment fee	6,252	-	46,851
Net changes in working capital:			
Changes in receivables and prepayments	(141,279)	3,072	(4,309)
Changes in payables and accruals	(740,574)	(396,391)	4,691,622
Net cash flows utilised in operating activities	(18,761,507)	(1,065,563)	(1,616,465)
Investing activities			
Acquisition of investments	(10,050,000)	(10,050,000)	(10,050,000)
Proceeds received from sale of investment	36,367,477	36,367,477	36,367,477
Loans advanced	-	-	-
Interest received	1,085	1,085	1,085
Net cash flows generated from / (used in) investing activities	26,318,562	26,318,562	26,318,562
Financing activities			
Loan received	8,000,000	3,784,319	6,500,000
Loan structuring fee paid	(50,000)	-	-
Loan repaid	(14,300,000)	-	-
Interest paid	(355,214)	(151,139)	(151,139)
Net cash flows (used in) / generated from financing activities	(6,705,214)	3,633,180	6,348,861
Net change in cash and cash equivalents	851,841	1,317,873	732,779
Cash and cash equivalents at the beginning of the quarter / year	1,315,339	582,560	582,560
Effect of exchange rate changes on cash and cash equivalents	248	119	-
Cash and cash equivalents at the end of the quarter / year	2,167,428	1,900,552	1,315,339