**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**" or "**UPL**" or "**the Company**")

UNIVERSAL PARTNERS

**SUMMARISED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Universal Partners Limited 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.

**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.

The Company has made six investments since listing and successfully concluded the first exit in the prior financial year. In the year ended 30 June 2023, UPL successfully exited its second investment following the sale of its shares in Dentex Healthcare Group Limited ("**Dentex**") to Portman Dental Care ("**Portman**").

On 23 August 2022, Dentex shareholders entered into definitive transaction agreements with Portman, resulting in a merger of Dentex with Portman (the "**Transaction**"). The Transaction resulted in the disposal of the Company's entire shareholding in Dentex. The Transaction was completed on 13 April 2023, and UPL received proceeds of £65.5 million paid as follows:
- £30.3 million cash; and
- £35.2 million worth of shareholder loan notes and ordinary shares in Portman.

The cash proceeds were utilised to repay a portion of the outstanding borrowings from Rand Merchant Bank (Mauritius) Limited ("**RMB**"), and a cash dividend of 10 pence per share was declared and paid to UPL shareholders on 6 June 2023.

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

**Portman Dental Care ("Portman")**
www.portmandentalcare.com

As referenced above, Portman and Dentex completed the merger during April following clearance from the Competition and Markets Authority (CMA) in the UK. UPL is now a minority shareholder in one of the largest dental care platforms in Europe. In combination, the group operates over 350 practices in the UK, with more than 2,000 clinicians and more than 4,000 employees. The group provides dental care to over 1.5 million patients per year. Whilst Dentex has exclusively focused on the UK, Portman currently has operations in 5 European countries and plans to expand further across the continent.

Both Portman and Dentex are high-performing businesses that have significantly changed the private dental landscape in the UK. The management teams of both companies have developed an integration plan to combine the best of both companies and create a dental entity that is transformative both for the profession and for patients.

Integrating the operations, leadership team and cultures of two large organisations is a significant exercise, and the business has engaged third-party consultants to assist with developing a target operating model for the combined company, including a review of all systems and processes. The integration of the two businesses is now in progress.

The combined business continues to acquire high-quality dental practices in the UK and Europe. Portman negotiated an increase in its debt facilities to fund further mergers & acquisitions. In order to secure the increase in debt facilities, shareholders were required to invest additional equity in the business. Portman raised capital from shareholders in August 2023 (after the current reporting period) by issuing front-ranking PIK Notes and Preference Share instruments. UPL elected to follow its proportional rights, subscribing for £1.4m worth of PIK Notes.

Prior to the disposal of Dentex to Portman, the valuation of Dentex in UPL's accounts was £59.6m. As reported previously, the Portman merger valuation implied a valuation of £65.5m (a 10% uplift to UPL's carrying value), with UPL receiving £30.3m in cash and the balance of the proceeds (£35.2m) reinvested into Portman equity (shareholder loan notes and Ordinary Equity) ("**Rollover Equity**"). The UPL directors have chosen not to write up the valuation in the accounts and have reflected the cost of the Rollover Equity in Portman at a level that equates to combined proceeds of £59.6m (£30.3m cash, £29.3m Rollover Equity), being the carrying cost of Dentex before the sale. The directors are of the view that it will be prudent to reassess the valuation of Portman following the successful integration of the two businesses.

**Workwell (Formerly JSA Services Limited) ("WW")**
www.workwellsolutions.com

WW is one of the fastest-growing contractor accountancy and payroll solutions companies in the UK. Their services are designed to meet the unique needs of contractors and freelancers, from one-person businesses to large employment agencies. They also create bespoke solutions for temporary labour supply chains, helping their clients navigate the complexities of contractor payroll and compliance in the UK and internationally.

As communicated previously, UPL subscribed for £5m of Convertible Loan Notes ("**CLN**") issued by WW in December 2022. In January 2023, WW issued a further £4m of CLNs to certain UPL co-investors, with the funds raised being used to finance two bolt-on acquisitions. On 29 June, all holders of the CLNs converted these instruments into ordinary equity in WW. The conversion price represents a 13% premium to the previous carrying value of UPL's investment in WW, being the valuation at which we acquired equity in November 2021. The value of UPL's investment in WW has been updated to reflect the valuation of the CLN conversion, resulting in a £4.7m increase in the carrying value.

During August 2023, WW signed a commitment letter with a new lender for a new debt facility to refinance existing debt, settle fees and costs associated with the refinance and support future acquisitions through the provision of a £26m committed acquisition facility. This is an important milestone for the business, as the facility provides significant capacity for further acquisitions.

While still delivering year-on-year growth in revenue and profits, WW is trading behind budget for the year ending 30 September 2023 due to the very challenging macro-economic environment in the UK and Europe. Despite difficult trading conditions, the business has made significant investments in people as well as its operating / IT platform during the year. These investments will drive organic growth in future years and further enhance the resilience and scalability of the business.

**SC Lowy Partners** ("**SC Lowy**")
www.sclowy.com

SC Lowy is a leading investment management group focused on credit investing & lending in Asia, Europe and the Middle East.

The half year to 30 June 2023 saw a positive return of 4% from the Primary Investments ("**PI**") fund, putting the fund's performance YTD ahead of its benchmark. The performance of the two Strategic Investment funds continues to be very satisfactory. Rising interest rates create opportunities for specialist operators such as SC Lowy in the private debt, so market conditions remain supportive.

While current levels of global uncertainty make fundraising challenging, management remain very focused on this area and expect positive developments in the second half of the year. Solution Bank in Italy and Cheoun Savings Bank in South Korea have performed in line with expectations during the half year. Overall, SC Lowy experienced a solid six months with an increase in profits compared to the prior year.

**Xcede Group (Formerly Techstream Group) ("Xcede")**
www.xcede.com

Xcede is a global recruitment specialist operating across the UK, Europe, North America, Africa and Asia. It operates under two brands: Xcede and EarthStream. Xcede recruits talent in data, software, cloud infrastructure and cyber security markets. EarthStream is a global sustainable energy recruitment specialist.

The last 12 months have been challenging for the business, with a significant slowdown in client hiring activity. This has resulted in a reduction in permanent net fee income, particularly within the Xcede brand, with technology and data clients reducing headcount and preferring flexible labour. EarthStream has demonstrated more resilience due to continued investment in renewable energy globally. Across both markets, the company has continued to deliver steady growth in contractor net fee income. The contractor side of the business is attractive as the revenue is more predictable and provides forward visibility of earnings. However, it is more demanding from a working capital perspective, given clients' payment terms.

The Xcede board has implemented several significant leadership changes during the past year. Due to unforeseen, challenging personal circumstances, the CEO was replaced in December 2022 with a suitable internal candidate. The senior leadership team has been further streamlined and strengthened by the addition of a new CFO, who has 20 years of experience in the recruitment sector. In September 2022, a non-executive director of the business with considerable staffing industry experience, stepped into the role of executive chairman to help the new leadership team navigate the challenging operating environment.

The new leadership team has had a positive impact on the business within a short time frame, delivering significant improvements to client engagement, profit margins and working capital management.

UPL subscribed for a further £4.35m worth of front-ranking loan notes during the last financial year to support the working capital of the business and amortise term debt held by the company.

As a result of the challenging operating environment, the directors have decided to impair UPL's equity investment in Xcede. The carrying value of UPL's equity investment in Xcede is £5.1m and has been fully provided for. No adjustment has been made to the front-ranking loan notes with a carrying value of £7.6m (principal plus accrued interest).

**Propelair**
www.propelair.com

Propelair has reinvented the toilet to deliver one of the most water efficient, economical and hygienic systems available through its unique IP and design. The Propelair toilet utilises 1.5 litres of water per flush versus a traditional toilet that uses around 9 litres per flush. In addition, through its vacuum system, it significantly reduces pathogen distribution and improves health and hygiene.

Even though constructive progress has been made, particularly in relation to the sale of units in the Middle East and South Africa the company is trading significantly behind its business plan. In addition, cash flow continues to be extremely tight and the company is seeking to raise additional capital to fund its operations. UPL has elected not to participate in this capital raise and continues to value this investment at a nominal £1.

## FINANCIAL REVIEW

For the year under review, interest income of £1,334,633 mainly comprised of interest earned from the loan advanced to Xcede. Other income includes an amount of £87,000, earned by the Company as a raising fee for advancing additional loans to Xcede during the year.

Dividend income of £680,586 relates to an accrual raised on the preferred shares held in Xcede.

The Company recognised a fair value loss of £792,690 on the remeasurement of investments at fair value through profit or loss and an impairment loss of £836,745. These amounts comprise the adjustments to the valuations in the Company's underlying investments, as well as the foreign currency translation of SC Lowy, which is denominated in US Dollars.

Management fees accrued during the year amounted to £2,227,568 incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to £521,449 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. During the year under review, there was a net reversal of the accrual for performance fees previously recognised, which had a positive impact on the income statement of £424,847.

The Company incurred interest of £1,096,744 during the year on the RMB term loan facility. In the period after year-end, the existing RMB term loan facility was settled in full using cash on hand and a new committed loan facility of £10m, which is undrawn at this stage, was secured.

## NET ASSET VALUE ("NAV")

The NAV per share as at 30 June 2023 was £1.296, after accounting for the dividend of 10 pence per share that was paid in June 2023, (30 June 2022: £1.438).

**LOSS PER SHARE**

The loss per share for the year ended 30 June 2023 and earnings per share for the year ended 30 June 2022 are based on a loss after tax of £3,062,172 and a profit after tax of £13,977,271 respectively. The weighted average number of shares in issue was 72,796,819 (2022: 72,620,112).

**DIVIDEND**

A dividend of 10 pence per share was declared by the Board and paid to shareholders on 6 June 2023.

**BASIS OF PREPARATION**

The summarised audited financial statements for the year ended 30 June 2023 ("**summarised audited 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 audited financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended 30 June 2022.

The directors are not aware of any circumstances or matters arising after 30 June 2023 that require any additional disclosure or adjustment to these summarised audited financial statements.

**AUDITORS**

These summarised audited financial statements were approved by the Board on 12 September 2023. Grant Thornton, the external auditors, have issued an unmodified audit opinion on the Company's audited financial statements for the year ended 30 June 2023.

By order of the Board

**13 September 2023**

**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 audited financial statements 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 12.14 and the JSE Listings Requirements.

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

## SUMMARISED AUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | As at 30 June 2023 (Audited) GBP | As at 30 June 2022 (Audited) GBP |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Investments at fair value through profit or loss | 83,205,135 | 109,299,990 |
| Receivables | 2,459,709 | 6,438,651 |
| | **85,664,844** | **115,738,641** |
| **Current assets** | | |
| Receivables and prepayments | 7,641,118 | 2,059,621 |
| Cash and cash equivalents | 15,122,525 | 735,535 |
| | **22,763,643** | **2,795,156** |
| **Total assets** | **108,428,487** | **118,533,797** |
| **Equity** | | |
| Stated capital | 72,641,018 | 72,481,860 |
| Retained earnings | 21,803,598 | 32,155,335 |
| | **94,444,616** | **104,637,195** |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Borrowings | 9,360,464 | 7,985,432 |
| **Current liabilities** | | |
| Payables and accruals | 4,623,407 | 5,911,170 |
| **Total liabilities** | **13,983,871** | **13,896,602** |
| **Total equity and liabilities** | **108,428,487** | **118,533,797** |
| **NAV per share** | **1.296** | **1.438** |
| **Number of shares in issue** | **72,894,199** | **72,786,163** |

*The NAV per share as at 30 June 2023 was GBP 1.296 (30 June 2022: GBP 1.438), post payment of the dividend of GBP 0.10 per share in June 2023.*

**SUMMARISED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023**

| | Year ended 30 June 2023 (Audited) GBP | Year ended 30 June 2022 (Audited) GBP |
|---|---|---|
| **Income** | | |
| Interest income | 1,334,633 | 333,998 |
| Dividend income | 680,586 | 624,657 |
| Other income | 87,000 | - |
| **Total income** | 2,102,219 | 958,655 |
| **Expenditure** | | |
| Management fees | (2,227,568) | (2,048,849) |
| Transaction costs | - | (8,125) |
| Performance fees (accrued but not paid) | 424,847 | (2,626,924) |
| Interest paid | (1,096,744) | (341,093) |
| Amortisation of structuring fee | (113,236) | (72,916) |
| General and administrative expenses | (521,449) | (393,609) |
| **Total expenditure** | (3,534,150) | (5,491,516) |
| **Operating loss** | (1,431,931) | (4,532,861) |
| Fair value (loss) / gain on remeasurement of investments at fair value through profit or loss | (792,690) | 19,138,091 |
| Impairment loss | (836,745) | (624,657) |
| Net foreign exchange loss | (806) | (3,302) |
| **(Loss) / profit before tax** | (3,062,172) | 13,977,271 |
| Taxation | - | - |
| **(Loss) / profit for the year** | (3,062,172) | 13,977,271 |
| **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 year net of tax** | - | - |
| **Total comprehensive income for the year** | **(3,062,172)** | **13,977,271** |
| | **Pence** | **Pence** |
| **Basic and headline (loss) / earnings per share*** | **(4.21)** | **19.25** |

** The loss per share for the year ended 30 June 2023 and the earnings per share for the year ended 30 June 2022 are based on a loss after tax of GBP 3,062,172 and a profit after tax of GBP 13,977,271 for the Company respectively and the weighted average number of shares in issue of 72,796,819 (2022: 72,620,112)*

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

**SUMMARISED AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

| | Stated capital | Retained earnings | Total |
|---|---|---|---|
| | GBP | GBP | GBP |
| **Balance at 1 July 2021** | **71,847,164** | **33,244,889** | **105,092,053** |
| Issue of shares | 634,696 | - | 634,696 |
| Dividends | - | (15,066,825) | (15,066,825) |
| **Transactions with shareholders** | 634,696 | (15,066,825) | (14,432,129) |
| Profit for the year | - | 13,977,271 | 13,977,271 |
| Other comprehensive income for the year | - | - | - |
| **Total comprehensive income for the year** | - | 13,977,271 | 13,977,271 |
| **Balance at 30 June 2022** | **72,481,860** | **32,155,335** | **104,637,195** |
| **Balance at 1 July 2022** | **72,481,860** | **32,155,335** | **104,637,195** |
| Issue of shares | 159,158 | - | 159,158 |
| Dividends | - | (7,289,565) | (7,289,565) |
| **Transactions with shareholders** | 159,158 | (7,289,565) | (7,130,407) |
| Loss for the year | - | (3,062,172) | (3,062,172) |
| Other comprehensive income for the year | - | - | - |
| **Total comprehensive income for the year** | - | (3,062,172) | (3,062,172) |
| **Balance at 30 June 2023** | **72,641,018** | **21,803,598** | **94,444,616** |

**SUMMARISED AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

| | Year ended 30 June 2023 (Audited) GBP | Year ended 30 June 2022 (Audited) GBP |
|---|---|---|
| **Operating activities** | | |
| (Loss) / profit for the year | (3,062,172) | 13,977,271 |
| *Adjustments for:* | | |
| Impairment loss | 836,745 | 624,657 |
| Fair value loss / (gain) on remeasurement of investments at fair value through profit or loss | 792,690 | (19,138,091) |
| Interest on borrowings accrued | 1,096,744 | 341,093 |
| Commitment fee payable | 90,005 | 21,072 |
| Interest income accrued | (1,334,634) | (333,998) |
| Dividend income accrued | (680,586) | (624,657) |
| Raising fees (capitalised to loan) | (87,000) | - |
| Amortisation of structuring fee | 113,236 | 72,916 |
| *Net changes in working capital:* | | |
| Changes in receivables and prepayments | 3,977,561 | 11,835 |
| Changes in payables | (1,128,605) | 194,963 |
| Net cash flow from / (used in) operating activities | 613,984 | (4,852,939) |
| **Investing activities** | | |
| Acquisition of investments | (5,000,000) | (10,050,000) |
| Proceeds from sale of investments | 30,302,165 | 36,367,477 |
| Loans advanced to subsidiaries | (4,350,000) | - |
| Interest received | 35,358 | 2,367 |
| Net cash flows from investing activities | 20,987,523 | 26,319,844 |
| **Financing activities** | | |
| Loan received | 10,675,000 | 8,000,000 |
| Loan repaid | (10,000,000) | (14,655,214) |
| Interest paid | (474,952) | (274,670) |
| Payment of structuring fee | (125,000) | (50,000) |
| Dividends paid | (7,289,565) | (15,066,825) |
| Net cash flows used in financing activities | (7,214,517) | (22,046,709) |
| Net change in cash and cash equivalents | 14,386,990 | (579,804) |
| Cash and cash equivalents at the beginning of the year | 735,535 | 1,315,339 |
| **Cash and cash equivalents at the end of the year** | **15,122,525** | **735,535** |