

**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 "the Company")



UNIVERSAL PARTNERS

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## **ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2018**

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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 particular focus on the United Kingdom ("**UK**"). The Company's mandate also allows up to 20% of funds to be invested outside of the UK and Europe.

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

### **BUSINESS REVIEW**

Since its listing on the SEM on 8 August 2016 and the JSE on 11 August 2016, the Company has been working closely with its investment advisor, ARGO Investment Managers ("**ARGO**"), to identify potential investments that meet its investment criteria.

The Company has concluded four investments since its listing up to the reporting date and is in the final stages of completing its fifth investment.

#### **Dentex Healthcare Group Limited ("Dentex")** **[www.dentexhealth.co.uk](http://www.dentexhealth.co.uk)**

Dentex continues to perform in line with expectations and has now acquired 24 dental practices across the United Kingdom. The company has a large pipeline of potential acquisitions at various stages of completion.

In March 2018 Dentex successfully concluded a capital raise to fund its continued growth. As part of the capital raise, Universal Partners elected to convert all of its convertible loan notes into ordinary equity shares and participated in a new equity issue of GBP 10,000,000 by investing GBP 715,000 for an additional 500,000 shares in Dentex. This will result in Universal Partners owning 49.9% of Dentex. In addition to the equity raise, Dentex is in the process of finalising a senior debt facility to partly fund future dental practice investments.

Following the capital raise, the market value of Universal Partners investment in Dentex is GBP 21,096,079. This has resulted in a net gain on the investment of GBP 5,227,691.

#### **Propelair** **[www.propelair.com](http://www.propelair.com)**

On 13 July 2017, the Company co-invested with Investec Investments UK Limited and invested GBP 1 million for a 13% shareholding in Propelair, a leader in positive pressure flushing toilets. The toilet uses 1.5 litres per flush versus a traditional toilet that uses on average 9 litres per flush. Based on the investment thesis and expected growth, the business is likely to require additional expansion capital in future, providing Universal Partners with an opportunity to

increase the quantum of funds invested in the business, and to boost its shareholding to around the 25% level. Universal Partners has a seat on the Propelair board of directors, and is actively engaged in growing the business.

Over the period, Propelair appointed a new CEO with deep experience in growing similar businesses, in addition to appointing further experienced individuals to support growth. Propelair was appointed by MOTO group, the largest operator of motorway service stations, to install over 1,000 units across its UK estate, with installation to commence in the first quarter of 2018. Propelair's customers also include McDonalds, Barclays, and Thames Water.

Given the potential for Propelair's technology to deliver substantial water savings (of around 80%), whilst improving hygiene and reducing maintenance costs, the Company facilitated introductions in South Africa where Propelair could present its solutions to the largest property owners in Cape Town during November 2017. A number of water measuring trials have commenced in Cape Town, to be followed up with trial installations, across a selected number of office buildings and shopping centres, in order to demonstrate that the Propelair technology can provide meaningful solutions to water stressed regions in South Africa.

### **YASA Limited ("YASA")**

**[www.yasa.com](http://www.yasa.com)**

On 18 August 2017, the Company concluded an agreement to subscribe for shares and invest an amount of GBP 9.3 million in YASA, a manufacturer of highly differentiated electrical axial flux motors, generators and controllers. The Company subscribed for shares together with existing YASA shareholders, and became the holder of 21.7% of the equity shares in YASA.

In terms of an agreed secondary round, the Company purchased additional shares from various employees and shareholders of YASA on 11 December 2017 and 15 January 2018, at the original valuation for the amounts of GBP 0.7 million and GBP 1.3 million respectively. The Company's shareholding in YASA therefore increased to 26.25%, pre any dilution from Employee Share Option Schemes.

YASA has signed long term develop and supply agreements with customers in the premium automotive sector which are subject to strict confidentiality terms. It is anticipated that YASA's products will be used in future hybrid and electric vehicles released by these customers. Subject to customer approval, further information will be provided on the launch of the vehicles. YASA is also engaged in a number of other advanced engineering projects in the automotive, aviation and industrial sectors. In the period under review, YASA continues to develop its own controller, with initial engineering evaluation samples anticipated to be available to customers later in 2018. The Rt Hon Greg Clark MP, UK Secretary of State for Business, Energy and Industrial Strategy officially opened YASA's new factory in Yarnton, Oxfordshire in the UK on 1 February 2018.

### **SC Lowy Partners ("SC Lowy")**

**[www.sclowy.com](http://www.sclowy.com)**

On 22 December 2017, the Company invested USD 15 million in SC Lowy, an international banking and finance group specialising in fixed income which is headquartered in Hong Kong. The Company participated in a consortium alongside Investec Bank and other strategic family offices, which consortium acquired 20% of the shares in SC Lowy. The founders, Michel Löwy and Soo Cheon Lee, retain majority ownership of the business.

SC Lowy facilitates secondary trading, investments and primary issuance, with a particular focus on corporate bonds, loans, trade claims and special situations. SC Lowy's in-house analysts cover the energy, infrastructure, manufacturing, telecommunications, media, metals, mining, financials, shipping and real estate sectors in relation to companies based in Australia, Asia, the Middle East and Europe. SC Lowy has over 100 employees located across the world's major financial centres and has built a global client network of over 800 international and regional banks, asset managers, hedge funds, private equity and pension funds, family offices and corporations. SC Lowy also controls a bank in South Korea. The bank is performing well and is in line with expectations.

In the period to 31 March 2018, SC Lowy performed in line per its budget and the Company's due diligence expectations, supported by a high level of trades facilitated for clients in a number of stressed and distressed situations. On 10 April 2018 SC Lowy acquired the remaining stake in Choemun Savings Bank in South Korea from their partners,

Yuil PE. On 13 April 2018 SC Lowy acquired the majority stake in Credito Di Romagna, a regional bank based in the Emilia Romagna region of Italy.

Due to a strengthening of the Pound against the US Dollar since the last reporting period, a foreign exchange loss of GBP 578,803 was recognised to reflect the GBP equivalent value of the USD 15 million investment SC Lowy.

## **Other**

ARGO has identified a pipeline of additional potential investment opportunities which are at various stages of maturity. These opportunities are going through a rigorous and thorough due diligence prior to being presented to the Company's Investment Committee. Announcements regarding any successfully concluded transactions will be forthcoming as they are completed.

For the period under review, revenue included interest earned from investing excess cash in interest bearing fixed deposits for periods of up to six months. The interest earned from these deposits amounted to GBP 36,341 for the period. The invested funds will remain in short-term fixed deposits, money market and NCD instruments until such time as they are required for investments in accordance with the Company's investment policy.

During the period under review, the Company advanced a short-term loan of GBP 5,000,000 to Dentex while it was busy concluding its long-term debt facilities with Lloyds Bank. The proceeds were used by Dentex to acquire dental practices which is in line with its growth strategy. Universal Partners earned a raising fee of GBP 75,000 and interest on the loan for the period under review amounted to GBP 53,614.

Management fees for the quarter ended 31 March 2018 amounted to GBP 276,439, incurred in terms of the investment management agreement between the Company and ARGO. General and administrative expenses amounting to GBP 88,018 and transaction costs of GBP 60,310 relating to the acquisition of investments were incurred for the quarter ended 31 March 2018.

On a comparative basis, the higher operating costs (including transaction costs) and management fees for the quarter and nine months ended 31 March 2018 were as a result of new acquisitions and higher investment values between the two comparative periods.

## **NET ASSET VALUE ("NAV")**

The NAV per share as at 31 March 2018 was GBP 1.039 (30 June 2017: GBP 0.984).

## **EARNINGS PER SHARE**

Earnings per share was GBP 0.0607 for the quarter ended 31 March 2018 and the loss per share of GBP 0.0015 for the quarter ended 31 March 2017 are based on the Company's profit before tax of GBP 4,389,077 and loss before tax of GBP 108,501 for the quarter ended 31 March 2018 and the quarter ended 31 March 2017 respectively, and 72,350,131 weighted average number of shares in issue.

For the nine months ended 31 March 2018, earning per share was GBP 0.0555 based on a profit before tax of GBP 4,018,665 and a weighted average number of shares in issue of 72,350,131. For the corresponding nine months in the prior year, the loss per share of GBP 0.0056 was based on a loss before tax of GBP 406,924 and a weighted average number of shares in issue of 72,350,131.

## **DIVIDEND**

No dividend has been declared for the period under review.

## **BASIS OF PREPARATION**

The abridged unaudited financial statements for the quarter and nine months ended 31 March 2018 ("**abridged 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 Listing Rules of the SEM, the Mauritian Securities Act 2005 and the JSE Listings Requirements.

The accounting policies and methods of computation adopted in the preparation of these abridged unaudited financial statements are in terms of IFRS and consistent with those applied in the preparation of the audited financial statements for the period ended 30 June 2017.

The directors are not aware of any circumstances or matters arising subsequent to the period that require any additional disclosure or adjustment to the financial statements.

## **AUDITORS**

These abridged unaudited financial statements were approved by the Board on 7 May 2018. These abridged unaudited financial statements have not been reviewed or reported on by the Company’s external auditors, Grant Thornton.

By order of the Board

**7 May 2018**

### **Intercontinental Trust Limited**

Company secretary

For further information please contact:

#### **South African corporate advisor and JSE sponsor**

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#### **SEM authorised representative and sponsor**

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#### **Company Secretary**

Intercontinental Trust Limited

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## **NOTES**

Copies of these abridged unaudited financial statements as well as copies of the statement of direct or indirect interest 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 JSE Listings Requirements, SEM Listing Rule 12.19 and Section 88 of the Mauritian Securities Act 2005.

The directors of Universal Partners accept full responsibility for the preparation of the abridged report and for ensuring that the financial information has been correctly extracted from the underlying unaudited financial statements.

**ABRIDGED UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	As at 31 March 2018 (Unaudited) GBP	As at 31 March 2017 (Unaudited) GBP	As at 30 June 2017 (Audited) GBP
<b>Assets</b>			
<b>Non-current assets</b>			
Investments at fair value through profit and loss	<u>44,072,959</u>	<u>-</u>	<u>4,000,100</u>
<b>Current assets</b>			
Receivables and prepayments	5,173,614	-	107,454
Cash and cash equivalents	<u>26,003,946</u>	<u>71,481,935</u>	<u>67,137,560</u>
	<b><u>31,177,560</u></b>	<b><u>71,481,935</u></b>	<b><u>67,245,014</u></b>
<b>Total assets</b>	<b><u>75,250,519</u></b>	<b><u>71,481,935</u></b>	<b><u>71,245,114</u></b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated capital	71,847,164	71,847,164	71,847,164
Profit / (loss) for the period	<u>3,352,666</u>	<u>(406,925)</u>	<u>(665,999)</u>
	<b><u>75,199,830</u></b>	<b><u>71,440,239</u></b>	<b><u>71,181,165</u></b>
<b>Current liabilities</b>			
Payables and accruals	<u>50,689</u>	<u>41,696</u>	<u>63,949</u>
<b>Total equity and liabilities</b>	<b><u>75,250,519</u></b>	<b><u>71,481,935</u></b>	<b><u>71,245,114</u></b>

**ABRIDGED UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2018**

	Quarter ended		Nine months ended	
	31 March 2018 (Unaudited) GBP	31 March 2017 (Unaudited) GBP	31 March 2018 (Unaudited) GBP	31 March 2017 (Unaudited) GBP
<b>Revenue</b>				
Interest income	89,956	121,425	391,105	276,064
Gain from investments at fair value through profit and loss	5,227,691	-	5,227,691	-
Other income	75,000	-	113,064	-
<b>Total revenue</b>	<u>5,392,647</u>	<u>121,425</u>	<u>5,731,860</u>	<u>276,064</u>
<b>Expenditure</b>				
Management fees	(276,439)	(157,113)	(677,939)	(401,947)
Set up costs	-	-	-	(5,749)
Unrealised foreign exchange loss	(578,803)	-	(578,803)	-
General and administrative expenses	(148,328)	(72,813)	(456,453)	(271,575)
<b>Operating profit / (loss)</b>	<u>4,389,077</u>	<u>(108,501)</u>	<u>4,018,665</u>	<u>(403,207)</u>
Loss from financial assets at fair value through profit and loss	-	-	-	(3,717)
<b>Profit / (loss) before tax</b>	<u>4,389,077</u>	<u>(108,501)</u>	<u>4,018,665</u>	<u>(406,924)</u>
Tax expense	-	-	-	-
<b>Profit / (loss) for the period</b>	<u>4,389,077</u>	<u>(108,501)</u>	<u>4,018,665</u>	<u>(406,924)</u>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit and loss	-	-	-	-
Items that will be reclassified subsequently to profit and loss	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>4,389,077</u></u>	<u><u>(108,501)</u></u>	<u><u>4,018,665</u></u>	<u><u>(406,924)</u></u>
<b>Basic and headline profit / (loss) per share (pence)*</b>	<b>6.07</b>	<b>(0.15)</b>	<b>5.55</b>	<b>(0.56)</b>

\* The profit per share for the quarter ended 31 March 2018 and nine months ended 31 March 2018 are based on profit before tax of GBP 4,389,077 and GBP 4,018,665 for the Company respectively and the weighted average number of shares in issue of 72,350,131 (31 March 2017: Based on loss before tax of GBP 406,924 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 per share.

**ABRIDGED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2018**

	Stated Capital	Loss for the period	Total
	GBP	GBP	GBP
Issue of shares	72,350,131	-	72,350,131
Share issue costs	(502,967)	-	(502,967)
<b>Transactions with shareholder</b>	<b>71,847,164</b>	<b>-</b>	<b>71,847,164</b>
Profit / (loss) for the period	-	(665,999)	(665,999)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(665,999)</b>	<b>(665,999)</b>
At 30 June 2017	<u>71,847,164</u>	<u>(665,999)</u>	<u>71,181,165</u>
At 1 July 2017	71,847,164	(665,999)	71,181,165
Profit / (loss) for the period	-	4,018,665	4,018,665
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,018,665</b>	<b>4,018,665</b>
<b>At 31 March 2018</b>	<b><u>71,847,164</u></b>	<b><u>3,352,666</u></b>	<b><u>75,199,830</u></b>

**ABRIDGED UNAUDITED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH**

	Nine months ended 31 March 2018 (Unaudited) GBP	Nine months ended 31 March 2017 (Unaudited) GBP	Year ended 30 June 2017 (Audited) GBP
<b>Operating activities</b>			
Profit / (loss) before tax	4,018,665	(406,925)	(665,999)
Adjustments for:			
Loss from financial assets at fair value through profit and loss	-	3,716	3,716
Gain from investments at fair value through profit and loss	(5,227,691)	-	-
Interest income accrued	(391,105)	(276,064)	(388,066)
Net foreign exchange loss	579,543	47,788	47,599
Changes in working capital:			
Decrease / (Increase) in receivables and prepayments	27,454	-	(27,454)
(Decrease) / Increase in payables and accruals	(13,260)	41,696	63,849
Net cash flows generated from operating activities	<u>(1,006,394)</u>	<u>(589,789)</u>	<u>(966,355)</u>
<b>Investing activities</b>			
Acquisition of investments	(35,270,682)	(202,000)	(4,202,000)
Proceeds on disposal of investments	-	198,284	198,284
Loans advanced to subsidiaries	(5,040,000)	-	(80,000)
Interest received	184,202	276,064	388,066
Net cash flows used in investing activities	<u>(40,126,480)</u>	<u>272,348</u>	<u>(3,695,650)</u>
<b>Financing activities</b>			
Proceeds from issue of shares	-	72,350,131	72,350,131
Share issue costs	-	(502,967)	(502,967)
Net cash flows generated from financing activities	<u>-</u>	<u>71,847,164</u>	<u>71,847,164</u>
Net change in cash and cash equivalents	(41,132,874)	71,529,723	67,185,159
Cash and cash equivalents at the beginning of the period	67,137,560	-	-
Exchange rate differences	(740)	(47,788)	(47,599)
<b>Cash and cash equivalents at the end of the period</b>	<u><b>26,003,946</b></u>	<u><b>71,481,935</b></u>	<u><b>67,137,560</b></u>