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

SUMMARISED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2019

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 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.

BUSINESS REVIEW

Since its listing on the SEM and the JSE, 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 now completed six investments since its listing, having concluded the acquisition of a significant minority stake in Techstream Group ("**Techstream**") in January 2020. The Company continues to build a pipeline of new investments.

In December 2019, the Company concluded agreements with RMB International (Mauritius) ("**RMB**") for a term loan facility. The total amount of the facility is GBP 15 million and will be utilised to make new investments. The Company drew down and invested GBP 7.8 million of the facility in order to complete the Techstream transaction.

Dentex Healthcare Group Limited ("**Dentex**")
www.dentexhealth.co.uk

Dentex now owns 72 dental practices and is the second largest private focused dental group in the UK. Dentex has established a robust and scalable platform. The business is performing well and is trading ahead of forecasts and budgets.

Dentex recently secured a GBP 67 million acquisition facility from Investec Bank and Apera Asset Management. GBP 27 million of the facility was used to refinance the existing senior debt and GBP 40 million will be utilised for further acquisitions. During the last 6 months, Dentex raised GBP 17.5 million of additional equity from existing shareholders, with the Company investing a further GBP 8.8 million.

YASA Limited ("**YASA**")
www.yasa.com

YASA continues to deliver for all customers in production. A number of confidential development projects are ongoing, and further details will be made available once the development partners provide their consent. These projects cover the automotive and aerospace industries and involve both Axial Flux electric motors and the new range of innovative controllers that have been developed over the last 4 years. The company shipped its highest ever volume of standard and bespoke motors in the last 2 quarters of 2019 and is forecasting increasing volumes during 2020.

The European automotive market continues to anticipate a large increase in the number of hybrid and Battery Electric Vehicles that will be sold in order to achieve challenging targets set for fleet wide emissions, failing which manufacturers will be subject to substantial fines. The UK government has recently indicated that it intends to bring forward the date by when the sale of petrol or diesel powered cars will be banned by 5 years to 2035, and many European countries are imposing the same ban by 2030. The implementation of these bans will result in a wide range of opportunities for YASA.

In respect of aerospace, a number of projects are being undertaken in relation to electric aviation. YASA is providing the powertrain for the Rolls Royce ACCEL programme, which aims to break the record for electric flight with an aircraft capable of exceeding 480 km/h.

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

Contrary to expectations at the start of 2019, distressed debt strategies did not produce the anticipated returns. SC Lowy's Primary Investments ("**PI**") fund achieved a strong relative performance of 3.3% net of fees for the year, outperforming the benchmark Hedge Fund index by over 100 basis points. SC Lowy nevertheless continued to receive requests for new investment in the PI fund from new and existing customers and also raised a new Strategic Situations ("**SI**") fund of US$105m, ending the year with over US$1bn in Funds Under Management ("**FUM**"). As a result of the increase in FUM, SC Lowy passed an important milestone whereby management fees charged are sufficient to cover the running costs of the non-banking business.

Solution Bank continued to consolidate its turnaround, with the Bank of Italy issuing it with a passport to raise deposits across the EU, and to make loans across the EU. Choeun Savings Bank in Korea traded profitably, and chose to exit from certain market segments where it considered that competitors were offering loans at uncommercial rates.

JSA Services Limited ("**JSA**")
www.jsagroup.co.uk

JSA is a provider of Personal Service Companies ("**PSC**"), Umbrella and Payroll services to contractors and temporary workers in the UK. JSA performed in line with budgets and forecasts during the quarter to December 2019.

In January 2020, JSA completed the acquisition of Mango Pay, a complementary provider of predominantly Umbrella payroll services, based in Chester in the UK. JSA Management are currently implementing a detailed plan to integrate the operations of Mango Pay with those of Crest Plus, a company that was acquired during 2019 which is also based in Chester.

In line with its strategy to be a consolidator of smaller, complementary businesses in the sector, JSA is actively engaging with other potential acquisition targets. If these negotiations are successful, these acquisitions will be funded by debt facilities available to JSA.

JSA management believes that it is likely that the UK government will announce the extension of the IR 35 employment regulations covering temporary and contract workers to the private sector in April 2020. The effects of these regulations will be far reaching and will require a large number of contractors to make use of Umbrella payroll services in future. As a respected provider of both PSC and Umbrella payroll services, JSA is well placed to provide compliant solutions to both its existing customers and to new clients.

Propelair
www.propelair.com

Propelair sales for 2019 were three times higher than the previous year. The increased level of sales is driven by an appreciation from customers that Propelair's technology is highly effective in reducing water usage, and brings with it lower cost of ownership. Propelair continues to grow the number of sales affiliates it works with, which should support further growth in sales, although the conversion rate from pipeline opportunities to booked sales is still slower than anticipated.

Two of the other significant shareholders provided a convertible loan in the period to end December 2019 to support Propelair. Universal Partners declined to participate, given our view that Propelair has substantially missed the business plans previously proposed.

Techstream
www.techstreamgroup.com

Subsequent to the end of the period under review, the Company invested GBP 7.8 million in Techstream Group using funds raised from RMB. The Company's investment, together with debt funding from Investec Bank Plc, funded the merger of TechStream, Xcede and Etonwood, creating a global business with over 650 technology, engineering and digital consultants on client site and 220 internal employees across 9 global offices.

Management of TechStream Group have commenced with the integration of the three businesses which will result in a number of cross selling opportunities across the group's brands and improved efficiency in managing the global operations. Each brand will remain highly specialised in its own field with a clear focus on new and emergent technology, covering Cloud Transformation, Digital Transformation, Cyber Security, Data Analytics, Automation, IoT, RPA, Embedded Tech, CleanTech and GridTech. The group will operate across its current global office network in London, New York, Berlin, Hamburg, Munich, Singapore, Malaga and Cape Town.

FINANCIAL REVIEW

For the period under review, interest income included interest earned from providing short-term bridging loans to investee companies as well as interest earned from investing excess cash in interest bearing fixed deposits for periods of up to six months. The deposited 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.

Interest earned for the quarter amounted to GBP 77,228 which included interest of GBP 6,276 earned from cash balances and GBP 70,952 earned from providing short-term bridging loans. At the end of the period, there were no loans outstanding.

During the quarter, the Company earned a raising fee of GBP 75,001 from Dentex. This fee was paid by the issue of additional shares in Dentex at an issue price of GBP 1.70 per share.

The Company's investment in SC Lowy is reflected at its original cost and is denominated in US Dollars ("**USD**"). The translation effect of exchange rate movements between the USD and the GBP for the quarter resulted in a foreign exchange loss of GBP 764,712.

Potential performance fees, which are recalculated quarterly, may become payable to Argo in the event that the Company realises any of the underlying investments and achieves a return in excess of the hurdle rate net of fees in accordance with the investment management agreement between the Company and Argo. This performance can only be accurately calculated on realisation and will become payable once the proceeds of the related sale are received by the Company. There has been no change in the valuation of the investments during the period under review. When calculating the potential performance fee for the current period, there was a reduction to the existing accrual of GBP 416,157, resulting in a positive effect on the Company's earnings.

Management fees paid for the quarter amounted to GBP 409,452, incurred in terms of the investment management agreement between the Company and Argo. In addition, the Company incurred general and administrative expenses of GBP 110,259.

NET ASSET VALUE ("NAV")

The NAV per share as at 31 December 2019 was GBP 1.134 (30 June 2019: GBP 1.143).

LOSS PER SHARE

The loss per share for the quarter ended 31 December 2019 and loss per share for the six months ended 31 December 2019 are based on a loss after tax of GBP 716,037 and a loss after tax of GBP 638,384 for the Company respectively and the weighted average number of shares in issue of 72,350,131.

DIVIDEND

In line with the Company's investment strategy to achieve long-term growth in NAV, dividends will not be 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 2019 ("**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, the Mauritian Securities Act 2005 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 2019.

The directors are not aware of any circumstances or matters arising subsequent to 31 December 2019 that require any additional disclosure or adjustment to these summarised unaudited financial statements.

AUDITORS

These summarised unaudited financial statements were approved by the board of directors of Universal Partners ("**Board**") on 11 February 2020. 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

12 February 2020

Intercontinental Trust Limited
Company secretary

For further information please contact:

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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, Section 88 of the Mauritian Securities Act 2005 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.

SUMMARISED UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	As at 31 December 2019 (Unaudited) GBP	As at 30 June 2019 (Audited) GBP
Assets		
Non-current assets		
Investments at fair value through profit or loss	81,870,303	70,284,178
Current assets		
Receivables and prepayments	307,692	539,824
Cash and cash equivalents	1,807,211	14,220,935
	2,114,903	**14,760,759**
Total assets	**83,985,206**	**85,044,937**
Equity and Liabilities		
Equity		
Stated capital	71,847,164	71,847,164
Retained earnings	10,187,075	10,825,459
	82,034,239	**82,672,623**
Current liabilities		
Payables and accruals	1,950,967	2,372,314
Total equity and liabilities	**83,985,206**	**85,044,937**
NAV per share	**1.134**	**1.143**

SUMMARISED UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2019

	Quarter ended 31 December 2019 (Unaudited) GBP	Quarter ended 31 December 2018 (Unaudited) GBP	Six months ended 31 December 2019 (Unaudited) GBP	Six months ended 31 December 2018 (Audited) GBP
Income				
Interest income	77,228	88,855	109,446	219,820
Other income	75,001	85,330	128,000	96,877
Total income	152,229	174,185	237,446	316,697
Expenditure				
Management fees	(409,452)	(289,535)	(715,710)	(601,630)
Transaction costs	-	-	-	(2,000)
Performance fees (accrued but not paid)	416,157	-	416,157	-
General and administrative expenses	(110,259)	(87,911)	(204,421)	(161,246)
Total expenditure	(103,554)	(377,446)	(503,974)	(764,876)
Operating profit / (loss)	48,675	(203,261)	(266,528)	(448,179)
Net foreign exchange (losses) / gains	(764,712)	296,245	(371,856)	401,697
(Loss) / profit before tax	(716,037)	92,984	(638,384)	(46,482)
Tax expense	-	-	-	-
(Loss) / profit for the quarter / period	(716,037)	92,984	(638,384)	(46,482)
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 / year, net of tax	-	-	-	-
Total comprehensive income for the quarter / period	**(716,037)**	**92,984**	**(638,384)**	**(46,482)**
	Pence	**Pence**	**Pence**	**Pence**
Basic and headline (loss) / profit per share (pence)*	**(0.99)**	**0.13**	**(0.88)**	**(0.06)**

** The loss per share for the quarter ended 31 December 2019 and loss per share for the six months ended 31 December 2019 are based on a loss after tax of GBP 716,037 and a loss after tax of GBP 638,384 for the Company respectively and the weighted average number of shares in issue of 72,350,131 (31 December 2018: Based on a loss after tax of GBP 46,482 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 loss/earnings per share.

SUMMARISED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Stated capital	Retained earnings	Total
	GBP	GBP	GBP
Balance at 1 July 2018	**71,847,164**	**2,791,405**	**74,638,569**
Loss for the period	-	(46,482)	(46,482)
Other comprehensive income for the period	-	-	-
Transactions with shareholder	-	(46,482)	(46,482)
Balance at 31 December 2018	**71,847,164**	**2,744,923**	**74,592,087**
Balance at 1 July 2019	**71,847,164**	**10,825,459**	**82,672,623**
Loss for the period	-	(638,384)	(638,384)
Other comprehensive income for the quarter	-	-	-
Transactions with shareholder	-	(638,384)	(638,384)
Balance at 31 December 2019	**71,847,164**	**10,187,075**	**82,034,239**

SUMMARISED UNAUDITED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Six months ended 31 December 2019 (Unaudited) GBP	Six months ended 31 December 2018 (Unaudited) GBP	Year ended 30 June 2019 (Audited) GBP
Operating activities			
(Loss) / profit for the period / year	(638,384)	(46,482)	8,034,054
Adjustments for:			
Impairment loss	-	-	1,404,983
Fair value gain on remeasurement of investments at fair value through profit or loss	-	-	(11,646,563)
Interest income accrued	(109,446)	(219,820)	(289,110)
Net foreign exchange losses / (gains)	371,999	(401,697)	(400,917)
Net changes in working capital:			
Changes in receivables and prepayments	(221,770)	-	(5,922)
Changes in payables and accruals	(421,347)	(14,661)	1,500,644
Net cash flows utilised in operating activities	(1,018,948)	(682,660)	(1,402,831)
Investing activities			
Acquisition of investments	(11,887,030)	-	(5,381,717)
Proceeds on disposal of investments	-	400,000	400,300
Loans advanced	(2,874,981)	(4,163,000)	(4,613,000)
Loans repaid	3,341,563	9,339,852	9,562,498
Interest received	25,813	63,242	123,983
Net cash flows received from / (used in) investing activities	(11,394,635)	5,640,094	92,064
Net change in cash and cash equivalents	(12,413,583)	4,957,434	(1,310,767)
Cash and cash equivalents at the beginning of the quarter / year	14,220,935	15,534,242	15,534,242
Effect of exchange rate changes on cash and cash equivalents	(141)	(1,810)	(2,540)
Cash and cash equivalents at the end of the quarter / year	**1,807,211**	**20,489,866**	**14,220,935**