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 NINE MONTHS ENDED 31 MARCH 2020

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.

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.

In January 2020, the World Health Organization ("**WHO**") announced a global health emergency due to a novel strain of coronavirus originating in Wuhan, China (the "**COVID-19 outbreak**") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Governments around the world announced lockdowns, forcing all but essential businesses to close temporarily. Our portfolio companies have been and continue to be affected by lockdowns in various countries, particularly in the UK. The management of the investee companies have responded proactively, introducing work from home **("WFH")** protocols, cutting costs, conserving cash, and accessing government support schemes where applicable and relevant. There has been a strong focus on managing liquidity, while engaging constructively with the various funding partners. Further details as they pertain to each company are provided below.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, the full magnitude of the effect that the pandemic will have on the businesses in which the Company is invested is uncertain.

The Company believes that it is prudent to recognise this reality in its valuations at the March quarter end by making a general provision of 10% of the fair value of the portfolio. This impairment largely reflects the impact of the adverse trading conditions on the valuation of Dentex and Techstream. Argo is actively monitoring the performance of each investment and the Company will be better able to assess the impact on the valuation of its investments at the year-end, being 30th June 2020.

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

Dentex has been the most adversely affected asset in the portfolio, following the COVID-19 lockdown in the UK. Guidance issued by the UK government's Chief Dental Officer required all dental practices to close during the week commencing 30th March 2020, with the result that the business did not earn any private dental revenue from then until 31st May 2020. However, Dentex continued to earn revenue from its National Health Service ("**NHS")** practices (even though they were not delivering services under these contracts) and from private capitation schemes whereby patients pay a fixed fee per month that covers the cost of certain services received during the year. Dentex management have done an exceptional job in cutting costs, accessing government support schemes and supporting their dental practitioners and staff, who have expressed their appreciation of the benefits of being part of a substantial organisation during this difficult period. Constructive discussions are being held with their lenders, who have confirmed their belief in the Dentex business model and their willingness to support the company through this period.

On 28th May 2020, the Chief Dental Officer issued revised guidance allowing practices to resume dental services in England on 8th June 2020. Practices are required to implement infection prevention and control ("**IPC**") procedures and dentists and staff need to use suitable protective personal equipment ("**PPE**"). Dentists are required to apply clinical judgement in assessing whether certain procedures can be performed safely or not. Dentex practices will open from 8th June and expect to have relatively full patient books due to the backlog in dental service delivery over the lockdown period. Furthermore, the dentists earn a percentage of the revenue that they generate and will thus be highly motivated to return to work, having been unable to earn income during the lockdown.

Dentex is the second largest private dental corporate in the UK, with 73 practices. It is a sound, sustainable business that will stabilise and restore its historic earnings in the coming months. Once this has been achieved, Dentex will be able to resume acquiring practices in line with its long-term business plan. The major shareholders of Dentex are supportive of the business and intend to participate in future capital raises as required.

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

YASA closed its factory in Kidlington, Oxford on 24th March 2020 following the lockdown announcement on 23rd March 2020. The factory re-opened at the end of April after being re-configured to operate within the UK government's social distancing and risk management guidelines. Production was restarted to meet orders placed during the period and agreed customer delivery schedules.

All office-based staff have switched to working from home and have been able to continue working on a range of Research and Development programmes. YASA has made excellent progress on several key automotive sector programmes, with particular focus on large Battery Electric Vehicle programmes being undertaken by performance and luxury manufacturers.

The reduction in pollution noticed because of reduced traffic and economic activity over the lockdown period has increased demands for the economic emergence from lockdown to encourage environmentally friendly modes of transport and energy generation. It is expected that this will result in a greater demand for electrified mobility and that this will be positive for YASA.

YASA is presently performing ahead of its business plan, due to better than expected sales of standard motors and major engineering programmes being undertaken in the automotive sector.

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

SC Lowy's investment management activities had a strong start to the year with positive performances in January and February 2020. The market dislocation experienced during March saw a substantial increase in credit spreads of Distressed Debt and High Yield Bonds, resulting in mark-to-market losses in the Primary Investments Fund. These losses were partly offset by increased trading income during the month. Performance has normalised in April and May and the Fund's performance for the year to date is well ahead of its benchmark. The Fund's mandate is designed to deliver good performance during times of credit distress and existing investors have asked to make further investments into the Fund.

Solution Bank in Italy continues with its operational turnaround and has grown Net Interest Margin for each of the last six quarters. The bank delivered increased operating profits in the quarter to 31st March 2020 and management believes that the bank is well placed to assist in the restructuring of Italian companies that will result post the COVID-19 crisis in Italy. New regulations promulgated by the Bank of Italy are expected to support the bank to continue increasing Return on Equity through growing Risk Weighted Assets. As a result of holding a passport to originate assets and liabilities across the Eurozone, Solution Bank has successfully raised deposits via a Fintech platform which allows depositors to access attractive yields whilst enjoying full deposit protection on the first €100,000 of their deposits.

Choeun Savings Bank in Korea continues to trade profitably and deliver an attractive Return on Equity.

SC Lowy's operations in Hong Kong and Singapore continued to trade from their offices over the lockdown period. Offices in Milan and Bologna closed because of the lockdown, and staff were able to effectively work remotely over the lockdown period. These offices have now re-opened. Offices in London, New York and Mumbai remain closed, however, all staff have been able to work remotely over the period.

SC Lowy completed a scheduled equity raise of US$25m on 26th March 2020, introducing a new strategic shareholder that took up US$17m of the round. The additional equity was raised at the same price per share that Universal Partners paid when it made its investment. Universal Partners elected not to participate in this equity raise.

During March and April 2020, SC Lowy has traded a record volume of distressed debt and high yield loans. Despite this, management expects that the COVID-19 related market volatility will adversely impact performance and performance fees over 2020. However they expect substantial corporate balance sheet restructuring to commence in late 2020 which will benefit the company during 2021.

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

JSA completed the acquisitions of Liberty Bishop and Mango Pay during the last quarter. These are the 5th and 6th bolt on acquisition which JSA has completed since Universal Partners’ investment in the business. JSA has been highly successful in the implementation of its “buy, integrate and build” strategy over the last 2 years and the completion of these two acquisitions brings further scale to the business.

JSA was trading on plan for the first half of its financial year to end February, before experiencing two significant disruptions during the quarter. Besides the lockdown due to COVID-19, the UK government decided to delay the extension of the IR35 labour regulations to the private sector by a year. Management responded rapidly and effectively to the situation, adopting WFH protocols that allowed the company to offer an uninterrupted service to its clients while maintaining the security and integrity of its client data. Furthermore, a meaningful reduction in monthly expenses was achieved.

An agreement was reached with HMRC that allows JSA to retain a significant VAT balance until 31 March 2021; this additional cash means that the company has no immediate liquidity issues. A constructive dialogue has been maintained with the principal lender and no covenant breaches are envisaged. While the disruption due to COVID-19 will reduce JSA’s profits for the year to September, management expect a gradual recovery in revenue which, combined with the lower cost base, will restore historic profitability during the next financial year. As at the date of this report, JSA is experiencing steadily increasing revenue and it appears that the worst of the COVID-19 related disruption has passed.

Techstream
www.techstreamgroup.com

During the quarter, the Company invested GBP 7.8 million in Techstream Group using facilities raised from Rand Merchant Bank International (“**RMB**”). The Company’s investment, together with debt funding from Investec Bank Plc (“**Investec**”), funded the merger of TechStream, Xcede and Etonwood, creating a global business with over 650 technology, engineering, and digital consultants on client sites and 220 internal employees across 9 global offices.

Techstream’s revenue is split roughly equally between fees earned from permanent placements and net fee income from providing IT contractors to clients. COVID-19 resulted in an immediate reduction in permanent placement revenue, while the effect on the contractor book has been more muted. The management team has many years of experience in the recruitment industry and responded by significantly reducing the monthly cost base of the business, while successfully accessing government support measures in the countries in which Techstream operates.

Techstream focuses on specific niches of the IT contracting and recruitment market, where the demand for skills significantly exceeds supply. This, combined with the predictable revenue earned from its significant contractor book, provides for a resilient business model. The company is in regular contact with Investec UK as its funder, who remain very constructive and supportive.

Propelair
www.propelair.com

Propelair’s markets in the United Kingdom and South Africa were adversely affected by the lockdown in both countries and they were unable to deliver units in their pipeline as a result. Cash conservation measures were enacted. Product performance continues to improve and a number of operational improvements have been made to the company.

Propelair management believe that the COVID epidemic reinforces the need for enhanced washroom hygiene, and given their product’s proven reduction in pathogen distribution, they believe that potential customers have additional reasons to install their system. Management have continued to increase the number of sales partners, and expect that this will result in increased sales over time.

The company remains cautious regarding the future performance of Propelair and has maintained the valuation at £1.00

FINANCIAL REVIEW

For the quarter ended 31 March 2020, interest income included interest of GBP 1,623 earned on the Company's cash balances.

The Company has recognised dividend income of GBP 111,197 during the quarter. The dividend relates to preference shares that were subscribed for as part of the Techstream acquisition.

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 gain of GBP 666,011.

As detailed above, the Company has raised a general impairment provision of 10% of the value of its investment portfolio. This equates to an impairment loss of GBP 9,044,751 which has been recognised in the quarter.

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. Due to the reduction in the valuation of the Company's investments during the period under review, the existing accrual was decreased by GBP 978,489, resulting in a positive effect on the Company's earnings.

Management fees paid for the quarter amounted to GBP 414,253, incurred in terms of the investment management agreement between the Company and Argo. In addition, the Company incurred general and administrative expenses of GBP 134,647.

The Company incurred interest on the RMB debt facility of GBP 59,319 for the quarter as well as interest of GBP 28,125 from the capitalisation of the facility's raising fee in accordance with IFRS.

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

The NAV per share as at 31 March 2020 was GBP 1.024 (30 June 2019: GBP 1.143).

LOSS PER SHARE

The loss per share for the quarter ended 31 March 2020 and loss per share for the nine months ended 31 March 2020 are based on a loss after tax of GBP 7,923,775 and a loss after tax of GBP 8,562,160 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 nine months ended 31 March 2020 ("**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 after 31 March 2020 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 9 June 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

9 June 2020

Intercontinental Trust Limited
Company secretary

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Company Secretary
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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 MARCH 2020

	As at 31 March 2020 (Unaudited) GBP	As at 30 June 2019 (Audited) GBP
Assets		
Non-current assets		
Investments at fair value through profit and loss	81,402,760	70,284,178
Current assets		
Receivables and prepayments	81,077	539,824
Cash and cash equivalents	1,223,845	14,220,935
	1,304,922	**14,760,759**
Total assets	**82,707,682**	**85,044,937**
Equity and Liabilities		
Equity		
Stated capital	71,847,164	71,847,164
Retained earnings	2,263,299	10,825,459
	74,110,463	**82,672,623**
Non current liabilities		
Borrowings	7,603,125	-
Current liabilities		
Payables and accruals	994,094	2,372,314
Total equity and liabilities	**82,707,682**	**85,044,937**
NAV per share	**1.024**	**1.143**

SUMMARISED UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2020

	Quarter ended 31 March 2020 (Unaudited) GBP	Quarter ended 31 March 2019 (Unaudited) GBP	Nine months ended 31 March 2020 (Unaudited) GBP	Nine months ended 31 March 2019 (Unaudited) GBP
Income				
Interest income	1,623	38,476	111,069	258,296
Dividend income	111,197	-	111,197	-
Other income	-	-	128,000	96,877
Total income	112,820	38,476	350,266	355,173
Expenditure				
Management fees	(414,253)	(286,454)	(1,129,963)	(888,084)
Transaction costs	-	-	-	(2,000)
Performance fees reversed / (accrued but not paid)	978,489	(543,358)	1,394,646	(543,358)
General and administrative expenses	(134,647)	(85,583)	(339,069)	(246,829)
Total expenditure	429,589	(915,395)	(74,386)	(1,680,271)
Operating profit / (loss)	542,409	(876,919)	275,880	(1,325,098)
Impairment loss	(9,044,751)	-	(9,044,751)	-
Fair value gain on remeasurement of financial assets at fair value through profit or loss	-	3,983,092	-	3,983,092
Interest paid	(87,444)	-	(87,444)	-
Net foreign exchange gains / (losses)	666,011	(305,812)	294,155	95,886
(Loss) / profit before tax	(7,923,775)	2,800,361	(8,562,160)	2,753,880
Tax expense	-	-	-	-
(Loss) / profit for the period	(7,923,775)	2,800,361	(8,562,160)	2,753,880
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 period, net of tax	-	-	-	-
Total comprehensive income for the period	**(7,923,775)**	**2,800,361**	**(8,562,160)**	**2,753,880**
	Pence	**Pence**	**Pence**	**Pence**
Basic and headline (loss) / earnings per share*	**(10.95)**	**3.87**	**(11.83)**	**3.81**

** The loss per share for the quarter ended 31 March 2020 and loss per share for the nine months ended 31 March 2020 are based on loss after tax of GBP 7,923,775 and loss after tax of GBP 8,562,160 for the Company respectively and the weighted average number of shares in issue of 72,350,131 (31 March 2019: Based on profit after tax of GBP 2,753,880 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.

SUMMARISED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2020

	Stated Capital	Retained earnings	Total
	GBP	GBP	GBP
Balance at 1 July 2018	**71,847,164**	**2,791,405**	**74,638,569**
Profit for the period	-	2,753,880	2,753,880
Other comprehensive income for the period	-	-	-
Transactions with shareholder	-	2,753,880	2,753,880
Balance at 31 March 2019	**71,847,164**	**5,545,285**	**77,392,449**
Balance at 1 July 2019	**71,847,164**	**10,825,459**	**82,672,623**
Loss for the period	-	(8,562,160)	(8,562,160)
Other comprehensive income for the period	-	-	-
Transactions with shareholder	-	(8,562,160)	(8,562,160)
Balance at 31 March 2020	**71,847,164**	**2,263,299**	**74,110,463**

SUMMARISED UNAUDITED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2020

	Nine months ended 31 March 2020 (Unaudited) GBP	Nine months ended 31 March 2019 (Unaudited) GBP	Year ended 30 June 2019 (Audited) GBP
Operating activities			
(Loss) / profit for the period / year	(8,562,160)	2,753,880	8,034,054
Adjustments for:			
Impairment loss	9,044,751	-	1,404,983
Fair value gain on remeasurement of investments at fair value through profit or loss	-	(3,983,092)	(11,646,563)
Interest income accrued	(111,069)	(258,296)	(289,110)
Dividend income accrued	(111,197)	-	-
Interest paid	87,444	-	-
Net foreign exchange gain	(293,751)	(95,886)	(400,917)
Net changes in working capital:			
Changes in receivables and prepayments	4,845	-	(5,922)
Changes in payables and accruals	(1,378,220)	541,780	1,500,644
Net cash flows utilised in operating activities	(1,319,357)	(1,041,614)	(1,402,831)
Investing activities			
Acquisition of investments	(19,757,980)	(5,381,717)	(5,381,717)
Proceeds on disposal of investments	-	400,000	400,300
Loans advanced to subsidiaries	-	(4,163,000)	(4,613,000)
Loans repaid	453,902	9,562,498	9,562,498
Interest received	111,069	97,071	123,983
Net cash flows (utilised in) / generated from investing activities	(19,193,009)	514,852	92,064
Financing activities			
Loans raised	7,800,000	-	-
Raising fee paid	(225,000)	-	-
Loans repaid	(59,320)	-	-
Net cash flows generated from financing activities	7,515,680	-	-
Net change in cash and cash equivalents	(12,996,686)	(526,762)	(1,310,767)
Cash and cash equivalents at the beginning of the period / year	14,220,935	15,534,242	15,534,242
Effect of exchange rate changes on cash and cash equivalents	(404)	(2,066)	(2,540)
Cash and cash equivalents at the end of the period / year	**1,223,845**	**15,005,414**	**14,220,935**