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 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.

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 completed six investments since its listing up to the reporting date. An update on these investments and how they operated during the quarter under review is provided below.

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

Dentex continued to perform well during the quarter with profitability exceeding pre-COVID prior year performance. There is significant pent-up demand for dental services following the closure of practices during the first lock down in the UK and the bottleneck caused by the National Health Services (NHS) practices operating at reduced capacity. The practices remain subject to enhanced infection prevention protocols but the Dentex team has developed robust operating procedures which have allowed the practices to trade at normal capacity, with no impact on profit margins.

As previously communicated, Dentex concluded a strategic GBP 20 million equity raise in November 2020 to enable Dentex to acquire high quality practices on favourable terms. GBP 10 million was invested on completion and the remaining GBP 10 million was invested during the quarter under review. Universal Partners invested a total of GBP 2.5 million in the capital raise with GBP 1.25 million being invested upfront and the balance being invested in February 2021. The business is well capitalised following the introduction of the new equity and the sustained improvement in profitability.

The business completed the acquisition of a further 14 practices since it recommenced acquisition activity in November 2020. The new practices are performing in line with expectations and are being integrated into the group. Dentex now owns 85 practices with a further 19 practices under signed heads of terms and in due diligence that are expected to close during the current calendar year.

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

YASA has continued to grow its business and deliver contracted motors and inverters to clients, despite the UK being under a COVID lockdown over the period. Manufacturing staff have continued to build motors in the Kidlington factory, whilst following all COVID protocols, and staff that are able to work from home have continued to do so.

During the period, McLaren launched the "Artura", their new hybrid supercar, powered by a drivetrain consisting of a YASA Axial Flux motor coupled to the McLaren designed V6 internal combustion engine.

YASA is now the e-motor solution of choice in the hybrid Supercar segment, given it is used in production vehicles offered by Koenigsegg, Ferrari and McLaren. The company continues to work on Battery Electric Vehicle ("BEV") development programmes in other automotive market segments with a range of automotive manufacturers, all of which are subject to non-disclosure agreements due to the commercially sensitive nature of these activities. Given their high power, light weight and flexible configuration, YASA motors are well suited to aerospace applications, and several development programmes are in place.

The company has shipped more motors than budgeted during the period, resulting in an improved operating result versus budget.

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

SC Lowy delivered a strong performance across all its divisions during the period under review. The Primary Investments fund returned 7% net of fees in the quarter, comfortably outperforming benchmark returns over the period and resulting in substantial performance fees. Trading income from all trading activities performed well. Solution Bank in Italy delivered a strong operating profit, continuing the unbroken quarterly growth trend post completion of the turnaround. Choeun Savings Bank in Korea continued to deliver double digit RoE on an annualised basis and paid a maiden dividend.

Although many of SC Lowy's locations were impacted by COVID related restrictions, staff were able to work remotely where required. Management believe that credit market fundamentals are favourable in the distressed debt and high yield segments and are working with a range of clients to continue delivering the desired outcomes.

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

Despite further lock downs in the UK during January, JSA continued to see a gradual normalising of market conditions in the contract labour market. Consequently, the results for the second quarter and half year ended March are substantially in line with budget.

As expected, the IR35 employment legislation dealing with the employment of contract workers in the private sector in the UK became effective on 6 April 2021. This legislation increases the compliance burden on end hirers and employment agencies, encouraging them to use larger, accredited payroll service providers such as JSA. During March and April, JSA experienced a significant increase in the number of new umbrella payroll workers, a trend that is expected to continue for another month or two. While the full impact of IR35 on JSA's umbrella business cannot be determined accurately at this point, management are confident that it will result in substantial growth in the customer base and revenue of this division.

The new legislation has resulted in increased levels of churn in the Personal Service Company ("PSC") division, a trend that was anticipated and planned for. JSA has been successful in retaining around 75% of its PSC clients who have elected to switch to an umbrella solution.

In line with its strategy of being a consolidator of the sector, JSA completed the acquisition of Workr Group at the end of April. This transaction adds around 1 700 umbrella workers and 1 600 contract workers to JSA's substantial client base. In addition, it introduces a small international element to the business that represents the first step of a measured expansion outside the UK during the coming years.

TechStream Group ("TSG")
www.techstreamgroup.com

After a difficult year to December 2020, TSG has started its new financial year on a positive note. The financial results for the first quarter ended March are ahead of budget, with net fee income in both the permanent placement and contractor divisions ahead of plan. From a geographic perspective, sales in the UK, Singapore, USA and Spain have been strong, while Germany and South Africa were below expectations. Plans are in place to address areas of weakness and to improve the level of cross selling of services across TSG's substantial client base.

The new management team has acted swiftly to make several operational improvements across the business. The positive impact of these changes is evident in the better financial results and in the improved levels of engagement with customers and staff. Demand for the scarce skills and services that TSG provides to its customers remains robust and the business is well placed to capitalise on these opportunities.

Besides growing net fee income, management continue to focus on improving the management of working capital, contract margins and expenses.

Propelair
www.propelair.com

Propelair has built a strong pipeline of leads over the period, but has been unable to convert these into sales due to COVID related impacts on many of its prospective clients. As a result of reduced footfall in Retail and Commercial property, landlords have been reluctant to invest in upgrading facilities given the uncertain outlook and impact on rental income. Propelair management have continued to build their network of installation partners in the UK and South Africa and have used the period under review to further their negotiations with potential sales partners in the Gulf region.

Notwithstanding the delays in closing sales, Propelair management remain confident in the underlying demand for the product, given that the pandemic has highlighted the importance of good hygiene in public conveniences, coupled with the urgent need to reduce water consumption.

FINANCIAL REVIEW

While the Company's cash remains fully invested, interest earned on cash balances remains negligible. Interest earned during the quarter of GBP 49,560 related to the interest accrued on the loan advanced to Techstream.

Dividend income of GBP 143,344 relates to an accrual raised on the preferred shares subscribed for by Universal Partners in TSG.

The board of directors of Universal Partners (the "**Board**") is of the opinion that, at the end of the quarter under review, the valuation of Techstream should remain unchanged compared to that previously reported. Accordingly, an amount equal to the dividend accrual of GBP 143,344 has been provided during the quarter.

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 an unrealised foreign exchange loss of GBP 136,502.

Management fees accrued during the quarter amounted to GBP 442,846 incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to GBP 77,476 were also 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 quarter under review, there was a partial reversal of the accrual previously recognised, which had a positive impact on the income statement of GBP 149,618.

The Company incurred interest of GBP 115,145 during the quarter on the RMB term loan facility. An additional amount of GBP 2,750,000 was drawn down from the facility during the quarter. During the quarter GBP 1,500,000 was drawn down to advance a nine month working capital loan to Techstream and GBP 1,250,000 for further investment in Dentex.

NET ASSET VALUE ("NAV")

The NAV per share as at 31 March 2021 was GBP 1.059 (30 June 2020: GBP 1.095).

LOSS PER SHARE

The loss per share for the quarter ended 31 March 2021 and loss per share for the nine months ended 31 March 2021 are based on a loss after tax of GBP 570,846 and a loss after tax of GBP 2,574,822 for the Company respectively and a 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 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 nine months ended 31 March 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, 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 2020.

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

AUDITORS

These summarised unaudited financial statements were approved by the Board on 11 May 2021.

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 May 2021

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 MARCH 2021

	As at 31 March 2021 (Unaudited) GBP	As at 30 June 2020 (Audited) GBP
Assets		
Non-current assets		
Investments at fair value through profit or loss	89,044,790	87,806,011
Current assets		
Receivables and prepayments	91,537	96,146
Loan receivable	1,579,560	-
Cash and cash equivalents	1,837,196	582,560
	3,508,293	**678,706**
Total assets	**92,553,083**	**88,484,717**
Equity		
Stated capital	71,847,164	71,847,164
Retained earnings	4,772,200	7,347,022
	76,619,364	**79,194,186**
Liabilities		
Non-current liabilities		
Borrowings	-	7,631,250
Current liabilities		
Borrowings	14,372,525	-
Payables and accruals	1,561,194	1,659,281
	15,933,719	**1,659,281**
Total liabilities	**15,933,719**	**9,290,531**
Total equity and liabilities	**92,553,083**	**88,484,717**
NAV per share	**1.059**	**1.095**

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

	Quarter ended 31 March 2021 (Unaudited) GBP	Quarter ended 31 March 2020 (Unaudited) GBP	Nine months ended 31 March 2021 (Unaudited) GBP	Nine months ended 31 March 2020 (Unaudited) GBP
Income				
Interest income	49,630	1,623	49,886	111,069
Dividend income	143,344	111,197	426,681	111,197
Other income	30,000	-	30,000	128,000
Total income	222,974	112,820	506,567	350,266
Expenditure				
Management fees	(442,846)	(414,253)	(1,318,937)	(1,129,963)
Transaction costs	-	-	(2,932)	-
Performance fees (accrued but not paid)	149,618	978,489	529,784	1,394,646
Interest paid	(115,145)	(59,319)	(266,284)	(59,319)
Amortisation of structuring fee	(28,125)	(28,125)	(84,375)	(28,125)
General and administrative expenses	(77,476)	(134,647)	(250,744)	(339,069)
Total expenditure	(513,974)	342,145	(1,393,488)	(161,830)
Operating (loss) / profit	(291,000)	454,965	(886,921)	188,436
Fair value loss on remeasurement of financial assets at fair value through profit or loss	(143,344)	-	(426,681)	-
Impairment loss	-	(9,044,751)	-	(9,044,751)
Net foreign exchange (loss) / gain	(136,502)	666,011	(1,261,220)	294,155
Loss before tax	(570,846)	(7,923,775)	(2,574,822)	(8,562,160)
Tax expense	-	-	-	-
Loss for the quarter / period	(570,846)	(7,923,775)	(2,574,822)	(8,562,160)
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	**(570,846)**	**(7,923,775)**	**(2,574,822)**	**(8,562,160)**
	Pence	**Pence**	**Pence**	**Pence**
Basic and headline loss per share (pence)*	**(0.79)**	**(10.95)**	**(3.56)**	**(11.83)**

** The loss per share for the quarter ended 31 March 2021 and loss per share for the nine months ended 31 March 2021 are based on a loss after tax of GBP 570,846 and a loss after tax of GBP 2,574,822 for the Company respectively and the weighted average number of shares in issue of 72,350,131 (31 March 2020: Based on a loss after tax of GBP 8,562,160 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 NINE MONTHS ENDED 31 MARCH 2021

	Stated capital	Retained earnings	Total
	GBP	GBP	GBP
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**
Balance at 1 July 2020	**71,847,164**	**7,347,022**	**79,194,186**
Loss for the period	-	(2,574,822)	(2,574,822)
Other comprehensive income for the quarter	-	-	-
Transactions with shareholder	-	(2,574,822)	(2,574,822)
Balance at 31 March 2021	**71,847,164**	**4,772,200**	**76,619,364**

SUMMARISED UNAUDITED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2021

	Nine months ended 31 March 2021 (Unaudited) GBP	Nine months ended 31 March 2020 (Unaudited) GBP	Year ended 30 June 2020 (Audited) GBP
Operating activities			
Loss for the period / year	(2,574,822)	(8,562,160)	(3,478,437)
Adjustments for:			
Fair value loss on remeasurement of investments at fair value through profit or loss	426,681	-	2,848,986
Impairment loss	-	9,044,751	
Interest income	(49,886)	(111,069)	(111,217)
Dividend income	(426,681)	(111,197)	(248,430)
Raising fees	-	-	(75,001)
Commitment fees	7,435		
Amortisation of structuring fee	84,375	28,125	56,250
Interest on borrowings	266,284	59,319	128,476
Net foreign exchange loss / (gain)	1,261,172	(293,751)	(364,661)
Net changes in working capital:			
Changes in receivables and prepayments	4,609	4,845	(224)
Changes in payables and accruals	(98,087)	(1,378,220)	(713,033)
Net cash flows utilised in operating activities	(1,098,920)	(1,319,357)	(1,957,291)
Investing activities			
Acquisition of investments	(2,500,000)	(19,757,980)	(11,882,981)
Loans advanced	(1,530,000)	-	(247,680)
Loans repaid	-	453,902	691,582
Interest received	326	111,069	111,217
Net cash flows used in investing activities	(4,029,674)	(19,193,009)	(11,327,862)
Financing activities			
Increase in borrowings	6,534,319	7,800,000	-
Interest paid	(151,139)	(59,320)	(128,476)
Payment of structuring fee	-	(225,000)	(225,000)
Net cash flows generated from / (used in) financing activities	6,383,180	7,515,680	(353,476)
Net change in cash and cash equivalents	1,254,586	(12,996,686)	(13,638,629)
Cash and cash equivalents at the beginning of the quarter / year	582,560	14,220,935	14,220,935
Effect of exchange rate changes on cash and cash equivalents	50	(404)	254
Cash and cash equivalents at the end of the quarter / year	**1,837,196**	**1,223,845**	**582,560**