

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 UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

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.

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 two exits. In the year ended 30 June 2023, UPL partially exited its second investment following the sale of its shares in Dentex Healthcare Group Limited (“Dentex”) to Portman Dental Care (“Portman”).

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

Portman Dental Care (“Portman”)

www.portmandentalcare.com

Portman is one of the largest dental care platforms in Europe, with operations in the UK, Ireland, the Nordics, Benelux and France. UPL became a minority shareholder in Portman following the merger with Dentex in 2023.

The integration is progressing well, with the senior leadership of both businesses working together to extract the best of both operating models to build a transformative dental business that benefits from the significant scale of the combined group. Whilst the operating environment is challenging, the existing estate of practices has increased profitability on a like-for-like basis over the past year, with management actively controlling costs and focusing on dentist recruitment and retention.

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 this growth. 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. UPL elected to follow its proportional rights, subscribing for £1,423,128 worth of Portman PIK Notes.

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.

During its financial year to 30 September 2023, WW delivered another solid financial performance, albeit somewhat below their original budget given the tougher macro-economic conditions that prevailed in the UK. Despite the environment, WW elected to invest in the business during the year, making several senior hires in Sales & Marketing and strengthening the IT/operating platform. The benefits of these investments should become apparent in the new financial year and beyond.

The outlook for the new financial year remains challenging for the UK operations, although the international division remains buoyant. Overall, WW expects respectable growth in its net fee income and EBITDA, before factoring in the benefits of any further acquisitions.

WW has secured a new debt facility that has refinanced the existing debt and provides WW with an additional £26 million of committed funding that will be used to make further acquisitions.

SC Lowy Partners (“SC Lowy”)

www.sclowy.com

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

During the 9 months ended 30 September 2023, SC Lowy’s credit funds delivered good performances. The flagship Primary Investments (“PI”) fund was up 4.2% YTD, with seven of the last nine months reflecting a positive performance. The two Strategic Investment (“SI”) funds performed even better, delivering IRRs above 15% since their inception dates. Management is focused on raising additional funds for the PI fund and successor SI funds.

Solution Bank in Italy showed good profitability during the September quarter, benefitting from a high net interest margin and growth in its loan portfolio. With the turnaround now well established, the business is on track to deliver its best ever results for the year to December.

Cheoun Savings Bank in South Korea experienced a subdued but profitable quarter to September. Given the current turmoil in the South Korean savings bank sector, Cheoun has intentionally constrained its lending book and boosted its capital reserves to position itself to take advantage of any turnaround in the sector.

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.

As reported previously, it has been a challenging period for the business, with a significant slowdown in client hiring activity and changes to the senior leadership team. 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.

Xcede continues 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. UPL is working with the new management team and the debt provider to ensure that the necessary financial resources are available to fund the growth in the contractor book.

Propelair

www.propelair.com

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

As previously reported constructive progress has been made in this year, particularly in relation to the sale of units in the Middle East and South Africa, where they have traded ahead of budget. However, the Company is still significantly behind its original business plan and, accordingly, we continue to value this investment at a nominal £1.00.

FINANCIAL REVIEW

For the quarter under review, interest income was £248,100 comprising of interest from cash balances, loan notes and Portman PIK notes. Other income includes an amount of £10,800, earned by the Company as a raising fee for advancing an additional loan to Xcede during the quarter.

The Company recognised a fair value gain of £393,606 on the remeasurement of investments at fair value through profit or loss and an impairment loss of £184,377. 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. UPL's rollover investment in Portman comprises a combination of loan notes and ordinary equity. UPL has decided to maintain the value of the combined rollover investment during the quarter under review. Given that interest has accrued on the loan notes, a commensurate reduction of the fair value of the ordinary equity is required.

Management fees accrued during the quarter amounted to £463,077 incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to £156,690 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 quarter 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 £250,758.

The Company incurred interest of £15,459 during the quarter on the RMB term loan facility. A new committed loan facility of £10 million was secured during the quarter. The facility remains undrawn at the end of the quarter.

NET ASSET VALUE ("NAV")

The NAV per share as at 30 September 2023 was £1.296 (30 June 2023: £1.296).

EARNINGS PER SHARE

The earnings per share of 0.04 pence for the quarter ended 30 September 2023 and 1.44 pence for the quarter ended 30 September 2022 are based on a profit after tax of £29,707 and £1,046,280 for the Company respectively. The weighted average number of shares in issue for the period was 72,894,199 (30 September 2022: 72,786,163).

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 quarter under review.

BASIS OF PREPARATION

The summarised unaudited financial statements for the quarter ended 30 September 2023 ("**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 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 2023.

The directors are not aware of any circumstances or matters arising after 30 September 2023 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 13 November 2023. These summarised unaudited financial statements have not been reviewed or reported on by the Company's external auditors, Nexia Baker & Arensen.

By order of the Board

14 November 2023

Intercontinental Trust Limited

Company secretary

For further information please contact:

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SEM authorised representative and sponsor

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+230 402 0890

Company Secretary

Intercontinental Trust Limited

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NOTES

Copies of these summarised unaudited 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 12.19 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
30 SEPTEMBER 2023**

	As at 30 September 2023 (Unaudited) GBP	As at 30 June 2023 (Audited) GBP
Assets		
Non-current assets		
Investments at fair value through profit or loss	85,050,859	83,205,135
Receivables	2,459,709	2,459,709
	87,510,568	85,664,844
Current assets		
Receivables and prepayments	8,216,167	7,641,118
Cash and cash equivalents	3,046,541	15,122,525
	11,262,708	22,763,643
Total assets	98,773,276	108,428,487
Equity		
Stated capital	72,641,018	72,641,018
Retained earnings	21,833,305	21,803,598
	94,474,323	94,444,616
Liabilities		
Non-current liabilities		
Borrowings	43,873	9,360,464
	43,873	9,360,464
Current liabilities		
Payables and accruals	4,255,080	4,623,407
	4,255,080	4,623,407
Total liabilities	4,298,953	13,983,871
Total equity and liabilities	98,773,276	108,428,487
NAV per share	1.296	1.296
Number of shares in issue	72,894,199	72,894,199

SUMMARISED UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Quarter ended 30 September 2023 (Unaudited) GBP	Quarter ended 30 September 2022 (Unaudited) GBP	Year ended 30 June 2023 (Audited) GBP
Income			
Interest income	248,100	175,711	1,334,633
Dividend income	-	165,973	680,586
Other income	10,800	57,500	87,000
Total income	258,900	399,184	2,102,219
Expenditure			
Management fees	(463,077)	(558,758)	(2,227,568)
Transaction costs	-	-	-
Performance fees (accrued but not paid)	250,758	358,060	424,847
Interest paid	(15,459)	(162,057)	(1,096,744)
Amortisation of structuring fee	(53,431)	(28,309)	(113,236)
General and administrative expenses	(156,690)	(181,146)	(521,449)
Total expenditure	(437,899)	(572,210)	(3,534,150)
Operating loss	(178,999)	(173,026)	(1,431,931)
Fair value gain / (loss) on remeasurement of financial assets at fair value through profit or loss	393,606	1,386,022	(792,690)
Impairment loss	(184,377)	(165,973)	(836,745)
Net foreign exchange loss	(523)	(743)	(806)
Profit / (loss) before tax	29,707	1,046,280	(3,062,172)
Tax expense	-	-	-
Profit / (loss) for the quarter / year	29,707	1,046,280	(3,062,172)
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 / year	29,707	1,046,280	(3,062,172)
Weighted average number of shares in issue	72,894,199	72,786,163	72,796,819
	Pence	Pence	Pence
Basic and headline earnings / (loss) per share*	0.04	1.44	(4.21)

* The earnings per share for the quarter ended 30 September 2023 and for the quarter ended 30 September 2022 are based on a profit after tax of GBP 29,707 and GBP 1,046,280 for the Company respectively. The loss per share for the year ended 30 June 2023 is based on a loss after tax of GBP 3,062,172 for the Company.

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 QUARTER
ENDED 30 SEPTEMBER 2023**

	Stated Capital	Retained earnings	Total
	GBP	GBP	GBP
Balance at 1 July 2022	72,481,860	32,155,335	104,637,195
Profit for the quarter	-	1,046,280	1,046,280
Other comprehensive income for the quarter	-	-	-
Transactions with shareholder	-	1,046,280	1,046,280
Balance at 30 September 2022	72,481,860	33,201,615	105,683,475
Balance at 1 July 2023	72,641,018	21,803,598	94,444,616
Profit for the quarter	-	29,707	29,707
Other comprehensive income for the quarter	-	-	-
Transactions with shareholder	-	29,707	29,707
Balance at 30 September 2023	72,641,018	21,833,305	94,474,323

SUMMARISED UNAUDITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Quarter ended 30 September 2023 (Unaudited) GBP	Quarter ended 30 September 2022 (Unaudited) GBP	Year ended 30 June 2023 (Audited) GBP
Operating activities			
Profit / (loss) for the quarter / year	29,707	1,046,280	(3,062,172)
Adjustments for:			
Fair value (gain) / loss on remeasurement of investments at fair value through profit or loss	(393,606)	(1,386,022)	792,690
Impairment loss	184,377	165,973	836,745
Interest income accrued	(248,100)	(175,711)	(1,334,634)
Dividend income	-	(165,973)	(680,586)
Amortisation of structuring fee	53,431	28,309	113,236
Interest on borrowings accrued	15,459	162,057	1,096,744
Raising fees (capitalised to loan)	(10,800)	(57,500)	(87,000)
Commitment fee payable	43,873	47,361	90,005
Net changes in working capital:			
Changes in receivables and prepayments	(9,637)	(9,612)	3,977,561
Changes in payables and accruals	(276,660)	(346,993)	(1,128,605)
Net cash flows utilised in operating activities	<u>(611,956)</u>	<u>(691,831)</u>	<u>613,984</u>
Investing activities			
Acquisition of investments	(1,423,128)	-	(5,000,000)
Proceeds received from sale of investment	-	-	30,302,165
Loans advanced to subsidiaries	(540,000)	(2,875,000)	(4,350,000)
Interest received	20,121	439	35,358
Net cash flows (utilised in) / generated from investing activities	<u>(1,943,007)</u>	<u>(2,874,561)</u>	<u>20,987,523</u>
Financing activities			
Loan received	-	4,700,000	10,675,000
Loan repaid	(9,000,000)	-	(10,000,000)
Interest paid	(421,021)	(162,057)	(474,952)
Payment of structuring fee	(100,000)	(125,000)	(125,000)
Dividends paid	-	-	(7,289,565)
Net cash flows (used in) / generated from financing activities	<u>(9,521,021)</u>	<u>4,412,943</u>	<u>(7,214,517)</u>
Net change in cash and cash equivalents	(12,075,984)	846,551	14,386,990
Cash and cash equivalents at the beginning of the quarter / year	<u>15,122,525</u>	<u>735,535</u>	<u>735,535</u>
Cash and cash equivalents at the end of the quarter / year	<u>3,046,541</u>	<u>1,582,086</u>	<u>15,122,525</u>