

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

DISPOSAL OF INTEREST IN YASA LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Disposal of interest in YASA Limited

Shareholders are referred to the latest cautionary announcement released by Universal Partners on 22 July 2021 and are advised that the Company has completed the disposal of its interest in YASA Limited ("YASA") to Daimler UK, a subsidiary of Mercedes Benz AG ("MBAG") (the "Transaction"). The Transaction was completed on 3 August 2021. After acquiring all of the shares in YASA, including the 21.95% (fully diluted) held by the Company, MBAG is now the owner of 100% of the shares and claims in YASA.

YASA manufactures very powerful, lightweight Axial Flux electric motors for the Automotive industry and is currently a supplier of these motors to prestige and high-performance brands such as Mercedes AMG, Mercedes Benz, Ferrari, McLaren and Koenigsegg. The technology originated from research undertaken at Oxford University in the early 2000's, whereafter Oxford University commercialised the research by establishing YASA. The Company first invested in YASA in August 2017 and has since assisted YASA with the further development of its activities, ultimately resulting in the acquisition of YASA by MBAG.

Prior to completion of the Transaction, YASA sold its Aerospace business (now known as "Yalium") to a consortium established by Oxford Sciences Innovation ("OSI") and Waypoint Capital, in order to facilitate the commercialisation of the Axial Flux Motor technology in the Aerospace sector.

The gross consideration to be received by the Company post the disposal of its interest in YASA (including its share of the Yalium disposal) is c.£42.8m. The final consideration to be received by the Company will depend on a number of factors, as contained in the final form legal agreements. *Inter alia*, these allow for the purchaser to recover non-permitted leakage between the balance sheet date of 30 June 2021 and the completion date; for specified adjustments to the net working capital as at 30 June 2021; and for any valid warranty claims that are proven under various sellers' warranties. All sellers have agreed to place a portion of their sale proceeds into escrow to meet the cost of any successful warranty claims.

The Company has invested a total amount of £14.3m in YASA since August 2017. At the time of the disposal, the Company valued its investment in YASA at £21.9m, based on the price at which independent third parties subscribed for new shares in a funding round completed in August 2019. The Company expects to receive total proceeds of £38.3m from this Transaction, after allowing for all transaction fees and carried interest payable. This is an excess of £16.4m on the carrying value prior to the disposal (and an excess of £24.0m on the cost of the investment).

The disposal of YASA is the first exit of an investment made by the Company since it listed in August 2016, and is in line with the Company's stated objective of investing in businesses in the UK and internationally which offer attractive opportunities for growth over the medium term. On a gross basis, the Company has achieved a 3.00 times Money Multiple on the funds invested in YASA since August 2017, and anticipates achieving an Internal Rate of Return of c.27.6% when allowing for the anticipated timing of all cashflows, fees and carried interest payable. This is substantially higher than the Company's minimum targeted return on its investments.

The Transaction constitutes an undertaking in the ordinary course of business of Universal Partners and therefore does not fall under the scope of Chapter 13 of the Listing Rules of the Stock Exchange of Mauritius Ltd (“SEM”) or under any of the JSE Listings Requirements.

Withdrawal of cautionary announcement

Given that the Transaction has now completed, shareholders are advised that caution is no longer required to be exercised when dealing in the Company’s shares.

Universal Partners has its primary listing on the Official List of the SEM and a secondary listing on the Alternative Exchange of the Johannesburg Stock Exchange.

By order of the Board

4 August 2021

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This notice is issued pursuant to SEM Listing Rule 11.3 and Rules 5(1) and 9 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Universal Partners accepts full responsibility for the accuracy of the information contained in this announcement.