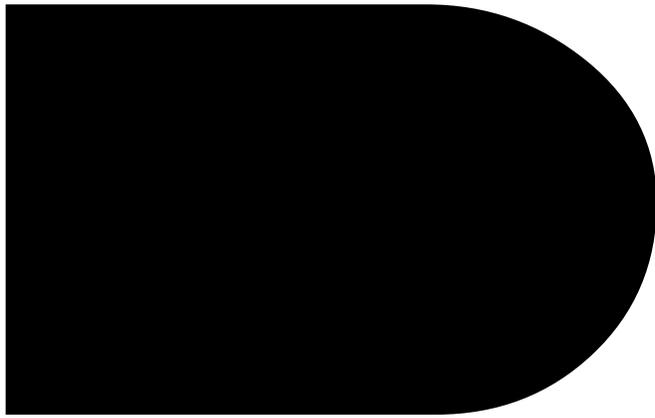


THE INVESTMENT
MAGAZINE

by: PROVEN Investments Limited

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SEPTEMBER 2021 EDITION



UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

The Board of Directors of PROVEN Investments Limited ("PIL") is pleased to report its Unaudited Financial Statements for the six-month period ended September 30, 2021.

FINANCIAL HIGHLIGHTS

US\$5.99 million	—	Net Profit Attributable to Shareholders
US\$0.0079	—	Earnings Per Share
US\$741.05 million	—	Consolidated Total Assets
9%	—	Trailing 12 Months Return on Average Equity
68%	—	Efficiency Ratio
US\$0.0016 per share	—	Quarterly Approved Dividend

Financial Performance

Despite the dampening effect of the Delta Variant and other pandemic related disruptions in the economy, PIL delivered a satisfactory performance for the first half of the Financial Year 2022 (FY22). Net Profit Attributable to Owners of the Company (NPAO) totalled US\$5.99 million for the period, which represents an increase of 25% compared to Net Profit of US\$4.80 million earned in the period ended September 30, 2020.

PIL continues to execute on strategies to position the company for sustainable growth, completing the acquisition of Heritage Funds International during the period. The success of PIL's footprint-expansion efforts continues with the anticipated addition of Fidelity Bank (Cayman) Limited, which is currently pending regulatory approval. Thus, PROVEN Group's momentum going into the year 2022 is strong as the company's performance continues to demonstrate resilience.

Statement of Financial Position

Total Assets amounted to US\$741.05 million as at the end of the period, an increase of 19% versus US\$621.90 million reported as at September 30, 2020. This increase reflected the execution of key initiatives to grow the business both organically and inorganically. Liabilities increased by 13% to US\$557.96 million over the period, from US\$492.51 million as at September 30, 2020. This was mainly due to an increase in customer deposits and client liabilities.

Shareholders' Equity

Shareholders' Equity Attributable to Owners of the Company increased by 37% to US\$167.15 million over the period from US\$121.86 million as at September 30, 2020. This was as a result of a successful equity raise of US\$30 million in February 2021 and a 26% increase in Retained Earnings.

Performance Drivers

PIL operates under three distinct business strategies, namely, (1) Banking & Wealth, (2) Real Estate and (3) Portfolio Holdings.

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WEALTH

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

1. BANKING AND WEALTH

PROVEN Wealth Limited (PWL)

PWL reported Profit Attributable to Equity Holders of US\$1.03 million, representing a decline of 6% from the prior period ended September 30, 2020. Total Non-Net Interest Income accounted for 76% of Total Income, reflecting successful execution of the company's strategy to diversify revenue streams and reduce reliance on the repurchase agreement business. Securities Trading and Pension Management Income were the top performing line items during the period. Total Administrative and General Expenses amounted to US\$3.66 million, accounting for 22% of Total Group Operating Expenses. Total Off Balance Sheet Funds Under Management stood at US\$518.73 million compared to US\$488.68 million as at September 30, 2020.

PWL continues to focus on implementing a new digital infrastructure strategy to improve customer experience and operational efficiency. During the period, the company launched an upgrade to its Customer Relation Management Platform aimed at enabling seamless service delivery.

BOSLIL Bank Limited (BOSLIL)

This Entity delivered Net Profit totalling US\$1.69 million during the period, a 69% decline from US\$5.37 million earned in the period ended September 30, 2020. This resulted in US\$1.24 million in Profit Attributable to Equity Holders being realized for the period compared to US\$4.03 million for the period ended September 30, 2020. The decline in Net Profit was predominantly driven by an 86% decline in Securities Trading Gains to US\$0.51 million compared to US\$3.51 million recorded for the same period last year. The extraordinary gain in the prior period reflects the Bank's tactical positioning which took advantage of market opportunities at the time. The Company is now focused on building a quality loan portfolio.

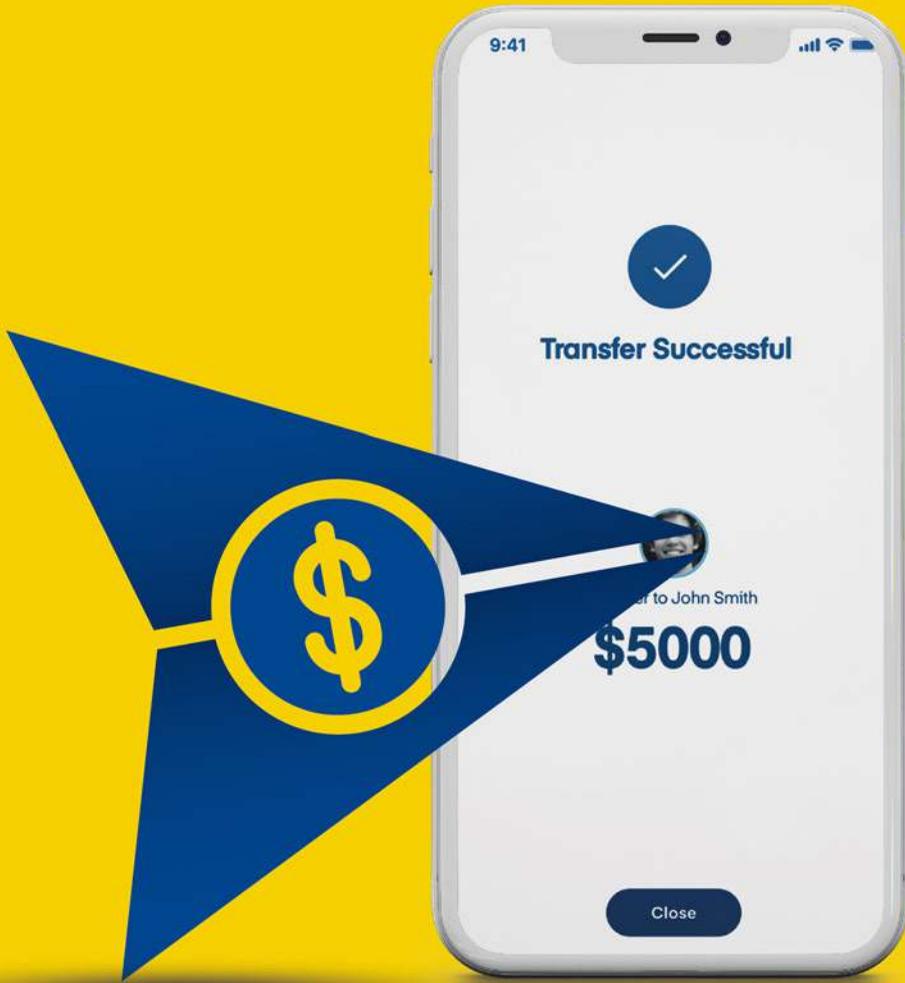
BOSLIL's Efficiency Ratio was 61% as at the end of the period, compared to 25% for the prior period ended September 30, 2020, due mainly to a 53% increase in expenses year-over-year and a 39% decrease in Net Revenues. The increase in expenses is attributed to a reduction of IFRS 9 Fair Value Gains and an increase in IFRS 9 provision for Expected Credit Loss which are reflected in the Total Administrative and General Expenses line item. BOSLIL's Total Expenses accounted for 17% of Total Group Operating Expenses. Total Assets of the Bank increased by 19% from US\$278.47 million as at September 30, 2020 to US\$331.13 million as at the end of the period, mainly due to an 84% growth in the company's loan receivables and a 29% increase in Bank and Cash Balances. The bank also saw strong growth in customer deposits which rose by 23% year-over-year from \$244.45 million as at September 30, 2020 to \$300.94 million as at the end of the period.

BOSLIL continues to achieve organic growth in core areas of its business. Balance sheet margin expansion, improved customer experience, and realising operational synergies are key elements of its business strategy for this current financial year.

International Financial Planning Limited (IFP)

IFP is a licensed independent investment advisor with offices in Cayman, Bermuda and the British Virgin Islands that caters to a variety of investors ranging from medium to high net-worth individuals.

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UN-AUDITED FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

With a 7% increase in Total Revenues, the company reported a loss of \$0.20 million over the period compared to a profit of US\$0.21 million earned in the period ended September 30, 2020. The company's Fees and Commission and Other Income continue to be affected by decline in client activity as a result of the challenging macroeconomic environment associated with the Pandemic. PIL continues its process of re-engineering this business and anticipates revenue enhancement and cost synergy measures to bear fruit in the medium to long term.

Heritage Education Funds International Inc.

PIL is pleased to announce the successful acquisition of Heritage Education Funds International in September 2021. The transaction includes the distribution and management of the Heritage International Scholarship Trust Plan ("Heritage International Plan") and the member interests of the Heritage International Scholarship Trust Foundation. Heritage specializes in administering and managing Education Savings Plans (ESPs) for clients in the Bahamas, Bermuda, Jamaica, and the British Virgin Islands and has enrolled over 50,000 children in its Heritage International Plan since its inception in 1983 and oversees approximately US\$150 million in assets under management.

This acquisition is complementary to PIL's current financial services offerings, with current operations in three of the four jurisdictions that Heritage International services. This acquisition is consistent with the Group's overarching strategy to widen its presence in the wealth management space throughout the Caribbean, providing a solid platform for future growth. It also allows PROVEN to further strengthen the Heritage business given its regional footprints and ability to synergise and integrate elements of its operations into its existing platform.

2. REAL ESTATE

Proven Properties Limited (PPL)

As part of PIL's strategy to leverage its brand, "Real Properties Limited" was renamed to "Proven Properties Limited" (PPL). The real estate segment of PIL's portfolio is poised to deliver robust performance in this financial year if it achieves completion of two (2) of its developments (Cesar and Via at Braemar) in Q4.

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Residential Development	Location	Description	Status/Projected Completion Date
The César	21 Millsborough Avenue, Kingston 6	6 Villas & 9 Apartments	January 2022
VIA at Bræmar	19-21 Bræmar Avenue, Kingston 5	99 Apartments (51 Studios, 30 One Bedrooms, 18 Two Bedrooms)	January 2022
Sol Harbour	Milford Road, St. Ann	156 Apartments (144 Studios, 12 Two Bedrooms)	September 2023
AVISTA at Bloomfield	Bloomfield, Mandeville	78 Apartments (40 Studios, 20 One Bedroom, 18 Two Bedrooms)	December 2022
Grove Park (52% stake)	Grove Park Avenue, Kingston 8	76 Apartment (48 One Bedroom, 28 Two Bedrooms)	December 2022
The Lagoons (40% stake)	Omega Drive-Grand Cayman	13 Townhouses (9 Two Bedroom, 4 Three Bedroom)	July 2022
Pimento Grove (49% stake)	Cardiff Hall, St. Ann	85 Villas, 73 Townhomes, 48 Condominiums	March 2024
Rent/ Lease	Location	Description	Status/Projected Completion Date
Real NPW	Newport West, Kingston 13	29,680 SF of commercial space	100% Occupancy
Real Portmore Pine 1	Portmore Pines Plaza, Greater Portmore	26,908 SF of commercial space	100% Occupancy
Real Portmore Pines 2 (51% stake)	Portmore Pines Plaza, Greater Portmore	51,689 SF of commercial space	100% Occupancy
Gladstone Commercial (60% stake)	Gladstone Drive, Kingston 5	41,872 SF of commercial space	June 2022
Bloomfield Commercial	Bloomfield, Mandeville	~100,000 SF of commercial space	Projected Completion 2023

PPL reported Profit Attributable to Equity Holders of US\$0.71 million. This performance contributed 12% to the Group's Net Profit Attributable to Owners of the Company (NPAO) and represents a decline of 30% compared to the previous period. There was a 2% increase in the Net Proceeds from Rental year-over-year while Net Proceeds from Sale remained negligible because no development projects closed during the period. Revenues in this business segment are recognised only upon project completion. Projects are at various stages in the pipeline and PIL remains optimistic about the outlook for this Business.

PROVEN

P O I N T E

Coming Soon... A PROVEN Head Office



- 5-storey office building
- Adequate parking
- Approximately 41,872 square feet (gross)
- Elevator access
- Basement plus ground level parking spaces

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Total Assets stood at US\$52.98 million as at the end of the period compared to US\$38.01 million reported at September 30, 2020, representing an increase of 39%, which reflects incremental investments in properties under construction.

The Company continues to diversify its portfolio of real estate holdings which as at the end of the period, included five (5) rental income properties and seven (7) development sales projects, all at various stages of the development cycle. PPL continues to closely monitor the local and international real estate markets for new opportunities, while making the requisite adjustment to successfully navigate the uncertainties associated with developments around COVID-19.

3. PORTFOLIO HOLDINGS

Access Financial Services Limited (AFSL)

AFSL is recognized as an associate company resulting in the recognition of a share of its profit. AFSL's contribution during the period amounted to US\$0.30 million versus US\$0.10 million for the period ended September 30, 2020. Despite the pandemic, the company has registered improved results in line with budgeted expectations. AFSL continues to benefit from its fairly robust credit and risk management platform which has served to curtail the impact of the pandemic on the performance of its credit portfolio. The company is well positioned to compete in the microfinance space.

JMMB Group Limited (JMMB)

JMMB is an associate company which contributed US\$6.81 million in the form of Share of Profit for the period, compared to US\$3.24 million earned for the period ended September 30, 2020. This Share of Profit adjusted for the interest expense associated with the investment, results in a net contribution of US\$5.74 million. The investment in JMMB continues to provide incremental growth despite its below average cashflow yield relative to other Portfolio Assets. The cashflow generated from this investment is anticipated to improve based on the dividend declared in Q1 and its dividend policy outlined at its most recent Annual General Meeting. JMMB's expanding presence in the onshore banking and insurance sub-industry within the region is consistent with PIL's ongoing strategy to diversify the portfolio of investments across the twenty-four (24) countries of the Caribbean and Latin America.

Roberts Manufacturing Company Limited (RMCO)

PIL successfully completed this acquisition on June 8, 2021. RMCO will be a consolidated entity given PIL's 50.5% ownership of the Company. Peter Bunting and Christopher Williams have been appointed as Chairman and Director respectively to the Board of RMCO and Peter Bunting as Chairman of its 60% owned subsidiary Pinnacle Feeds. PIL is committed to supporting the capital investments and strategic direction required to enable regional growth.

RMCO contributed US\$2.13 million in Net Profit with Revenues of US\$5.92 million over the period. Net Profit Attributable to Shareholders totalled US\$1.21 million, representing 20% of NPAO.

Dream Entertainment Limited (DREAM)

In February 2019, PIL acquired a 20% equity stake in DREAM. The decision to sell its stake in Dream arose from a strategic realignment of the Portfolio. The sale was completed in September 2021.

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Treasury

PIL and PROVEN Holdings Limited (PHL) combined, generated Net Profit of US\$1.70 million (net of all intercompany income and charges) during the period. PIL continues to optimize the balance sheet mix and aggressively pursue growth opportunities consistent with their strategic focus.

Net Interest income (NII) registered a loss of US\$1.39 million largely reflecting debt servicing obligations associated with the investment in JMMB. Total Administrative and General Expense, which includes management fees to PIL's investment Manager PML, amounted to US\$3.13 million, accounting for 20% of Total Group Operating Expenses while Preference Dividend totalled US\$1.20 million.

Dividend Payment

The Board of Directors approved a dividend of US\$0.0016 per share for the quarter ended September 30, 2021 to all ordinary Shareholders on record as of November 25, 2021, to be paid on December 9, 2021. This represents a trailing twelve-month (TTM) tax-free dividend yield of 2.07% based on the average share price of US\$0.25 for the twelve-months ended September 30, 2021.

The Board of Directors takes this opportunity to thank all our stakeholders for their support and trust. Our continued success is a result of the dedication of Management and Staff, and we thank them for their loyalty and commitment.

EXPERIENCE OFFERS A BROADER PERSPECTIVE

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- 🌀 **Credit Cards**
- 🌀 **Saint Lucia IBCs**
- 🌀 **Private Investment Funds**
- 🌀 **Personalised Service**

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Un-Audited Consolidated Statement of Financial Position September 30, 2021

	SEPTEMBER 2021 US\$	SEPTEMBER 2020 US\$	MARCH 2021 US\$
ASSETS			
Cash and cash equivalents	158,530,602	125,140,244	151,859,308
Resale agreements	15,214,632	1,818,657	6,457,738
Investment securities	248,569,546	261,505,826	265,290,973
Investment in Associates	153,055,351	132,626,869	146,173,680
Loans Receivable	33,912,053	27,057,158	31,961,978
Other Receivables	25,508,434	30,767,622	14,313,462
Related Company	705,187	-	-
Property Development In Progress	20,362,971	7,893,929	12,701,263
Property Held For Development	10,385,582	-	10,385,582
Inventory	7,829,957	-	-
Investment Property	11,115,865	11,780,378	10,943,806
Intangible Assets	45,046,358	19,342,734	20,441,119
Property, plant and equipment	10,814,627	3,967,484	4,013,297
Total Assets	741,051,166	621,900,902	674,542,206
LIABILITIES			
Client liabilities	78,588,338	72,300,089	68,838,777
Related company	2,773,381	1,730,008	1,547,632
Notes Payable	149,256,510	150,419,749	134,844,901
Preference shares	1,000	1,000	1,000
Other liabilities	26,210,811	23,403,933	13,591,088
Due to Customers	301,129,721	244,654,163	286,293,209
Total Liabilities	557,959,761	492,508,943	505,116,607
SHARE HOLDERS' EQUITY			
Share capital	115,753,819	86,716,754	115,753,819
Investment revaluation reserve	7,893,981	3,026,548	6,867,331
Foreign exchange translation	3,061,299	103,358	2,783,039
Retained earnings	40,436,565	32,017,737	36,277,363
Total Shareholders' Equity	167,145,664	121,864,397	161,681,552
Minority Interest	15,945,741	7,527,562	7,744,047
Total Shareholders' Equity and Liabilities	741,051,166	621,900,902	674,542,206

Approved for Issue by the Board of Directors and signed on its behalf by



Director



Director

Roberts

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UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Un-Audited Consolidated Statement of Income for the period ended September 30, 2021

	Quarter ended September 2021	Quarter ended September 2020	Period ended September 2021	Period ended September 2020	Audited March 2021
	US\$	US\$	US\$	US\$	US\$
INCOME					
Interest Income	2,775,119	2,910,693	5,406,931	6,001,188	10,583,177
Interest expense	(1,714,181)	(2,248,972)	(3,398,404)	(4,459,225)	(7,545,791)
Net Interest Income	<u>1,060,938</u>	<u>661,720</u>	<u>2,008,527</u>	<u>1,541,963</u>	<u>3,037,386</u>
Other income					
Gains on securities trading	384,324	4,392,756	1,553,732	4,765,439	7,332,202
Dividend Income	29,009	6,343	88,034	10,112	41,397
Pension Management Income	827,051	785,317	1,677,624	1,567,942	3,174,075
Fees & Commissions	2,102,977	1,918,427	3,846,250	3,399,692	7,118,639
Net Gross Income from Manufacturing	4,847,452	-	5,045,209	-	-
Foreign exchange translation gains/(losses)	303,382	251,209	562,080	632,400	1,880,294
Other Income	1,595,705	783,789	2,869,931	2,124,108	3,933,640
	<u>10,089,900</u>	<u>8,137,841</u>	<u>15,642,860</u>	<u>12,499,693</u>	<u>23,480,247</u>
NET REVENUE	11,150,838	8,799,561	17,651,387	14,041,656	26,517,633
OPERATING EXPENSES					
Depreciation and Ammortization of Intangibles	697,576	447,603	1,362,987	887,863	1,868,352
IFRS 9 Provisioning	15,120	(172,519)	113,332	(184,191)	(164,681)
Administrative and General Expenses	8,106,931	4,758,712	14,142,127	8,924,616	18,639,649
	<u>8,819,627</u>	<u>5,033,796</u>	<u>15,618,446</u>	<u>9,628,288</u>	<u>20,343,320</u>
OPERATING PROFIT	2,331,211	3,765,765	2,032,942	4,413,367	6,174,313
Preference dividend	(1,057,413)	(840,728)	(1,201,301)	(1,052,702)	(2,743,145)
Share of Results of Associates	4,675,323	1,747,455	7,110,967	3,289,402	10,698,887
	<u>3,617,910</u>	<u>906,727</u>	<u>5,909,666</u>	<u>2,236,700</u>	<u>7,955,742</u>
Profit before income tax	5,949,121	4,672,492	7,942,607	6,650,067	14,130,055
Income tax	(312,672)	(348,851)	(593,049)	(509,695)	(1,032,500)
NET PROFIT	5,636,449	4,323,641	7,349,558	6,140,373	13,097,555
Less income attributable to non-controlling interest	(1,210,633)	(935,364)	(1,364,072)	(1,342,843)	(1,564,513)
Profit attributable to owners of the company	4,425,816	3,388,277	5,985,486	4,797,530	11,533,042
EARNINGS PER STOCK UNIT - US cents	0.58	0.54	0.79	0.77	1.81

Un-Audited Consolidated Statement of Comprehensive Income for the period ended September 30, 2021

	Quarter ended September 2021	Quarter ended September 2020	Period ended September 2021	Period ended September 2020	Period ended March 2021
	US\$	US\$	US\$	US\$	US\$
NET PROFIT	5,636,449	4,323,641	7,349,558	6,140,373	13,097,555
OTHER COMPREHENSIVE INCOME					
Items that are or may be reclassified to profit or loss:					
Unrealised Gain on investments securities	(1,445,179)	8,277,022	1,026,650	17,891,161	22,507,072
Foreign exchange translation reserve	(144,799)	4,177,785	278,260	2,725,620	5,326,301
Total Comprehensive income	4,046,471	16,778,448	8,654,468	26,757,153	40,930,928

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Un-Audited Consolidated Statement of Changes in Equity for the period ended September 30, 2021

	Share capital	Minority Interest	Investment Revaluation reserve	Foreign exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2021	115,753,819	7,744,047	6,867,331	2,783,039	36,277,363	169,425,599
Total Comprehensive Income for the period		1,364,072	1,026,649	278,260	5,985,486	8,654,467
Acquisition of Subsidiary		7,137,622	-	-	-	7,137,622
Dividends to equity holders		(300,000)			(1,826,285)	(2,126,285)
Balance at September 30, 2021	<u>115,753,819</u>	<u>15,945,741</u>	<u>7,893,980</u>	<u>3,061,299</u>	<u>40,436,564</u>	<u>183,091,404</u>

Un-Audited Consolidated Statement of Changes in Equity for the period ended September 30, 2020

	Share capital	Minority Interest	Investment Revaluation reserve	Foreign exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2020	86,716,754	6,409,719	(14,864,613)	(2,622,262)	29,780,573	105,420,172
Total Comprehensive (Loss)/Income for the period	-	1,342,843	17,891,161	2,725,620	4,797,530	26,757,154
Dividends to equity holders	-	(225,000)	-	-	(2,560,366)	(2,785,366)
Balance at September 30, 2020	<u>86,716,754</u>	<u>7,527,562</u>	<u>3,026,548</u>	<u>103,358</u>	<u>32,017,737</u>	<u>129,391,959</u>

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

Un-Audited Consolidated Statement of Cash Flows for the period ended September 30, 2021

	Period ended September 2021	Period ended September 2020	Audited March 2021
	US\$	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit attributable to owners of the company	5,985,486	4,797,530	11,533,042
Depreciation and Amortization	1,362,987	887,863	1,868,352
Income Tax Charge	593,049	509,695	1,032,500
Operating cashflow before movements in working capital	<u>7,941,522</u>	<u>6,195,088</u>	<u>14,433,894</u>
Changes in operating assets and liabilities			
Receivables	(9,093,431)	(9,730,788)	(21,209,844)
Inventory	(7,829,957)	-	-
Loans	(1,950,075)	1,797,846	(3,106,974)
Client Liabilities	6,594,470	(1,957,330)	35,242,385
Payables	11,498,132	3,523,256	2,266,849
Investments	17,748,077	47,781,428	47,837,064
Related company	520,562	798,078	615,702
Net cash from operating activities	<u>25,429,301</u>	<u>48,407,578</u>	<u>76,079,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans			
Investments in associates	(6,881,671)	(13,639,712)	(27,186,522)
Purchase of property ,plant and equipment	(7,224,983)	(1,268,065)	(1,648,250)
Purchase/Disposal of intangible asset	(25,544,573)	(678,834)	(2,423,337)
Purchase of Investment Properties	(172,059)	490,048	1,326,620
Net cash used in investing activities	<u>(39,823,285)</u>	<u>(15,096,563)</u>	<u>(29,931,489)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Notes payable	14,411,609	(4,082,759)	(19,657,607)
Minority Interest	8,201,694	1,117,843	1,334,327
Dividend Paid	(1,826,285)	(2,560,366)	(5,036,257)
Issue of Ordinary Shares	-	-	29,037,065
Foreign Exchange Translation	278,260	2,725,618	5,405,301
Net cash from/(used in) financing activities	<u>21,065,279</u>	<u>(2,799,664)</u>	<u>11,082,829</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,671,294	30,511,352	57,230,416
Cash and cash equivalents at beginning of period	151,859,308	94,628,892	94,628,892
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>158,530,602</u>	<u>125,140,244</u>	<u>151,859,308</u>

UN-AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2021

NOTES TO FINANCIAL STATEMENTS: SEPTEMBER 2021

1. IDENTIFICATION

PROVEN Investments Limited (“the Company”) is incorporated in Saint Lucia under the International Business Companies Act. The Company is domiciled in Saint Lucia, with registered office at 20 Micoud Street, Castries, Saint Lucia.

The primary activities of the Company including the holding of tradable securities for investment purposes, private equity investments, real estate, and private credit loans with a regional and international focus.

SUBSIDIARIES	Country of Incorporation	Nature of Business	Percentage ownership	
			2021	2020
PROVEN Wealth Limited	Jamaica	Fund management, investment advisory services, and money market and equity trading	100	100
PROVEN REIT Limited	Jamaica	Management Services	100	100
PROVEN Properties Limited	Saint Lucia	Real estate investment	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
International Financial Planning Jamaica Limited	Jamaica	Funds management	100	100
BOSLIL Bank Limited	Saint Lucia	Banking	75	75
International Financial Planning (Cayman Limited)	Cayman Islands	Fund management	100	100
PROVEN Holding Limited	Jamaica	Investment advisory services	100	100
Roberts Manufacturing Company Limited	Barbados	Manufacturing	50.50	-
Heritage International Education Fund	Canada	Funds management	100	-
ASSOCIATE COMPANIES				
JMMB Group Limited	Jamaica	Investment advisory, Banking, Market and equity	20.01	20.01
Access Financial Services Limited	Jamaica	Retail lending	24.72	49.72

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Interim Financial Reporting

The condensed consolidated interim financial statements for the six months ended September 30, 2021, have been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2021, which have been prepared in accordance with International Financial

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Reporting Standards (IFRS).

On June 8, 2021, the company completed its acquisition of Roberts Manufacturing Company Limited. The accounting process for this business combination is incomplete for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognized in the financial statements for the business combination thus have been determined only provisionally. An acquirer has a maximum period of 12 months from the date of acquisition to finalize the acquisition accounting.

SIGNIFICANT ACCOUNTING POLICIES

3. Basis of Consolidation:

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiaries (note 1), subject to the eliminations described at note 3(b).

3(a). Subsidiaries:

Subsidiaries are all entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3(b). Transactions Eliminated on Consolidation:

Intra-Group balances and any unrealised gains and losses and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the Group's interest.

4. Classification of Financial Assets:

Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are carried at fair value through other comprehensive income. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect, on an investment-by-investment basis, to present subsequent changes in the investment's fair value in OCI.

Investments at Fair Value Through Profit or Loss:

The Group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss

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when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term. Loans and receivables are measured at amortized cost using the effective interest method, except when the Group chooses to designate the loans and receivables at fair value through profit or loss.

5. Resale Agreements

The company purchases government and corporate securities and agrees to resell them at a specified date at a specified price. On making payment the company takes delivery of the securities from the vendor although title is not transferred unless the company does not resell the securities on the specified date or other conditions are not honoured. Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfil its contractual obligations.

6. Interest Income:

Interest income is recognised in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to its carrying amount. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently. Interest income includes coupons earned on fixed income investments, accretion of discount on treasury bills and other discounted instruments, and amortisation of premium on instruments bought at a premium.

7. Interest Expense:

Interest expense is recognised in profit or loss on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount. The effective interest rate is established on initial recognition of the financial liability and is not revised subsequently. Interest expense includes coupons paid on fixed rate liabilities and accretion of discount or amortization of premium on instruments issued at other than par.

8. Share Capital:

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

- (i) equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;
- (ii) liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividend thereon are recognised as interest in profit or loss.

The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not

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at the discretion of the directors. Accordingly, they are presented as a financial liability. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

9. Earnings Per Stock Unit

PROVEN Investments Limited's Earning per Stock Unit "EPS" is computed by dividing the profit attributable to stockholders of the parent of US\$5,985,487 by the weighted average number of ordinary stock units in issue during the reporting period numbering 759,432,000 shares.

PROVEN

Investments Limited

We would like to take this opportunity to thank all of our stakeholders for your support and trust.

Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.



Director



Director

