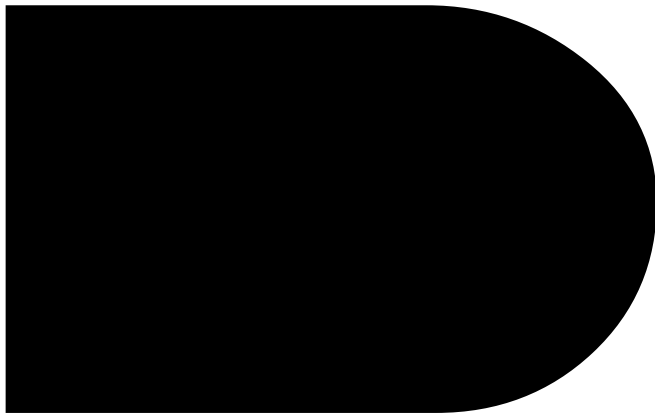


THE INVESTMENT
M A G A Z I N E

by: PROVEN Investments Limited

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MARCH 2022 EDITION



AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Board of Directors of PROVEN Investments Limited ("PIL") is pleased to report its Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

US\$12.5 million	—	Net Profit attributable to shareholders
US\$0.0165	—	Earnings per Share
US\$1.1 billion	—	Consolidated Total Assets
8%	—	Trailing 12 Months (TTM) Return on Average Equity
73%	—	Efficiency Ratio

Financial Performance

PIL registered a creditable performance for the year ended March 31, 2022, within the context of looming uncertainty around sustained inflationary pressures and a rapidly evolving business environment. Net Profit Attributable to Owners of the Company (NPAO) for the year ended March 2022 was US\$12.5 million versus Net Profit of US\$11.5 million earned in the previous year, representing a year-over-year increase of 8.7%. Against a backdrop of material uncertainty and changing risk premia, this performance reflects the resilience of earnings across the Portfolio Companies and the PIL business model.

The Company completed three acquisitions during the year, despite the ongoing COVID-19 pandemic. The US\$30 million APO raise in FY 2021, helped to finance the acquisition of Fidelity Bank (Cayman) Limited (100%), Roberts Manufacturing Co (51%), and Heritage Education Funds (100%) while completing new and existing Real Estate Projects. The PROVEN Team remains encouraged by investors' continued support along our journey of growth and evolution as a Private Equity Company. PROVEN will focus on creating value in its recent acquisition.

Statement of Financial Position

Total assets amounted to US\$1.1 billion as at March 31, 2022, growing by 69% from the US\$674.5 million reported as at March 31, 2021. The growth of Total Assets is primarily due to an increase in Loan Receivables, Cash, and Investments, funded by a corresponding rise in Customer Deposits. Liabilities moved by 93% to US\$974.9 million as at March 31, 2022, from US\$505.1 million as at March 31, 2021, mainly due to an increase in Client Deposits. These charges largely stem from our acquisition of Fidelity Bank Cayman.

Shareholders' Equity

Shareholders' Equity Attributable to Owners of the Company decreased by 11.8% to US\$142.6 million as at March 31, 2022, from US\$161.7 million as at March 31, 2021. This resulted from a US\$28.9 million reduction in investment revaluation reserve to a negative position of US\$22.0 million, stemming largely from investment in associates and reflective of the financial market volatility experienced during the 4th Quarter ended March 31, 2022.

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AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Dividend Payment

At the Board meeting held on June 24, 2022, the directors decided not to declare an interim dividend for the quarter ended March 31, 2022. This decision was made against the backdrop of the current uncertainty surrounding financial markets, whereby it was considered prudent to create a cushion to withstand further market volatility and support the adequate capitalization of regulated entities which is deemed critical at this time.

For the year ended March 31, 2022, total dividends of US\$6.2 million (0.81 cents) were declared compared to US\$5.0 million (0.66 cents) for the year ended March 31, 2021. This represents a payout ratio of 49% of the Profits Attributable to Ordinary Shareholders. The dividend declared represents a 12-month trailing dividend yield of 3% based on the average share price of US\$0.24 for the twelve months ended March 31, 2022.

Performance Drivers

PIL organizes its investments in three Strategic Pillars, namely: (1) Banking & Wealth Management, (2) Real Estate, and (3) Portfolio Holdings.

1. BANKING & WEALTH MANAGEMENT

Banking and Wealth Management is our core Pillar, comprises all majority-owned assets based in the financial services sector. The strategic pillar of the Banking and Wealth Division includes the portfolio companies of Proven Wealth Limited, BOSLIL Bank Limited, IFP Cayman Group, IFP Jamaica Ltd, Heritage Education Fund International and Fidelity Bank (Cayman) Limited.

PROVEN Wealth Limited (PWL)

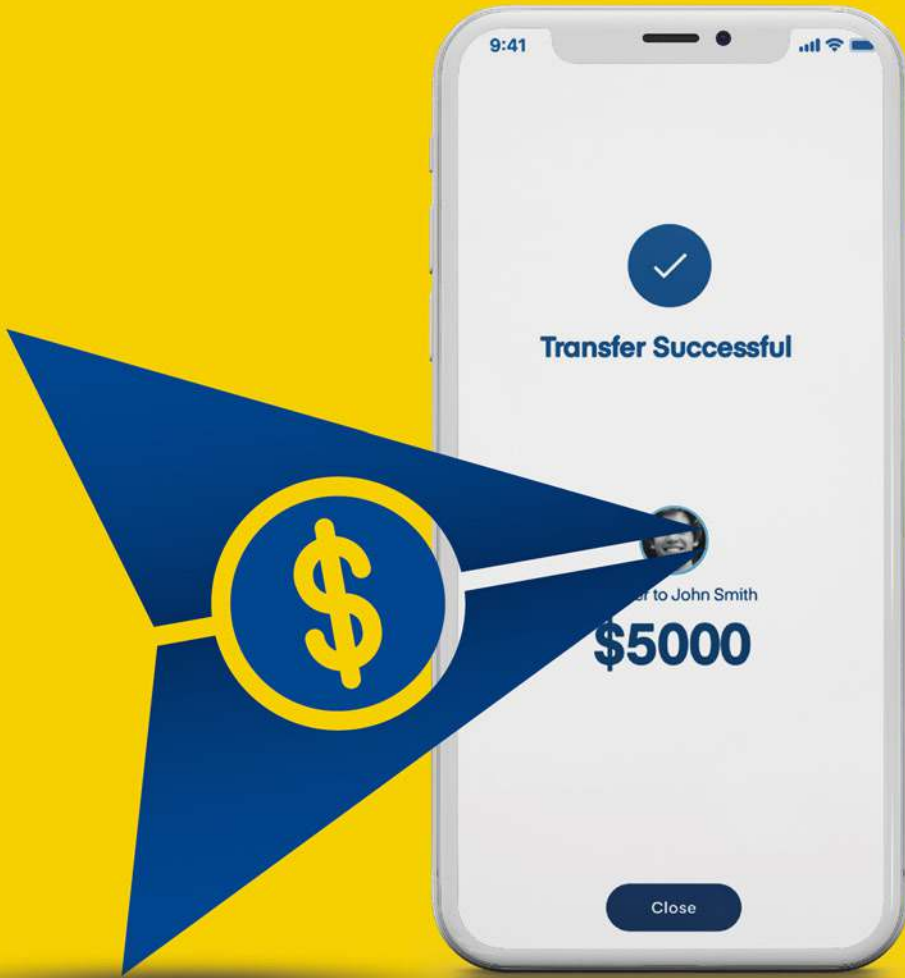
PWL reported Profit Attributable to Equity Holders of US\$1.8 million, representing a decrease of 36% from the prior year. Net Interest Income represented 20% of Total Income down from 25% in the prior year, indicating the successful execution of the company's strategy to diversify revenue streams and reduce reliance on the repurchase agreement business. Pension Management Income was the top-performing line item during the year. Total Administrative and General Expenses amounted to US\$7.3 million, accounting for 16% of total Group Operating Expenses. Total Assets experienced growth of 17% year over year to US\$104.2 million as at March 31, 2022.

PWL remains focused on implementing a digital transformation strategy to improve operating efficiency and customer experience. During the period the Company launched an upgrade to its customer management platform to complement the Proven Wealth App, IPO Pro, and Global Trading Platform.

BOSLIL Bank Limited (BOSLIL)

BOSLIL Bank Limited delivered a Net Profit totalling US\$2.2 million within the context of a challenging operating environment. This resulted in US\$1.7 million in Profit Attributable to Equity Holders being realized for the 12-month period ended March 31, 2022 versus US\$4.8 million for the year ended March 31, 2021. The decline in Net Profit is tied to a 90% decrease in Securities Trading Income, due to a less favourable trading environment and one-off gains realized in the prior year.

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FOR THE YEAR ENDED MARCH 31, 2022

Total Administrative and General Expenses stood at US\$6.7 million, accounting for 15% of total Group Operating Expenses. Total Assets of the Bank increased by 13.2% year over year to US\$358 million as at March 31 2022.

PIL remains focused on executing its corporate strategy for this investment which will result in the implementation of initiatives to drive the expansion of the balance sheet and further diversify revenues while scaling the current operating platform.

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. The company reported a Net Loss of US\$0.8 million compared to a Net Profit of US\$0.4 million earned in the previous year. This business fared badly during the pandemic and new leadership has been recruited to chart a profitable course forward.

Heritage Education Funds International Inc.

Heritage Education Funds International was acquired in September 2021. This business 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. Heritage recorded a Net Profit of US\$0.2 million over the period, driven by fee income produced by its core activities. Heritage's fee income of US\$1.4 million contributed 15% of the Group's Total Fees and Commission.

Fidelity Bank (Cayman) Limited

PIL is pleased to announce that regulatory approval for the acquisition of Fidelity Bank (Cayman) Limited (FBC) was granted and the transaction was closed on February 1, 2022. FBC is a financial services company incorporated in the Cayman Islands and licensed under the Bank and Trust Companies Act as a Category 'A' Bank to carry on banking business in the Cayman Islands. With two (2) branches in Grand Cayman, FBC provides services to residents and non-residents; offering financial solutions such as deposit accounts (savings, chequing, and term); loans (consumer/ personal, mortgage/real estate); credit cards; foreign exchange services; internet and telephone banking.

Total assets stood at US\$357.8 million, made up primarily of loan receivables and cash. FBC's shareholder's equity stood at US\$29.8 million. PIL is now heavily engaged in the transitional management and integration of this new asset into the Banking and Wealth Shared Services in keeping with the value optimization thrust across this Pillar.

2. REAL ESTATE

This Pillar comprises all Real Estate Investments including the Development Sales and Recurrent Income model. A keen focus will be on increasing the weighting of capital allocation into the rent/lease recurring revenue model. As part of PIL's strategy to leverage its brand, "Real Properties Limited" was changed to "Proven Properties Limited" (PPL) in 2021. The real estate segment of PIL's portfolio is poised to deliver solid performance in this financial year. It is on track to achieve the completion of two (2) of its developments (Cesar and Via at Bræmar) in 2022.

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FOR THE YEAR ENDED MARCH 31, 2022

Proven Properties Limited (PPL)

Residential Development	Location	Description	Status/Projected Completion Date
The César	21 Millsborough Avenue, Kingston 6	6 Villas & 9 Apartments	June 2022
VIA at Bræmar	19-21 Bræmar Avenue, Kingston 5	99 Apartments (51 Studios, 30 One Bedrooms, 18 Two Bedrooms)	June 2022
The Lagoons (40% stake)	Omega Drive-Grand Cayman	13 Townhouses (9 Two Bedroom, 4 Three Bedroom)	September 2022
AVISTA at Bloomfield	Bloomfield, Mandeville	78 Apartments (40 Studios, 20 One Bedroom, 18 Two Bedrooms)	March 2023
Sol Harbour	Milford Road, St. Ann	156 Apartments (144 Studios, 12 Two Bedrooms)	September 2024
Pimento Grove (49% stake)	Cardiff Hall, St. Ann	206 Residential Units (85 Villas, 73 Townhomes, 48 Condominiums)	March 2025
Commercial Development	Location	Description	Status/Projected Completion Date
Kingston Gateway Warehouse Complex (50%)	221-223 Marcus Garvey Drive	100,000 SF of warehouse space	October 2023
9 West Avenue Commercial Complex	9 West Avenue, Kingston 8	45,000 SF of commercial space	March 2024
Gladstone Commercial (60% stake)	Gladstone Drive, Kingston 5	41,872 SF of commercial space	September 2022
Bloomfield Commercial	Bloomfield, Mandeville	100,000 SF of commercial space	Projected Completion 2023
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
Chelsea Lands	12 Chelsea Avenue, Kingston 5	0.47 acres of land for parking	100% Occupancy

PPL's Profit Attributable to Equity Holders for the year ended March 31, 2022 was US\$1.5 million. This performance contributed 24% to the Group's Net Profit Attributable to Owners of the Company (NAPO) and represents a 26% decline compared to the prior year.

Total Assets for the reporting period grew by 47% from US\$45.5 million as at March 31, 2021 to US\$66.8 million as at March 31, 2022, mainly due to growth in both the development sale and

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

rental income assets. Net Rental Income increased year over year by 3.5% to US\$1.1 million from US\$1 million for the year ended March 31, 2022. The Company continues to diversify its portfolio of real estate holdings which as at March 31, 2022, included four (4) rental income properties and ten (10) development sales projects, all at various stages of the development cycle.

Revenue in this business segment is recognized only upon project completion. Due to supply chain challenges, two developments slated for completion during the financial year were delayed, however, they are anticipated to close early in FY 2023.

3. PORTFOLIO HOLDINGS

This Pillar comprises the portfolio of all other assets not included in the first two Pillars which includes investments in associated companies whether financial or real sector, majority-owned investments in real sector companies, tradable securities, and any other opportunistic investments. The Pillar will be focused on maximizing returns to PIL through management of the entire investment process supported by ongoing assessment of exit strategies. The Pillar includes Access Financial Services Limited, Proven Holdings Limited; the Company that holds JMMB Shares, and Roberts Manufacturing.

Access Financial Services Limited (AFSL)

For the year ended March 31, 2022, AFSL, an associate company, contributed US\$0.7 million in Share of Profit which is a 57% increase from US\$0.5 million for the year ended March 31, 2021. Despite current market conditions, AFSL registered solid year-over-year improvements in its performance.

Proven Holdings Limited (JMMB Group Limited)

JMMB is an associate company and has contributed a total Share of Profit of US\$15.1 million for the financial year ended March 31, 2022, representing a 46% increase compared to US\$10.3 million during the prior year. Adjusted for cost associated with the investment, the net contribution is US\$13.0 million. Approximately 25% of PIL's capital is allocated to this investment. In this reporting period, JMMB recorded its largest profit, chiefly credited to growth in top-line revenues. The Group is currently in the process of opening new branches across the three (3) countries in which they operate (Jamaica, Dominican Republic, and Trinidad).

Roberts Manufacturing Company Limited (RMCO)

PIL successfully completed this acquisition on June 8, 2021. RMCO is a producer of edible oils, fats and animal feed and is a consolidated entity given PIL's 50.5% ownership of the Company.

Net Profit attributable to PIL for its 50.50% stake totalled US\$1.47 million, representing 12% of Group NPAO. Total Assets amounted to US\$28.4 million as at March 31, 2022, which is mainly comprised of inventories and fixed assets. Total equity stood at US\$16.30 million for the period ended March 31, 2022.

The Board of Directors takes this opportunity to thank all our stakeholders for their support and trust throughout this period of market volatility.

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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

