Fontana
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2025 ANNUAL REPORT



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MISSION AND CORE VALUES

OUR VISION

To deliver Jamaica's most exceptional shopping experience by offering the finest variety, the best value, and the friendliest service. We commit to customer satisfaction, employee engagement, best practices, and continuous innovation. Our core principles are respect for all, family values and community involvement.

MISSION STATEMENT

To be leaders in retail best practices and customer service. To improve the health and happiness of our customers by providing the finest selection of quality products for the entire family within a comfortable shopping experience. To deliver a customer-focused culture backed by employee growth, collaboration and innovation.

Through our commitment to excellence and integrity, we strive to create a better future for ourselves, our stakeholders, our communities and Jamaica. **Fontana's** secret to success is our team of the most dedicated employees in the country. By emphasizing communication, respect and teamwork we strive to create a virtuous cycle:

happy employees = happy customers

happy customers = happy directors

happy directors = happy managers

happy managers = happy employees

We continue to adhere to the fundamental principles instilled by our founders Bobby and Angela Chang: ***service, respect, family*** and ***community.***

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Rewards Programme



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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **2025 Annual General Meeting of FONTANA LIMITED** will be held at a venue, date and time for the purpose of transacting the following business:

1. To receive the Audited Accounts for the year ended June 30, 2025, together with the reports of the Directors and Auditors thereon,

The Company is asked to consider, and if thought fit, pass the following resolution:

Resolution No. 1
"**THAT** the Audited Accounts for the year ended June 30, 2025, together with the reports of the Directors and Auditors thereon, be and are hereby adopted."

2. To Elect Directors.

(i) In accordance with Regulation 105 of the Company's Articles of Incorporation, the Directors retiring by rotation are Kevin O'Brien Chang, Jacqueline Sharp and Heather Goldson, who being eligible offer themselves for re-election.

The Company is being asked to consider, and if thought fit, pass the following resolutions:

Resolution No. 2
"That the Directors, retiring by rotation, be re-elected by a Single Resolution."

Resolution No. 3
"That Kevin O'Brien Chang, Jacqueline Sharp and Heather Goldson, who are retiring by rotation in accordance with Regulation 105 of the Articles of Incorporation be and are hereby re-elected as Directors of the Company."

3. To ratify interim dividends

The company is asked to consider, and if thought fit, to pass the following resolution:

Resolution No. 4
That the interim dividend of 25 cents per share paid on June 25, 2025, be and is hereby ratified.

4. To approve the Remuneration of the Directors.

The Company is asked to consider, and if thought fit, to pass the following resolution:

Resolution No. 5
"**THAT** the amount shown in the Audited Accounts of the Company for the year ended June 30, 2025, as fees of the Directors for their services as Directors, be and are hereby approved."

5. To appoint Auditors and to authorize the Directors to fix the remuneration of the Auditors.

The Company is asked to consider, and if thought fit, pass the following resolution:

Resolution No. 6
"**THAT** the remuneration of the Auditors, CrichtonMullings & Associates, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors."

October 02, 2025
By Order of the Board

Denise Douglas
Company Secretary

Registered Office
Fairview Town Centre
Montego Bay PO#1, St. James

NOTE:

1. *A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to attend and so on a poll, vote on his/her behalf. A suitable form of proxy is enclosed. Forms of Proxy must be lodged with the Registrar of the Company, Jamaica Central Securities Depository, 40 Harbour Street, Kingston not less than 48 hours before the time of the meeting.*
2. *A Corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Regulation 78 of the Company's Articles of Incorporation. A copy of Regulation 78 is set out on the enclosed detachable proxy form.*


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RETIREMENT
LUNCHEON
In Honor Of
The Golden Girls
July 10, Thursday
10am-12pm
Fontana Mandeville
Manchester Shopping Centre






Golden Girls




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CHAIRMAN'S MESSAGE



KEVIN O'BRIEN
CHANG
Chairman

In November 1968, Fontana Fashions and Pharmacy - the brain child of Bobby and Angela Chang - opened in Manchester Shopping Centre, Mandeville. The Fashions was actually the larger of the two stores, occupying four bays compared to two for the Pharmacy. After a year however it became clear that the latter was outdoing the former, and Fontana Pharmacy became the larger entity, while the Fashions was soon phased out.



In 1994, in response to constant entreaties from Montego Bay, Fontana Pharmacy opened its second branch at the LOJ Complex. **In 2007** came the Sav La Mar store. **2013** welcomed both the Barbican and Ocho Rios branches. **In 2018** the Waterloo flagship was opened. **In 2023**, Fontana celebrated another milestone with the opening of its Portmore Parkway location. **In 2025,** Fontana acquired the former Monarch stores at Sovereign Centre, Loshushan Centre, Tropical Plaza, and Portmore. The single store in Mandeville had grown into Jamaica's largest Pharmacy chain of **11 branches**. Bobby and Angela Chang had indeed been visionaries!

Another hugely significant moment for Fontana in 2025 was the opening of our Ora Stores featuring the Fenty brand owned by Caribbean superstar Rihanna. It was pure excitement galore at the openings at Waterloo in Kingston and Fairview in Mobay, which were packed to the maximum.

This bigger and better Fontana posted record-breaking revenues of $9.5 billion for the financial year ended June 30, 2025. This was 17.2% above the $8.1 billion last year.

Gross profit improved to $3.6 billion, or 18.3% more than the $3.1 billion in 2024. Gross margins went up from 37.7%to 38%. Net profit attributable to shareholders was $591.6 million, a net increase of 0.3% from $589.8 million. Total Assets increased by 21%, ending the year at $6.9 billion. Fontana's overall position keeps getting better.

OUR ACHIEVEMENTS:

RECORD-BREAKING REVENUES
$9.5B for the financial year ended June 30, 2025

GROSS PROFIT IMPROVED TO
$3.6B

GROSS MARGIN went up to
38%

TOTAL ASSETS increased by
21%

NET PROFIT attributable to shareholders was
$591.6M

None of these achievements would have been possible without the remarkable efforts of our dedicated team, the loyalty of our customers, and the steadfast confidence of you, our valued shareholders.

What a journey this has been, from a small pharmacy in Mandeville to Jamaica's largest retail pharmacy chain with eleven thriving locations. 2025 was a year that reminded us what vision, teamwork, and resilience can achieve. We took bold steps, embraced innovation, and celebrated milestones that reaffirmed Fontana's place at the heart of Jamaican retail.

To our incredible staff, thank you. Your hard work, adaptability, and commitment to excellence continue to define who we are. You've met every challenge with creativity and care, ensuring that every customer experience reflects the warmth and reliability that Fontana is known for. You truly are the heartbeat of this company.

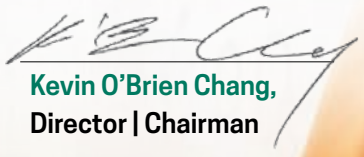
To our customers, your loyalty and enthusiasm fuel our growth. You've been with us through every expansion, every innovation, and every celebration. Thank you for choosing Fontana, for bringing your families through our doors, and for making us a part of your everyday lives.

And to our shareholders, your belief in our vision allows us to keep dreaming bigger. Your support gives us the strength to invest, to expand our reach, and to deliver consistent, sustainable growth. We are deeply grateful for your trust and continued partnership.

As we look ahead, we remain focused on building a future defined by innovation, service, and community. With the success of Ora by Fontana, our expanded footprint, and a team dedicated to excellence, the possibilities are endless.

Here's to another remarkable year of growth, purpose, and progress for our people, our customers, our shareholders, and our beloved Jamaica.

Fontana - It's all good inside!



Kevin O'Brien Chang,
Director | Chairman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DIRECTOR'S REPORT



RAYMOND
THERRIEN
Executive Director,
Chief Operating Officer

FINANCIAL RESULTS

The Directors are pleased to present the report for the financial year ended June 30, 2025.

	$
Profit before Taxation	695,062,233
Taxation charge	103,501,728
Net Profit for the year	591,560,505
Earnings per share	0.47¢

DIVIDENDS

The Directors recommended that the interim dividends of 25 cents paid on June 25, 2025, be ratified by the shareholders in general meeting.

THE BOARD

The Directors as of June 30, 2025 were as follows:

Kevin O'Brien Chang	Raymond Therrien
Jacqueline Sharp	Anne Chang
Heather Goldson	Larren Peart

Bobby Chang is the Chairman Emeritus and is involved in volunteer or advocacy activities in his service to the board.

In accordance with Regulation 105 of the Company's Articles of Incorporation, the Directors retiring by rotation are Kevin O'Brien Chang, Jacqueline Sharp, and Heather Goldson, who, being eligible for re-election, offer themselves for re-election.

AUDITORS

CrichtonMullings & Associates, the retiring Auditors, have indicated their willingness to continue in office, and their re-appointment will be proposed at the forthcoming Annual General Meeting.

The Directors wish to place on record their appreciation for and recognition of the dedicated efforts and hard work of the management and staff during the year.

By Order of the Board

Raymond Therrien
Executive Director,
Chief Operating Officer


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NUMBER ONE
PHARMACY
IN
JAMAICA
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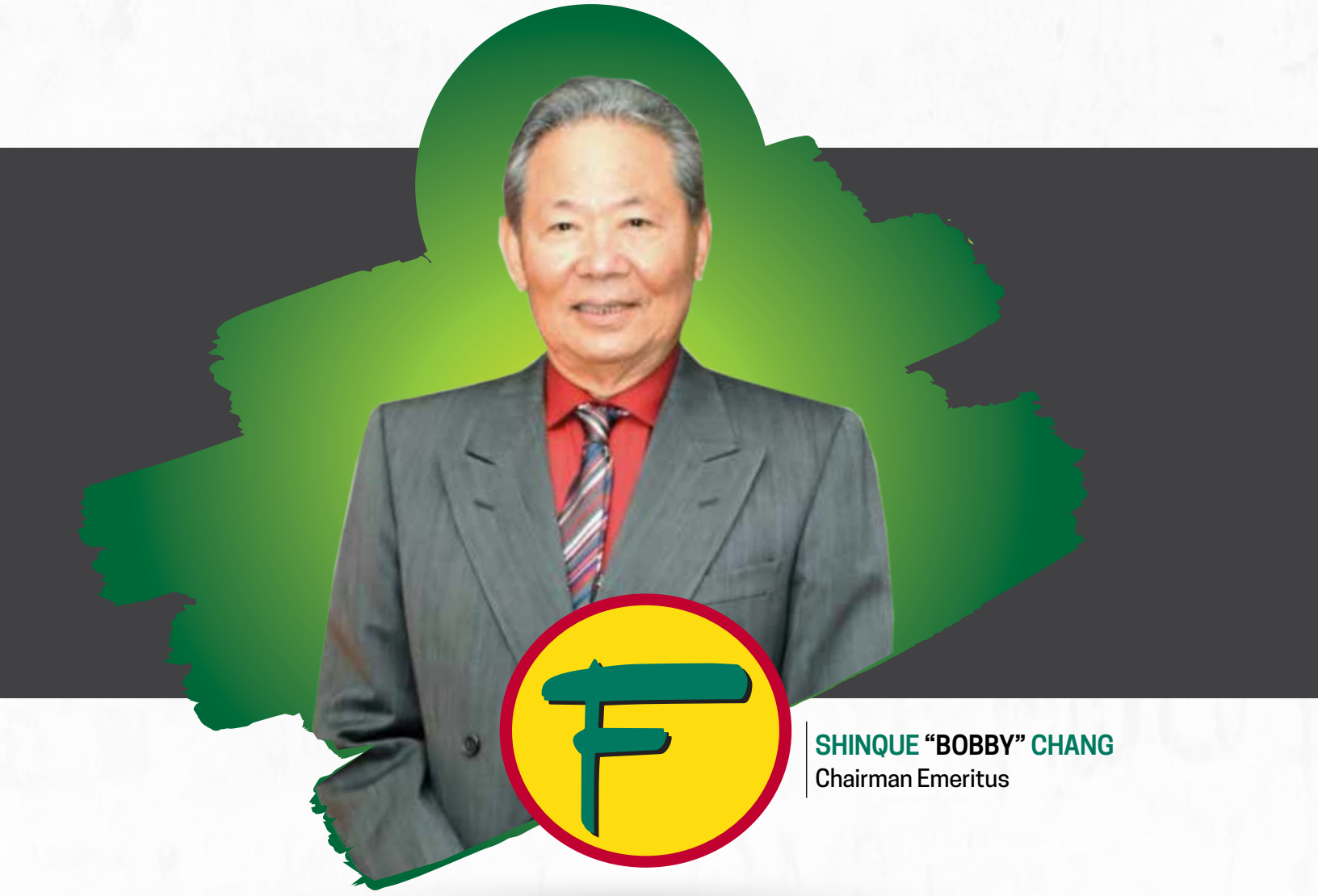
BOARD OF DIRECTORS AND PROFILE



SHINQUE "BOBBY" CHANG
Chairman Emeritus

Shinque (Bobby) Chang is the co-founder of **Fontana Pharmacy**. He has a wealth of knowledge and over 60 years of success in Retail. After 10 years of operating a supermarket in Christiana, Bobby and his late wife, Angela started **Fontana Pharmacy** in November 1968 at Manchester Shopping Centre. From the start they stressed the importance of always putting the customer first, empowering employees and having a personal relationship with key staff members. This approach contributed to Fontana's success.

Bobby remains a well-informed ***"éminence grise"*** whose calm counsel and past experience provide him with the knowledge to continue to guide key strategic decisions.



KEVIN CHANG
Chairman |
Executive Director

Kevin O'Brien Chang is the Chairman of the Company. On his return home from Canada in 1989 he oversaw the growth of the original **Fontana** location in Mandeville, which became the then largest pharmacy in Jamaica. Kevin also spearheaded the opening of **Fontana Montego Bay** in 1994 and Fontana's transformation from a local to a national business.

Kevin holds a BSc in Statistics and an MBA from the University of Toronto. Before returning to Jamaica, he was Marketing Systems Manager at Mastercraft Group Development in Toronto and Ottawa Canada, where he transformed their customer marketing presentation systems. He has written two books on Jamaica – ***'Reggae Routes: the Story of Jamaican Music'*** and ***'Jamaica Fi Real: Beauty Vibes and Culture'***. He has written columns for the Jamaica Observer and the Jamaica Gleaner since 1998 and regularly appears on radio and television as a public affairs commentator.



ANNE CHANG
Executive Director |
Chief Executive Officer

Anne Chang is the Chief Executive Officer and has been a director of the Company for the past 24 years. She has oversight of local and foreign purchasing, supplier relations and marketing. Anne has also been integral in establishing **Fontana's** social media footprint in Jamaica as well the Customer Reward Programme that now boasts over 120,000 members and confirms Fontana as the premier Jamaican beauty destination for women of all ages.

Prior to joining **Fontana**, Anne was a senior executive at Bell Canada Inc, Canada's largest telecommunications company for 10 years holding several key positions in Operator Services, Bell retail centres, Finance and Consumer Marketing. Anne, who is currently a member of the board of Fairfield.

International Academy in Montego Bay, holds a Honors Bachelor of Commerce degree with a major in marketing from M^{C}Master University.



RAYMOND "RAY" THERRIEN
Executive Director |
Chief Operating Officer

Raymond (Ray) Therrien is the Chief Operating Officer of the Company and has been a Director of **Fontana Limited** for the past 24 years. Ray oversees all aspects of Finance for the organization working closely with the CFO and Finance team. His main responsibilities are overseeing the day-to-day operations of the organization with key areas of focus being the pharmacy department and logistics for all overseas purchasing.

He has been instrumental in the expansion of the **Fontana** brand in Montego Bay, Sav La Mar, Ocho Rios and Kingston.

Prior to joining **Fontana**, Ray held senior sales and marketing roles for some of Canada's largest pharmaceutical companies including Sanofi Aventis and Roche. Mr. Therrien holds an Honours Bachelor of Commerce degree in Mathematics from McMaster University, Hamilton, Canada.

Mr. Therrien sits on the boards of IronRock Insurance as well as Fairfield International Academy in Montego Bay.



HEATHER GOLDSON
Independent
Non-Executive Director



LARREN PEART
Independent
Non-Executive Director



JACQUELINE *"JACKIE"* SHARP
Independent
Non-Executive Director

Heather Goldson is the Chief Marketing Officer for the Supreme Ventures Limited group, providing marketing services for the subsidiaries through Supreme Ventures Services Limited. Prior to this role, she held the position of Regional Marketing Director for Scotiabank's English and Spanish operations across 19 countries in the Caribbean, having held several leadership positions in the company over her 12 years with the bank.

Before joining Scotiabank, she held senior marketing positions with the Digicel Group as Head of Marketing for Jamaica and supported roll out operations in St. Lucia and Barbados. Heather currently sits on the Boards of Key Insurance Ltd and is a member of its Corporate Governance Committee, the Supreme Ventures Foundation, and Chain of Hope Jamaica Ltd. She has given of her time to several not-for-profit entities including the board of the Digicel Foundation, the Scotiabank Foundation, GC Foster College and headed the Marketing and PR Committee of the Jamaica Football Federation Board. Heather holds a Bachelors degree in Business Administration from Florida International University.

Larren Peart is the founder and Chief Executive Officer of Bluedot Insights, a pioneering data intelligence and research firm in the Caribbean. With over 15 years of experience in market research, consumer neuroscience, and data analytics, Larren has been instrumental in providing insights for some of the region's largest brands, including GraceKennedy, NCB, and IGT. His leadership in the field has established Bluedot as a leader in regional market intelligence and positioned the company for global expansion.

Prior to founding Bluedot, Larren developed his technical and managerial skills at Advanced Integrated Systems (AIS), where he oversaw projects across Jamaica, the Bahamas, and the Cayman Islands. His innovative approach to data-driven decision-making has earned him a seat on Jamaica's New Economy Taskforce and the National Artificial Intelligence Taskforce, where he contributes to shaping Jamaica's technological future.

He also serves on the boards of several organizations, including the Maxfield Park Children's Home, Jamaica 4-H Clubs, Jamaica Postal Corporation and iCreate Limited.

Jacqueline (Jackie) Sharp is a director of her family's business, Coffee Traders Limited. She has over 26 years of experience in the financial services industry in Jamaica, of which 20 years were spent with the Scotia Group.

Jackie has led different divisions at Scotia, and her final role was Chief Executive Officer, where she led the profitable growth of the operations in Jamaica, with oversight of 4 other countries in the Caribbean. Jackie also sits on the Board of Coffee Traders Limited, Clifton Mount Coffee Estate Limited, Grace Kennedy Foods and Quantas Financial Group.

Jackie holds a BSc. degree with honours in Accounting from UWI, is a CFA Charter Holder and has successfully completed the CPA examinations. She has also completed Executive Education programmes at Richard Ivey Business School in Canada and Duke University, USA.

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SENIOR MANAGEMENT TEAM

CORPORATE MANAGERS



DENISE DOUGLAS
Company Secretary



JUDALE SMITH
Chief Financial Officer



DAMIAN ROBINSON
Inventory Manager



VALENTINE "ALEX" ELLIS
I.T Manager



GEORGIA BONNER
Human Resource Manager



GERI TOMLIN
Pharmacy Operations Manager

CORPORATE MANAGERS - cont'd



ALANAH JONES
Special Projects Manager



MONICA MCDOWELL
Pharmacy Manager



DAINA DYER-DEGALE
Beauty Manager



STEPHANIE SMITH
Marketing Manager



DENZIE FARQUHARSON
Finance Manager



LANCELOT WHYTE
Facilities & Project Manager

CORPORATE MANAGERS - cont'd



DIONNE SMALLHORNE
General Manager
-Store Operations



VALDANO DUNBAR
Warehouse and
Logistics Manager



JACOB THERRIEN
Special Projects Manager



KIMBERLEY SARDIO
Recruitment and
Retention Manager

Fontana PHARMACY

Now OPEN

Sovereign Centre

Barbican Centre

Tropical Plaza

Sovereign Village (Portmore)



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We're growing! Visit our brand-new Fontana locations plus all your favorites islandwide!

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STORE MANAGERS



SHAREL STEER
Waterloo, Store Manager



FAY PLUNKETT
Mandeville, Store Manager



ANDRENE POWELL
Portmore, Store Manager



RUTHLYN SHERWOOD
Barbican, Store Manager



CAULENE "PAT" FORBES
Barbican , Store Manager



LEONIE HARVEY
Montego Bay, Store Manager

STORE MANAGERS - cont'd



JANICE KERR
Ocho Rios, Store Manager



SHARON CROOKS
Ocho Rios , Store Manager



TENA McINTOSH
Savanna-la-mar, Store Manager

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS

AS AT JUNE 30, 2025

SHAREHOLDER	NO. OF STOCK UNITS	%
1. Burbank Holdings Limited	961,298,275	76.9423
2. Astronomical Holdings Limited	12,931,000	1.0350
3. Sagicor Select Fund Limited – ('Class C' Shares) Manufacturing & Distribution	10,028,143	0.8027
4. SJIML A/C 3119	9,606,875	0.7689
5. St. Elizabeth International Limited	9,230,953	0.7388
6.JCSD Trustee Services Ltd. A/C#76579-02	9,103,727	0.7287
7. Wayfinder Holdings Limited	8,648,472	-
8. Jacqueline Sharp/Jason Sharp	7,094,000	0.6922
9. SJIML A/C 3119	5,319,000	0.4257
10. Victory Island Limited	5,319,000	0.4257

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT JUNE 30, 2025

DIRECTOR	SHAREHOLDINGS	CONNECTED PARTIES	SHAREHOLDINGS
Raymond Therrien	----	Burbank Holdings Limited	961,298,275
Kevin O'Brien Chang	----	Burbank Holdings Limited Nicole Watson-Chang	961,298,275 745,850
Shinque (Bobby) Chang	----	Burbank Holdings Limited	961,298,275
Anne Chang	----	Burbank Holdings Limited	961,298,275
Jacqueline Sharp	7,094,000	Jason Sharp (joint holder)	
Heather Goldson	2,211,000	David L. Goldson (joint holder)	
Larren Peart	56,844		

SHAREHOLDINGS OF OFFICERS AND CONNECTED PARTIES AS AT JUNE 30, 2025

Denise Douglas	25,352	Ryan McCalla (joint holder)	
Judale Samuels-Smith	613,506	Daniel Smith (joint holder)	



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Fontana PHARMACY

CORPORATE GOVERNANCE REPORT

The Board of Directors of **FONTANA LIMITED** is responsible for the effective management of the company. They understand that a strong corporate governance policy helps create shareholder value and maintain confidence in the company. Their main role is to oversee the corporate affairs on behalf of shareholders and to advise our management team in setting vision and strategy.

As of June 30, 2025, the Board of Directors consists of three Executive Directors and three Independent Directors. The definitions of these directors are:

- **An Independent Director** is a member of the board of directors who does not participate in day-to-day management but may be involved in policymaking and planning activities. They are not related to the company, nor do they have any financial relationship with the company, its senior management, or its affiliate companies. Additionally, the independent director owns no more than 3% of the company's voting shares.

- **An Executive Director** is a member of the board of directors who is heavily involved in the day-to-day management of the company.

Chairman Emeritus is involved in volunteer or advocacy work through his service on the board.

The Board and its Committees -

BOARD OF DIRECTORS

Kevin O'Brien Chang	-	**Chairman**
Jacqueline Sharp	-	**Independent Director**
Heather Goldson	-	**Independent Director**
Raymond Therrien	-	**Executive Director**
Anne Chang	-	**Executive Director**
Larren Peart	-	**Independent Director**

We are pleased to inform you that our board members are qualified, objective, and dedicated. They possess key qualities such as professionalism, integrity, and strong leadership skills in their respective fields. The names of the directors and their qualifications are detailed in the Directors' Profile section of this report.

BOARD COMMITTEES

The Audit and Compliance Committee's primary responsibilities include monitoring the integrity of the company's financial statements, reviewing internal financial controls, assessing the effectiveness of the internal audit function, and ensuring the independence, objectivity, and effectiveness of the external auditor and the audit process. The Audit Committee also held four meetings during the financial year.

Mrs. Jacqueline Sharp serves as Chair of the Audit and Compliance Committee and joined the Board on December 4, 2018.

The Audit and **Compliance Committee** consists of four directors, three of whom are independent:



Jacqueline Sharp - Chairwoman
Heather Goldson - Independent Director
Larren Peart - Independent Director
Raymond Therrien - Executive Director/COO

THE COMPENSATION COMMITTEE

The Compensation Committee's primary responsibilities are to determine (subject to Board approval) the remuneration of Executive Directors; to oversee and review a Performance Management Scheme, and to evaluate the organizational structure and its salary ranges for all staff.

Mrs. Jacqueline Sharp serves as the Chair of the Compensation Committee and joined the Board on December 4, 2018.

The Compensation Committee consists of four directors, three of whom are independent.



Jacqueline Sharp – Chairwoman
Heather Goldson – Independent Director
Larren Peart – Independent Director
Anne Chang - Executive Director/CEO

The Members of the Committee and their attendance at the respective meetings for the 2025 financial year is reflected in the Table below:

MEETING ATTENDANCE

	ANNUAL GENERAL	BOARD DIRECTORS'	AUDIT COMMITTEE	COMPENSATION COMMITTEE
NUMBER OF MEETINGS FOR THE YEAR	1	7	4	-
Kevin O'Brien Chang	1	7	-	-
Anne Chang	1	7	-	-
Raymond Therrien	1	7	4	-
Jacqueline Sharp	-	7	4	-
Heather Goldson	-	7	4	-
Larren Peart	-	7	3	-

TRAVEL EXPENSE REIMBURSEMENT

All Directors will be reimbursed for reasonable travel expenses related to attending meetings of the Company's Board of Directors and its Committees.

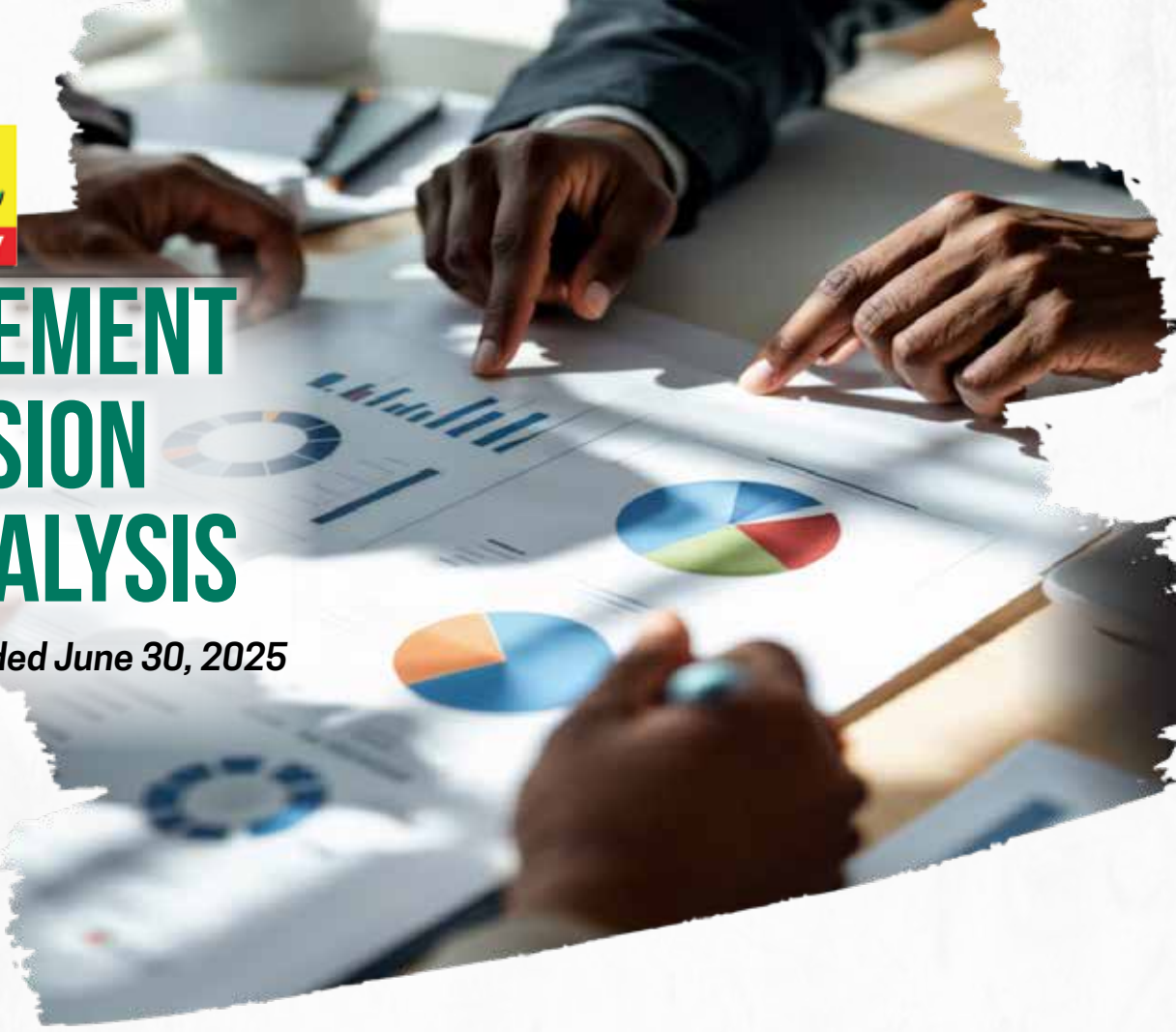
ANNUAL GENERAL MEETINGS

General meetings with shareholders are held annually, and the meeting is organized to allow shareholders to provide their input and have their questions addressed.

ARTICLES OF INCORPORATION

The Company's Articles of Incorporation were not amended during the period under review.

The Corporate Governance Guidelines are available on the company's website at:
www.fontanapharmacy.com



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Year Ended June 30, 2025

OVERVIEW

Fontana — Jamaica's largest pharmacy chain — continues to deliver exceptional results and break new records. It was a transformative year for Fontana Limited, marked by rapid expansion as we grew our retail network from seven to eleven stores within just two months.

With record revenues of $9.5 billion, Fontana has further strengthened its position as the undisputed leader in Jamaica's retail pharmacy industry.

This exceptional growth reflects the company's unwavering commitment to innovation, customer experience, and operational excellence.

This Management Discussion and Analysis (MD&A) should be read in conjunction with the audited financial statements for the year ended June 30, 2025, and the accompanying notes contained herein.

FINANCIAL PERFORMANCE

SUMMARY REPORT

	2025	2024	MOVEMENT
Revenue	9,519,970,453	8,125,372,913	17.2% Increase
Gross Profit	3,618,730,377	3,059,786,483	18.3% increase
GP Margin	38%	37.7%	-
Operating Profit	784,691,923	696,520,810	12.7% increase
PBT	695,062,233	629,827,585	10.4% increase
Net Profit	591,560,505	589,775,265	0.3% increase
EPS	0.47	0.47	-

REVENUE GROWTH
$9.5 BILLION

Revenue increased by 17.2%, from $8.13 billion to $9.5 billion. Growth was driven by the continued maturation of

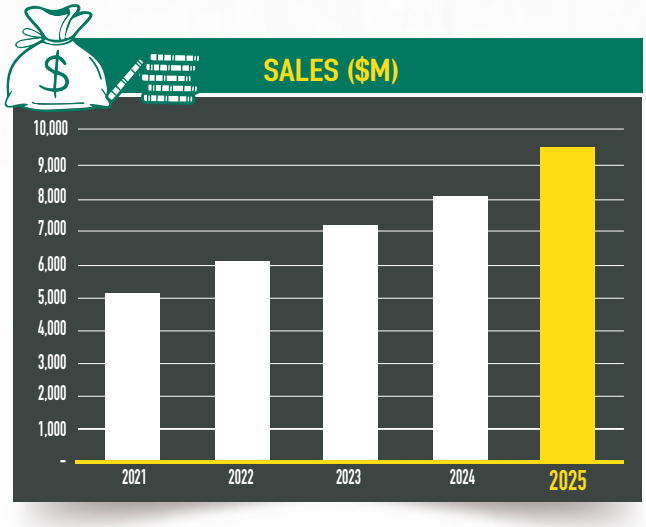
the Portmore location (opened in 2023), strong performance from the Waterloo flagship and Fairview stores, and the successful launch of Ora by Fontana in April 2025.

Additionally, the integration of the former Monarch Pharmacy stores, three of which were operational by year end, contributed to this expansion.



The exclusive introduction of ***Fenty Beauty, Fenty Skin, and Fenty Eau de Parfum*** at the Waterloo and Fairview locations is also expected to drive continued revenue growth in the coming year.

While beauty continues to expand rapidly, our pharmacy operations remain the cornerstone of Fontana's business, contributing the majority of total revenues and reinforcing the company's trusted reputation in healthcare retail.



GROSS PROFIT
$3.6 BILLION

Gross profit increased by 18.3%, rising from $3.0 billion to $3.6 billion. This improvement reflects enhanced procurement practices and supply chain efficiencies. Gross margin improved to 38%, up from 37.7% in the previous year, as Fontana continues to optimize cost management and maintain strong vendor relationships.

OPERATING EXPENSES
$2.8 BILLION

Operating expenses rose by 20% to $2.8 billion (2024: $2.4 billion), largely reflecting growth-related costs. Key drivers included staff welfare, retirement benefits for long-serving team members, integration expenses from the Monarch acquisition, and marketing expenditures associated with the launch of Ora by Fontana.

Despite these increases, the operating expenses-to-sales ratio rose by less than 1%, reflecting disciplined cost management in the face of expansion. Fontana remains focused on ensuring operational scalability while maintaining a motivated and high-performing workforce.

PROFIT BEFORE TAXATION
$695 MILLION

Operating profit increased by 12.7%, supported by higher revenues and other income. However, increased finance costs, primarily associated with bonds raised to fund the Monarch acquisition, tempered profit before tax.

Profit before taxation reached $695 million, a 10.4% increase over the prior year, while finance costs grew by 21.9%.

TAXATION AND NET PROFIT

Taxation expenses rose to $103.5 million, up from $40 million in 2024. The higher tax charge reflects the full-year impact of the 12.5% corporate tax rate, compared to the blended rate

applied in the previous year, along with deferred tax adjustments of $15.5 million.

Net profit ended the year at $591.6 million, an increase of 0.3% compared to $589.8 million in 2024. Earnings per share remained stable at $0.47, underscoring Fontana's consistent performance despite the impact of expansion-related costs and higher taxation.

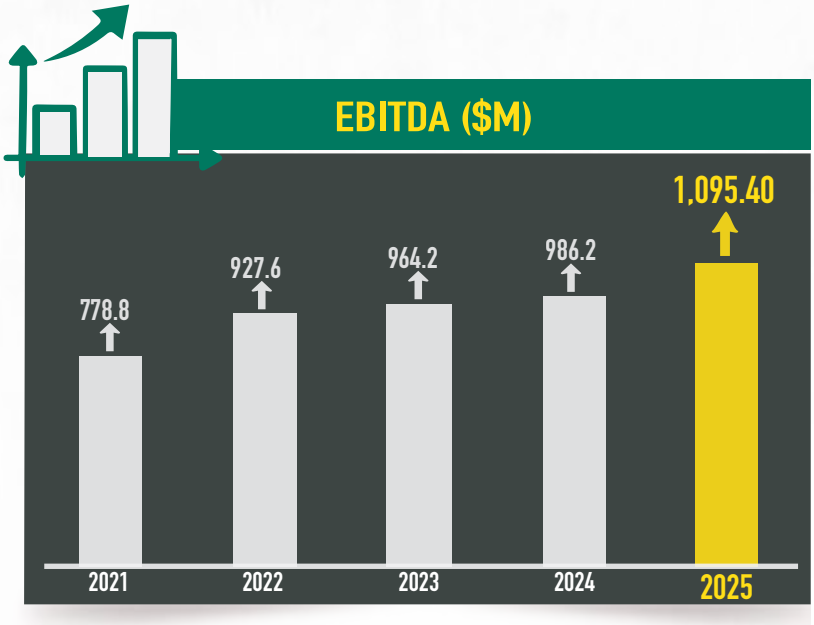
CASH FLOW AND LIQUIDITY

Operating cash flows totaled $1.6 billion, a modest 3.3% decline from the prior year's $1.7 billion, reflecting working capital adjustments associated with the company's growth.

Key cash movements included:

- **Funds from operating activities: $1.1 billion**
- **Proceeds from bond issuance: $627.8 million**
- **Fixed and intangible asset acquisitions: $878.2 million**
- **Repayments of bonds and loans: $34.1 million**
- **Dividends paid: $624.7 million**

Fontana ended the year with a current ratio of 2.0, indicating healthy liquidity and capacity to meet short-term obligations.



FINANCIAL POSITION

Net assets increased by 20.6%, closing the year at $6.9 billion, primarily due to acquisitions and higher inventory investments to support expansion.

Shareholders' equity stood at $2.9 billion, a 1.1% decline from the prior year, reflecting dividend payouts of $624.7 million.

The debt-to-equity ratio rose to 1.4, consistent with the company's financing strategy to support growth through prudent leverage. Fontana remains committed to maintaining a balanced capital structure, ensuring that debt levels remain within acceptable limits for its business model.

STRATEGIC FOCUS AND OUTLOOK

Over the past three years, Fontana has pursued a deliberate strategy of expansion and modernization — opening five new retail outlets, strengthening its market share, and enhancing accessibility across Jamaica.

The retail pharmacy sector continues to demonstrate strong fundamentals, supported by demographic trends such as an aging population and rising chronic disease prevalence. At the same time, it faces rapid technological change and evolving consumer expectations.

Fontana's hybrid model — combining pharmacy, beauty, and general retail — positions it uniquely to capture growth across multiple categories. The brand continues to be viewed as a one-stop destination for beauty, wellness, and lifestyle needs.

The pandemic period reinforced the importance of agility and digital transformation. Fontana has since strengthened both its e-commerce and in-store platforms, with ongoing investments to enhance fulfillment speed, data analytics, and customer engagement.

PRIORITIES FOR THE YEAR AHEAD

Fontana's strategic priorities for the coming fiscal year include:

- **Operational Efficiency & Automation:** Continue leveraging scale and technology to optimize logistics, improve inventory management, and enhance pricing competitiveness.

- **Strategic Partnerships:** Deepen collaborations with suppliers and explore new alliances to expand product lines and strengthen the company's integrated retail and healthcare ecosystem.

- **Customer-Centric Innovation:** Prioritize personalization and convenience through data-driven insights, ensuring a seamless omnichannel shopping experience.

Fontana remains confident that its strong brand equity, disciplined execution, and diversified business model will continue to deliver sustained growth and superior long-term value for shareholders, customers, and employees alike.



FONTANA - PORTMORE BRANCH

FIVE-YEAR FINANCIAL REVIEW

INCOME STATEMENT HIGHLIGHTS (J$)

	2021	2022	2023	2024	2025
Revenue	5,151,940,367	6,343,076,888	7,317,436,676	8,125,372,913	9,519,970,453
change over prior year	14%	23%	15%	11%	17%
COGS	3,203,802,006	4,083,488,418	4,688,547,527	5,065,586,430	5,901,240,097
% of Revenue	62%	64%	64%	62%	62%
Gross Profit	1,948,138,361	2,259,588,470	2,628,889,149	3,059,786,483	3,618,730,377
change over prior year	15%	16%	16%	16%	18%
Operating Expenses	1,299,711,626	1,498,979,318	1,883,143,049	2,363,265,673	2,834,038,454
change over prior year	0%	15%	26%	25%	20%
Other Income	60,180,286	73,018,842	107,001,073	137,971,513	159,943,617
change over prior year	17%	21%	47%	29%	16%
Finance Costs	167,225,554	218,587,464	195,976,285	204,664,738	249,573,307
change over prior year	-10%	31%	-10%	4%	22%
PBT	541,381,467	616,555,205	656,770,888	629,827,585	695,062,233
change over prior year	105%	14%	7%	-4%	10%
Taxation	29,054,189	10,356,499	1,568,789	40,052,320	103,501,728
Net Profit	512,327,278	606,198,706	655,202,099	589,775,265	591,560,505
change over prior year	85.3%	18%	8%	-10%	0%
Ratios					
EPS ($)	0.41	0.49	0.52	0.47	0.47
NP Margin (%)	9.9%	9.6%	9.0%	7.3%	6.2%
GP Margin (%)	38%	36%	36%	38%	38%

FINANCIAL POSITION HIGHLIGHTS (J$)

	2021	2022	2023	2024	2025
Non-Current Assets	1,629,551,294	1,857,790,039	2,182,872,373	2,340,125,487	2,988,790,703
change over prior year	-9%	14%	17%	7%	28%
Current Assets	1,840,986,049	2,693,585,659	2,950,018,288	3,339,291,305	3,884,134,637
change over prior year	35%	46%	10%	13%	16%
Total Assets	3,470,537,343	4,551,375,698	5,132,890,661	5,679,416,792	6,872,925,340
change over prior year	10%	31%	13%	11%	21%
Non-Current Liabilities	954,097,541	1,560,022,103	1,504,566,507	1,574,335,436	2,089,128,763
change over prior year	-6%	64%	-4%	5%	33%
Current Liabilities	711,204,946	829,794,998	1,186,375,906	1,198,295,326	1,910,137,455
change over prior year	11%	17%	43%	1%	59%
Total Liabilities	1,665,302,487	2,389,817,101	2,690,942,413	2,772,630,762	3,999,266,218
change over prior year	1%	44%	13%	3%	44%
Equity	1,805,234,856	2,161,558,597	2,441,948,248	2,906,786,030	2,873,659,122
change over prior year	21%	20%	13%	19%	-1%
current/total liabilities	43%	35%	44%	43%	48%
Ratios					
Current Ratio	2.6	3.2	2.5	2.8	2.0
Debt to Equity	0.9	1.1	1.1	1.0	1.4
Inventory Turns Ratio	4.3	4.5	4.2	3.8	3.4
Inventory Days to Sales	84.7	81.7	86.5	96.4	107.8
Return on Asset	15%	13%	13%	10%	9%
Return on Equity	28%	28%	27%	20%	21%

Orá

by Fontana



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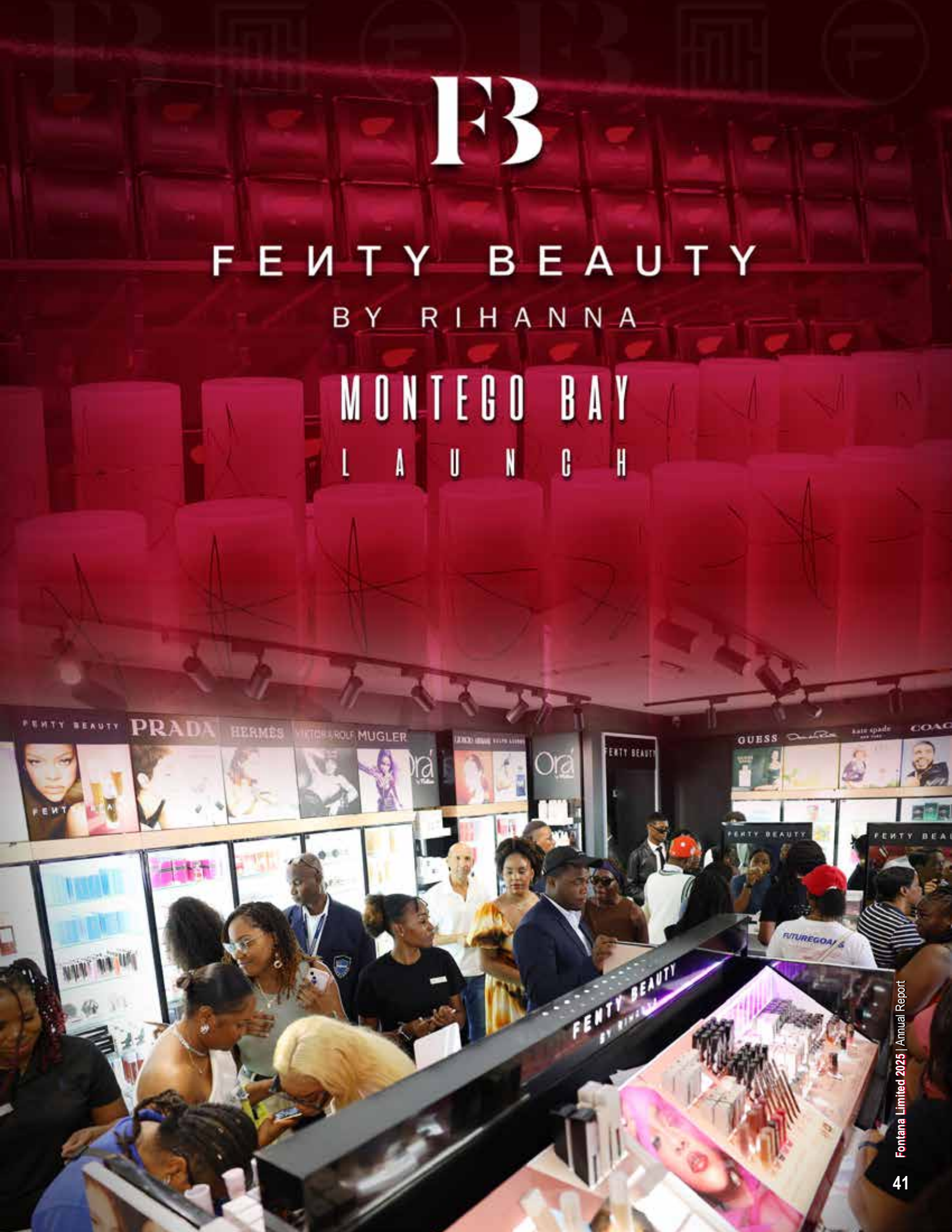
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CORPORATE SOCIAL RESPONSIBILTY



*At **Fontana Pharmacy**, Corporate Social Responsibility (CSR) remains deeply embedded in our culture, guided by our founding values of Service, Respect, Family, and Community.*

Since Bobby and Angela Chang first opened our doors, we have been committed to uplifting lives and contributing to national development. We firmly believe that businesses carry a responsibility to create positive change, ensuring a stronger and more sustainable future for Jamaica.

In 2024–2025, our CSR initiatives touched thousands of lives across the island. Through strategic investments and targeted support, we expanded our reach in education, health, youth development, culture, and community upliftment, contributing to over 200 initiatives during the financial year. These efforts highlight our belief that even small acts of generosity can create lasting impact when driven by purpose.

FONTANA FOUNDATION

The Fontana Foundation remains the cornerstone of our CSR efforts, providing structured support in education, health, and community development.

Key projects in 2024–2025 included:

Educational Support: Sponsorship of graduations, academic competitions, literacy fairs, and robotics programs, including contributions to the National Reading Competition, Mico University's Education Conference, and multiple school prize-giving and scholarship awards.

Back-to-School Drives: Donation of over 500 Fontana-branded lunch kits, notebooks, hygiene packs, and educational supplies to children across Jamaica, including communities supported by Exodus Ministries, Tru Believa's Entertainment, and the Couples Resort Green Guardians Club.

Youth Empowerment: Sponsorship of career expos, debate competitions, sports days, and pageants, ensuring young people have opportunities for both academic and personal growth.


Fontana
PHARMACY
TEACHER'S DAY
Winners

WISHING TREE INITIATIVE

For over eight years, the Wishing Tree Initiative has brought joy during the holiday season by fulfilling the wishes of Jamaica's most vulnerable. In December 2024, we extended gifts, toys, and essential items to homes, hospitals, and care facilities including:

- Sophie's Place
- Wortley Home for Girls
- Annie Dawson's Children's Home
- Mary's Child Home
- St. Ann's Bay Hospital Pediatric Ward
- Savanna-la-Mar Hospital Pediatric Ward
- Blessed Assurance
- Strathmore Gardens Children's Home
- Windsor Lodge Children's Home

Through this program, hundreds of children and families received not only gifts, but the reassurance that they are remembered and valued.

EMPLOYEE SCHOLARSHIP PROGRAM

Fontana's employees are at the heart of our success. Recognizing this, we continued the Employee Scholarship Program, providing financial assistance for the children of our team members. This initiative ensures access to education and nurtures the next generation of leaders, reinforcing our family-first philosophy.

Key Areas of Focus

1. Supporting Education

Education remains one of the most impactful areas of our CSR strategy.

Our investments included:

- Sponsorship of graduation ceremonies and prize-giving events at institutions such as St. Andrew High School for Girls, Bethlehem Moravian College, and Granville Primary.
- Contribution to school competitions including spelling bees, essay contests, robotics challenges, and math days.
- Provision of scholarships and financial aid, such as our $300,000 contribution toward tuition support for six students through MP Juliet Holness.
- Donation of tablets, first-aid kits, hygiene packs, and back-to-school supplies to schools across the island.

These efforts empower the next generation with the resources and recognition they need to excel.

2. Promoting Health and Wellness

Fontana has long been a champion of health and wellness in Jamaica.

Our contributions in **2024–2025** included:

- Supporting national health initiatives such as the Sagicor Sigma Run ($250,000), Jamaica Cancer Society events, and Lupus Foundation awareness programs.
- Partnering with hospitals and health facilities, donating medical supplies, adult diapers, teas, and sanitizers.
- Sponsoring blood drives and wellness fairs, including the Hillel Academy Blood Drive, NERHA Cancer Screening, and Bellevue Hospital MENtally Speaking Forum.
- Encouraging community health through contributions to sports days and fitness expos across Jamaica.

By addressing health challenges, we reinforce our commitment to stronger, healthier communities.

3. Empowering Youth & Cultural Development

Fontana believes in nurturing the next generation not only academically but also culturally and socially.

This year, we:

- Sponsored youth-centered initiatives like the Youth in Action Summer Football Program ($100,000), DeAndre Ayton Foundation Community Day, and Caribbean debate competitions.
- Invested in cultural programs such as the Stella Maris Dance Ensemble, Jamaica Military Band Concert, and various church youth events.


Fontana
PHARMACY
Read
ACROSS
JAMAICA


Fontana
PHARMACY
Mother's Day
Shopper's


Fontana
PHARMACY
WORLD
LUPUS
DAY
Caribbean
Strong

- Provided sponsorships to pageants, arts programs, and student clubs to ensure creativity and cultural heritage thrive.

4. Supporting Localized Community Programs

A key strength of Fontana's CSR strategy is our emphasis on localized initiatives that meet the specific needs of the communities we serve.

In 2024–2025, we:

- Partnered with churches, schools, and community organizations to donate toys, gift baskets, food supplies, and branded items.
- Supported parish-level initiatives such as tree lighting ceremonies, Christmas treats, and community sports events.
- Invested in small, impactful projects such as providing hygiene kits, stationery, and care packages to vulnerable groups across the island.
- This grassroots approach ensures that our impact is meaningful and directly felt by those who need it most.

5. National Sponsorships and Strategic Partnerships Fontana also played an active role in larger-scale national events.

Highlights included:

- Jill Stewart MoBay City Run Silver Sponsorship
- MoBay Jerk Festival Sponsorship
- CUMI Golf Tournament Silver Sponsorship
- Poppy Appeal Festival
- Major fundraising and gala events with organizations such as *Mustard Seed Communities, Rotary Clubs,* and *the Salvation Army*.

These partnerships reflect our commitment to supporting Jamaica's cultural, charitable, and economic development on a national scale.

CONCLUSION

Fontana Pharmacy's CSR efforts in 2024–2025 reflect our unwavering commitment to building stronger, healthier, and more vibrant communities across Jamaica. Through the Fontana Foundation, the Wishing Tree Initiative, and targeted support in education, health, youth empowerment, and cultural development, we continue to uphold our legacy of service.

By combining grassroots engagement with national partnerships, we ensure that our contributions create meaningful, lasting impact. As we look to the future, Fontana remains dedicated to the principle that together, we can uplift lives and build a better Jamaica.



WELCOME TO THE

Fontana PHARMACY

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- **Scanning of Documents**
- **Binding**
- **Cutting of Documents**
- **Hole Punching**



It's All **GOOD** Inside!



CORPORATE DATA

REGISTERED OFFICE

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Fairview Town Centre
Montego Bay PO#1, St. James

Tel: 876-952-3866 | **Fax:** 876-979-0885
Email: contact@fontanapharmacy.com

AUDITORS

CrichtonMullings & Associates
80 Lady Musgrave Road, Kingston

BANKERS

National Commercial Bank
Bank of Nova Scotia Jamaica Ltd.
First Global Bank
Sagicor Bank
Victoria Mutual Building Society


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Year Ended June 30, 2025

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Certified Public Accountants | Chartered Accountants | Consultants

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INDEPENDENT AUDITOR'S REPORT

To the members of
FONTANA LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Fontana Limited (the "Company"), which is comprised of the statement of financial position as at June 30, 2025, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at June 30, 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Jamaican Companies Act (the "Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report (cont'd)

To the members of
FONTANA LIMITED

Key audit matters (cont'd)

Key audit matters	How the matter was addressed in our audit
1) Carrying value of inventory Inventory is reported at $2.04 billion and represents 30% of total assets of the Company as at June 30, 2025. The inventory consists of a large volume of small and seasonal items. Inherently, the large volume of inventory creates a challenge for management to conduct inventory counts throughout the year, which contributes to the risk of inventory being materially misstated. In determining the carrying value of inventory, management focuses on conducting periodic counts on high value departments from the overall inventory.	Our audit procedures to address the key audit matter relating to the carrying value of inventory included the following: • Reviewing the Company's standard operating procedures, in order to assess the effectiveness of internal controls over inventory. • We observed stock counts at each of the Company's stores. As a part of this process, we selected samples to conduct our independent counts at each store. • The samples from our stock counts were crossed checked the results from our sample of stock counts against the inventory system and variances were extrapolated to the inventory population of each store. Based on the procedures performed, we concluded that the carrying value of inventory is fairly stated.

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To the members of
FONTANA LIMITED

Key audit matters (cont'd)

Key audit matter	How the matter was addressed in our audit
2) Accounting for Business Combination - Intangible Assets On March 18, 2025, the Company acquired the Monarch Chain of Pharmacies for a purchase price of $854 million. Management has applied provisional accounting in accordance with IFRS 3 "Business Combinations" given that the Company was within the twelve (12) month measurement period at the year end. We identified the accounting for this business combination based on the complexity in estimating the purchase price allocation, the significant judgement involved in determining the provisional fair values of assets acquired and the materiality of the transaction to the financial statements. As at June 30, 2025, management has recorded provisional amounts for tangible and intangible assets as the final purchase price allocation remains contingent on detailed valuations of the identifiable assets acquired.	Our audit procedures to address the key audit matter relating to the accounting for business combination - intangible assets included the following: • We have reviewed the acquisition agreement to understand key terms and conditions. • We have assessed management's estimation of the intangible assets based on the estimated fair value of the tangible assets acquired from the Monarch Chain of Pharmacies, including the purchase price. Based on the procedures performed, we concluded that management's provisional accounting for the business combination appears reasonable.

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To the members of
FONTANA LIMITED

Key audit matters (cont'd)

Key audit matters	How the matter was addressed in our audit
3) Goodwill impairment assessment The Company has goodwill of $864.9 million arising from the acquisition of the Barbican store operations and the Monarch Chain of Pharmacies, which represents 12.6% of the total assets as at the year end. The annual impairment assessment requires management's judgement and estimation in determining estimated future earnings from the store, taking into consideration the inflation rate and growth rates and other underlying assumptions.	Our audit procedures to address the key audit matter relating to the impairment of goodwill assessment included the following: • We have reviewed management's assertions, including the identification of the underlying cash generating assets. • We have assessed and reviewed the Barbican store's and the Monarch Chain of Pharmacies' historical performance and compared actual results to the approved budget. The analysis of the external and internal environments was taken into account in the assessment of the store's performance. Based on the procedures performed, we concluded that management's assessment of goodwill impairment appears reasonable.

Other information

Management is responsible for the other information. The other information comprises information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate with the Board of Directors.

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Independent Auditor's Report (cont'd)

To the members of
FONTANA LIMITED

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is located at pages 6-7, forms part of our auditor's report.

Report on additional matters as required by the Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Leary Mullings.

CrichtonMullings & Assoc.
CrichtonMullings & Associates
Chartered Accountants

Kingston, Jamaica
August 27, 2025

CrichtonMullings & ASSOCIATES

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To the members of
FONTANA LIMITED

Appendix to the independent auditor's report

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

To the members of
FONTANA LIMITED

Appendix to the independent auditor's report (cont'd)

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

STATEMENT OF FINANCIAL POSITION

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

	Note	2025 $	2024 $
ASSETS			
Non-current Assets			
Property, plant and equipment	5	1,355,517,722	1,236,565,864
Right of use asset	6	768,355,543	901,169,373
Intangible assets	7	864,917,438	202,390,250
		2,988,790,703	2,340,125,487
Current Assets			
Inventories	8	2,041,869,403	1,445,209,977
Due from related parties	9	5,888,260	5,513,540
Due from directors	10	5,506,075	10,765,087
Trade and other receivables	11	229,798,968	206,842,919
Taxation recoverable	12	-	15,129,745
Cash and cash equivalents	13	1,601,071,931	1,655,830,037
		3,884,134,637	3,339,291,305
TOTAL ASSETS		6,872,925,340	5,679,416,792
EQUITY AND LIABILITIES			
Equity			
Share capital	14	252,589,301	252,589,301
Accumulated surplus		2,621,069,821	2,654,196,729
		2,873,659,122	2,906,786,030
Non-current Liabilities			
Bonds payable	15	1,110,745,116	496,212,600
Deferred tax liability	16	53,667,839	38,171,570
Non-current portion of lease liability	6	895,919,837	1,016,469,583
Bank loans payable	17	28,795,971	23,481,683
		2,089,128,763	1,574,335,436
Current Liabilities			
Current portion of lease liability	6	143,472,586	128,542,790
Current portion of bank loans payable	17	15,637,848	12,840,331
Notes payable	18	350,000,000	-
Trade and other payables	19	1,388,161,470	1,055,547,558
Due to related parties	20	-	1,364,647
Taxation payable	12	12,865,551	-
		1,910,137,455	1,198,295,326
TOTAL EQUITY AND LIABILITIES		6,872,925,340	5,679,416,792

Approved for issue by the Board of Directors on August 27, 2025 and signed on its behalf by:

Chairman **Director**

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

		2025 $	2024 $
Revenues	4	9,519,970,453	8,125,372,913
Cost of sales	21	(5,901,240,076)	(5,065,586,430)
Gross profit		3,618,730,377	3,059,786,483
Administrative and other expenses	22	(2,728,863,238)	(2,280,926,700)
Selling and promotion	23	(105,175,216)	(82,338,973)
Operating profit	24	784,691,923	696,520,810
Other income	25	159,943,617	137,971,513
		944,635,540	834,492,323
Finance costs	26	(249,573,307)	(204,664,738)
Profit before taxation		695,062,233	629,827,585
Taxation charge	27	103,501,728	40,052,320
Net profit, being total comprehensive income for the year		591,560,505	589,775,265
Earnings per share for profit attributable to the equity holders of the Company during the year	28	$ 0.47	$ 0.47

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

	Share Capital $	Accumulated Surplus $	Total $
Balance at June 30, 2023	252,589,301	2,189,358,947	2,441,948,248
Transactions with owners:			
Dividends paid (note 32)	-	(124,937,483)	(124,937,483)
Net profit, being total comprehensive income for the year	-	589,775,265	589,775,265
Balance at June 30, 2024	252,589,301	2,654,196,729	2,906,786,030
Transactions with owners:			
Dividends paid (note 32)	-	(624,687,413)	(624,687,413)
Net profit, being total comprehensive income for the year	-	591,560,505	591,560,505
Balance at June 30, 2025	252,589,301	2,621,069,821	2,873,659,122

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

	Note	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before interest and taxation	29	757,541,917	663,087,265
Adjusted for:			
Loss / (gain) on disposal of property, plant and equipment		1,025,596	(127,634)
Depreciation on right of use asset		132,813,831	138,175,372
Depreciation and amortisation expense		122,710,491	100,994,308
Interest expense on right of use asset		78,322,192	82,513,061
Amortization of bond issuance cost		2,995,849	1,514,960
		1,095,409,876	986,157,332
(Increase) / decrease in operating assets:			
Inventories		(596,659,426)	(215,715,123)
Due from related parties		(374,720)	193,898
Trade and other receivables		(22,956,049)	(68,825,258)
Taxation recoverable		(26,561,011)	(12,613,029)
Increase / (decrease) in operating liabilities:			
Trade and other payables		332,613,911	95,931,664
Notes payable		350,000,000	-
Taxation payable		12,865,551	-
Due to related parties		(1,364,647)	1,183,484
Cash flows provided by operating activities		1,142,973,485	786,312,968
Taxation paid		(46,314,703)	(22,448,585)
Net cash provided by operating activities		1,096,658,782	763,864,383
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible asset		(677,410,226)	-
Acquisition of property, plant and equipment		(200,773,014)	(196,355,867)
Proceeds from disposal of property, plant and equipment		9,995,883	127,634
Cost of work in progress		(37,027,777)	-
Net cash used in investing activities		(905,215,134)	(196,228,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(624,687,413)	(249,874,965)
Net proceeds from the issue of a bond		627,786,667	-
Repayment of bonds		(16,250,000)	-
Proceeds from loans		25,940,073	15,210,000
Repayment of loans		(17,828,268)	(14,878,775)
Lease liability, net		(183,942,141)	(186,194,294)
Directors' loans, net		5,259,012	(589,993)
Interest paid		(62,479,684)	(33,259,680)
Net cash used in financing activities		(246,201,754)	(469,587,707)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(54,758,106)	98,048,443
CASH AND CASH EQUIVALENTS - Beginning of the year		1,655,830,037	1,557,781,594
CASH AND CASH EQUIVALENTS - End of the year		1,601,071,931	1,655,830,037
REPRESENTED BY:			
Short term investments		762,326,367	713,151,225
Cash and bank deposits		838,745,564	942,678,812
		1,601,071,931	1,655,830,037

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

1. IDENTIFICATION

Fontana Limited (the "Company") is incorporated in Jamaica, under the Jamaican Companies Act (the "Act"). The Company is domiciled in Jamaica with its registered office at Manchester Shopping Centre, Mandeville, Manchester.

On March 18, 2025 the Company acquired the assets of the Monarch Chain of Pharmacies (see note 33).

The Company became listed on the Junior Market of the Jamaica Stock Exchange on January 08, 2019.

The principal activities of the Company are:
(a) The buying and selling of pharmaceuticals, and
(b) The retailing of associated products

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The Company's financial statements have been prepared in accordance and comply with IFRS Accounting Standards and the relevant requirements of the Act.

The financial statements have been prepared under the historical cost convention and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards and the Act requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

(b) Changes in accounting standards and interpretations:

Certain new standards and interpretations of and amendments to existing standards became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following new standards, interpretations and amendments are relevant to its operations:

- **IAS 1 'Classification of Liabilities as Current or Non-Current - Amendment', issued January 2020**. Effective for annual periods commencing on or after 1 January 2024. The amendments affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(b) Changes in accounting standards and interpretations (cont'd):

- **IAS 7 and IFRS 7 Disclosure: 'Supplier Finance Arrangements', issued May 2023.** Effective for periods commencing on or after 1 January 2024. The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
- **IFRS 16 'Lease Liability in a Sale and Leaseback - Amendment', issued September 2022**. Effective for periods commencing on or after 1 January 2024. The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The Company has concluded that the adoption of the standards, amendments and interpretations, which are relevant in current periods do not have any material impact on the financial statements.

At the reporting date, certain new and amended International Financial Reporting Standards and Interpretations have been issued but are not yet effective, and which have not been adopted early. The Company has assessed the relevance of these and has concluded that the following are relevant to its operations:

- **IAS 21 'Lack of Exchangeability' - Amendment', issued August 2024**. Effective for annual periods commencing on or after 1 January 2025. The amendment is to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- **IFRS 7 and 9 'Classification and Measurement of Financial Instruments - Amendment', issued May 2025.** Effective for annual periods commencing on or after 1 January 2026. The amendment is to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'.
- **IAS 21 'Lack of Exchangeability', issued August 2023**. Effective for annual periods commencing on or after 1 January 2025. The amendment provides guidance to specify when a currency is exchangeable and how to determine the exchange rate when there is lack of exchangeability.
- **IIFRS 18 'Presentation and Disclosures in Financial Statements', issued April 9, 2025**.Effective for periods commencing on or after January 1, 2027. The standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

The Board of Directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Company in future periods is unlikely to have any material impact on the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements:

The preparation of the financial statements to conform with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with material uncertainty that have a significant effect on amounts in the financial statements or that have a significant risk of material adjustment in the next financial year are set out below:

(i) Critical accounting judgements in applying the Company's accounting policies
For the purpose of these financial statements, prepared in accordance with IFRS Accounting Standards, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS Accounting Standards.

(a) Allowance for expected credit loss (ECL) on trade receivables
In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also makes estimates of the likely estimated future cash flows of impaired receivables, as well as the timing of such cash flows recoverable on the financial assets in determining loss given default. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(b) Net realizable value of inventories

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date, to the extent that such events confirm conditions existing at the reporting date.

Estimates of net realizable value also take into consideration the purpose for which the inventory is held.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd):

(i) Critical accounting judgements in applying the Company's accounting policies (cont'd)

(c) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(d) Provision for obsolescence of inventory

Estimates of provision for obsolescence of inventory are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. Estimates of provision for obsolescence also take into consideration the purpose for which the inventory is held.

(ii) Key assumptions and other sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(a) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The Company's equities are the only financial instrument that is carried at fair value, also where fair value of financial instruments approximates carrying value, no fair value computation is done.

IFRS Accounting Standards requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).



NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd):

(ii) Key assumptions and other sources of estimation uncertainty (cont'd)

(a) Fair value estimation (cont'd)

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair values of financial instruments that are not traded in an active market are deemed to be determined as follows:

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, loan, trade and other payables, due to director and related parties.

The carrying values of long-term liabilities approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.

(b) Allowance for expected credit loss
The Company establishes a provision matrix to calculate expected credit loss (ECL) for trade receivables. The provision matrix is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In determining the amounts recorded for ECL, management makes significant estimate. The amount of the ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES

(a) Property, plant and equipment

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are recorded and carried at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Except for buildings, which are carried at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Company and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognized in the statement of comprehensive income as incurred.

Property, plant and equipment is depreciated on the straight-line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Leasehold Improvements	2.5%
Machinery and Equipment	10%
Furniture and Fixtures	10%
Signs	10%
Motor Vehicles	12.5%
Computers	22.5%

Assets are capitalized only when they are brought into use. While an asset is being constructed or is not yet available for use; the expenditure, including borrowing costs, is treated as advances, and is shown separately in the statement of financial position. Depreciation is not raised until an asset is brought into use.

(b) Leases

A contract is, or contains, a lease if it conveys the right of use/control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Leases are recognized as assets and liabilities unless the lease term is 12 months or less or the underlying asset has a low value of less than US$5,000 or its Jamaica dollar equivalent. The Company applies the short term lease recognition exemption to its short term leases (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, at the lease commencement date, i.e. the date at which the underlying asset is available for use by the Company. The right-of-use asset is depreciated on a straight-line basis over the remaining lease term.



NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(b) Leases (cont'd)

Lease liability
The lease liability is initially measured at the present value of lease payments to be made over the lease term.

The present value of lease payments, uses an incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate corresponds to the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment, with similar terms and conditions.

(c) Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid at acquisition. Goodwill is carried at costs less impairment. The Company assesses goodwill for impairment on an annual basis or when events or circumstances indicate that the carrying value may be impaired.

(d) Investments

Investments held by the Company are either held to maturity or carried at fair value through profit and loss account. Investments are initially measured at cost. Held to maturity instruments are subsequently carried at amortised cost. Fair value instruments are initially measured at cost and subsequently at fair value.

Gains and losses arising from changes in fair value instruments are immediately recognised in the statement of comprehensive income. Where fair value cannot be reliably measured, investments are stated at cost. The fair value of stock-exchange traded equities is their quoted bid price. Where a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

(e) Inventories

The Company utilises two costing methods. These are valued at the lower of cost, determined principally on the weighted average basis for retail inventory items and first-in first-out (FIFO) basis for dispensary items, and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(f) Trade and other receivables

Trade and other receivables are stated at amortized cost.

Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(g) Trade and other payables

Trade and other payables are stated at amortised cost.



NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Cash and cash equivalents

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(i) Related party identification

A party is related to the Company if:

(i) directly or indirectly the party:

- controls, is controlled by, or is under common control with the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company.

(ii) the party is an associate of the Company

(iii) the party is a joint venture in which the Company is a venturer

(iv) the party is a member of the key management personnel of the Company

(v) the party is a close member of the family of an individual referred to in (i) or (iv) above

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(j) Taxation

Income tax expense represents the sum of income tax currently payable and deferred tax.

(i) Current income tax
Current income tax is the expected tax payable on the taxable income for the year, using tax rates in effect for the reporting date, and any adjustments to income tax payable in respect.

(ii) Deferred income tax
Deferred income tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Impairment (cont'd)

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

(o) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognised on the Company's position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss where such costs are recognised immediately in profit or loss), as appropriate, on initial recognition.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cashflows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (cont'd)

Financial assets (cont'd)

Subsequent measurement
Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables, due from related parties and cash and bank balances.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

Impairment

The Company recognises an allowance for expected credit losses (ECLs) on the financial instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12- month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment (cont'd)
The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
The Company's financial liabilities, comprising loans and accounts payable, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(p) Employee benefits

Employee benefits are all forms of consideration given by the Company in exchange for services rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense.

(q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

(s) Dividends

Dividends on ordinary shares are recognised in shareholders equity in the period in which they are approved by the Board of Directors.

(t) Intangible assets

This represents goodwill and software. These intangible assets are identified separately and reported at cost less accumulated amortisation and accumulated impairment losses.

The useful life for amortisation of intangible assets in use are as follows:

Goodwill	Infinite
Software	4 years

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(u) Comparative information

Where necessary, comparative figures have been reclassified and or restated to conform to changes in the current year.

Fontana PHARMACY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

4. REVENUES

Revenues represent the value of goods and services sold to third parties, excluding discounts, rebates and general consumption tax.

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and Fixtures	Computer Equipment	Machinery and Equipment	Signage & Drapery	Motor Vehicles	Work-in Progress	Total
	$	$	$	$	$	$	$	$
At Cost/Valuation:								
Balance at June 30, 2023	479,523,385	261,918,892	105,868,737	261,299,158	23,015,361	103,442,224	392,752,800	1,627,820,557
Additions	58,858,373	9,516,013	21,157,731	33,999,462	-	16,545,626	56,278,662	196,355,867
Transfers	229,991,761	79,364,259	21,577,437	107,839,216	10,258,789	-	(449,031,462)	-
Disposal	-	-	(134,352)	-	-	-	-	(134,352)
Balance at June 30, 2024	768,373,519	350,799,164	148,469,553	403,137,836	33,274,150	119,987,850	-	1,824,042,072
Additions	80,072,340	30,973,858	25,184,412	15,355,940	599,795	48,586,669	37,027,777	237,800,791
Disposal	-	-	-	(5,823,747)	-	(13,273,257)	-	(19,097,004)
Balance at June 30, 2025	848,445,859	381,773,022	173,653,965	412,670,029	33,873,945	155,301,262	37,027,777	2,042,745,859
Accumulated Depreciation:								
Balance at June 30, 2023	74,246,199	146,412,807	74,187,410	148,187,624	12,989,499	45,364,351	-	501,387,890
Charge for the year	12,562,335	22,349,326	12,046,241	26,085,168	1,936,810	11,242,790	-	86,222,670
Disposal	-	-	(134,352)	-	-	-	-	(134,352)
Balance at June 30, 2024	86,808,534	168,762,133	86,099,299	174,272,792	14,926,309	56,607,141	-	587,476,208
Charge for the year	16,059,341	26,545,875	19,112,589	29,565,495	2,391,708	19,884,012	-	113,559,020
Disposal	-	-	-	(533,834)	-	(13,273,257)	-	(13,807,091)
Balance at June 30, 2025	102,867,875	195,308,008	105,211,888	203,304,453	17,318,017	63,217,896	-	687,228,137
Net Book Value:								
Balance at June 30, 2025	745,577,984	186,465,014	68,442,077	209,365,576	16,555,928	92,083,366	37,027,777	1,355,517,722
Balance at June 30, 2024	681,564,985	182,037,031	62,370,254	228,865,044	18,347,841	63,380,709	-	1,236,565,864
Balance at June 30, 2023	405,277,186	115,506,085	31,681,327	113,111,534	10,025,862	58,077,873	392,752,800	1,126,432,667

NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

6. RIGHT OF USE ASSET

	Buildings
	$
At Valuation	
Balance at June 30, 2024 and 2025	1,383,427,018
Depreciation charge of right of use asset	
Balance at June 30, 2024	482,257,645
Charge for the year	132,813,830
Balance at June 30, 2025	615,071,475
Net Book Value	
Balance at June 30, 2025	768,355,543
Balance at June 30, 2024	901,169,373

Lease Liability:

	2025	2024
	$	$
Non-current lease liability	895,919,837	1,016,469,583
Current lease liability	143,472,586	128,542,790
Balance at June 30, 2025	1,039,392,423	1,145,012,373

7. INTANGIBLE ASSETS

	Goodwill	Software	Total
	$	$	$
At Cost/Valuation:			
Balance at July 01, 2024	165,461,145	59,086,567	224,547,712
Additions (note 33)	672,063,241	5,346,985	677,410,226
Balance at June 30, 2025	837,524,386	64,433,552	901,957,938
Accumulated Amortisation:			
Balance at July 01, 2024	-	22,157,462	22,157,462
Charge for the year	-	14,883,038	14,883,038
Balance at June 30, 2025	-	37,040,500	37,040,500
Net Book Value:			
Balance at June 30, 2025	837,524,386	27,393,052	864,917,438
Balance at June 30, 2024	165,461,145	36,929,105	202,390,250

(i) Goodwill of $165,461,145 is an intangible asset which was acquired upon the acquisition of the Barbican store. The goodwill is assessed for any impairment losses on an annual basis.

(ii) Goodwill of $672,063,241 is an intangible asset which was acquired upon the acquisition of the Monarch Chain of Pharmacies. The goodwill is assessed for any impairment losses on an annual basis (note 33).



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

8. INVENTORIES

	2025 $	2024 $
Inventories	1,887,193,068	1,427,847,594
Goods in transit	185,567,467	77,941,390
	2,072,760,535	1,505,788,984
Less:		
Provision for obsolescence	(30,891,132)	(60,579,007)
	2,041,869,403	1,445,209,977

9. DUE FROM RELATED PARTIES

	2025 $	2024 $
Fontana Employee Share Trust (i)	2,294,638	5,283,937
Fontana Properties Limited	3,545,375	-
Fontana Foundation	48,247	229,603
	5,888,260	5,513,540

(i) This represents funds advanced by the Company to purchase shares on behalf of employees during the Company's initial public offering.

10. DUE FROM DIRECTORS

	2025 $	2024 $
Due from directors	5,888,260	10,765,087

These are unsecured interest free amounts, which have no fixed dates of repayment.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

11. TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Trade receivables	106,176,049	92,340,005
Less: expected credit loss	(16,247,140)	(14,021,815)
Net trade receivables	89,928,909	78,318,190
Other receivables	33,806,181	83,287,071
Deposit on assets (i)	9,135,544	-
Prepayments	27,309,511	22,553,749
GCT recoverable	6,992,639	5,034,777
Security deposits (ii)	62,626,184	17,649,132
	229,798,968	206,842,919

(i) These represent deposits made on assets for store locations.

(ii) This includes an amount of $53,812,000 withheld by the financial institution as security should the Company not be able to meet its obligation to repay the bonds.

12. TAXATION (PAYABLE) / RECOVERABLE

	2025 $	2024 $
Taxation recoverable at beginning of year	15,129,745	8,841,647
Income tax charge for the current year	(88,005,459)	(28,773,516)
Withholding tax recoverable during the year	720,693	12,613,029
Tax payments made during the year	46,314,703	22,448,585
	(25,840,318)	15,129,745
Less: withholding tax utilized during the year	12,974,767	-
Taxation (payable) / recoverable at the end of the year	(12,865,551)	15,129,745

13. CASH AND CASH EQUIVALENTS

	2025 $	2024 $
Term and demand deposits	510,949,580	834,620,193
Foreign currency accounts	324,675,281	104,679,968
Short term investments (i)	762,326,367	713,151,225
Cash balances	3,120,703	3,378,651
	1,601,071,931	1,655,830,037

(i) These represent short term investments with financial institutions for the periods ranging from thirty (30) days to six (6) months and attracting interest rates between 5.5% and 6.0% per annum.

***Reclassified to conform with current year's presentation.**



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

14. SHARE CAPITAL

	2025 $	2024 $
Authorized:		
2,664,999,860 ordinary shares		
Issued and fully paid:		
1,249,374,825 ordinary shares	252,589,301	252,589,301

(a) On December 4, 2018, at an extraordinary general meeting of the Company, by an ordinary resolution, the authorized share capital of the Company was increased from 15,003,000 to 40,003,000 in the first instance.

The 40,003,000 authorized ordinary shares were subdivided into 66.62 shares for every existing share, resulting in the authorized shares increasing to 2,664,999,860.

(b) The issued share capital was increased to 1,124,437,260 shares prior to the initial public offering ("IPO"). An additional 124,937,565 new shares were offered to the general public in the IPO on December 06, 2018.

(c) The proceeds of the sale of the 124,937,565 shares issued to the general public in December 2018 amounted to $233,489,376 less transaction costs of $10,906,075.

15. BONDS PAYABLE

	2025 $	2024 $
6.0% Fixed and variable agreed rate unsecured senior corporate bond (i)	500,000,000	500,000,000
Less: Deferred bond issue costs	(2,272,440)	(3,787,400)
9.5% Fixed and variable agreed rate unsecured senior corporate bond (ii)	633,750,000	-
Less: Deferred bond issue costs	(20,732,444)	-
	1,110,745,116	496,212,600

(i) This represents a five (5) years unsecured long-term corporate bond from Scotia Investments Jamaica Limited. The bond attracts a fixed interest rate of 6% for year one (1) to year three (3) and a variable rate of interest for years four (4) and five (5) and matures on December 14, 2026.

(ii) This represents five (5) years and four point five eight (4.58) years unsecured long-term corporate bonds from Scotia Investments Jamaica Limited scheduled to be disbursed in two (2) tranches. Tranche A was disbursed during the financial year and attracts a fixed interest rate of 9% from Year one (1) to Year five (5). Tranche B is scheduled to be disbursed in the next financial year.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

16. DEFERRED TAX LIABILITY

Certain deferred tax assets and liabilities have been offset in accordance with International Accounting Standard ("IAS") 12. IAS 12 permits the offsetting of deferred tax assets and liabilities if the entity has a legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same tax authority on the same entity. The following is the analysis of the deferred tax balances (after offset) for financial statement purposes:

	2025 $	2024 $
Deferred tax liability	53,667,839	38,171,570

Deferred tax liability is attributable to the following:

	2025 $	2024 $
Property, plant and equipment	53,060,692	38,779,768
Conversion of foreign currency	607,147	(608,198)
	53,667,839	38,171,570

The movement during the year in the Company's deferred tax position was as follows:

	2025 $	2024 $
Balance at the beginning of the year	38,171,570	26,892,766
Movement during the year	15,496,269	11,278,804
Balance at the end of the year	53,667,839	38,171,570

	2025		
	Opening balance	Recognised in profit or loss	Closing balance
Property, plant and equipment	38,779,768	14,280,924	53,060,692
Conversion of foreign currency	(608,198)	1,215,345	607,147
	38,171,570	15,496,269	53,667,839

	2024		
	Opening balance	Recognised in profit or loss	Closing balance
Property, plant and equipment	22,400,906	16,378,862	38,779,768
Conversion of foreign currency	4,491,860	(5,100,058)	(608,198)
	26,892,766	11,278,804	38,171,570



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

17. BANK LOANS PAYABLE

	2025	2024
	$	$
a. BNS Motor Vehicle Loan	3,259,375	5,121,875
b. BNS Van Loan	-	1,600,000
c. BNS Motor Vehicle Loan	1,307,320	3,078,580
d. BNS Van Loan	3,024,776	4,537,184
e. BNS Motor Vehicle Loan	6,228,750	9,626,250
f. BNS Motor Vehicle Loan	8,555,625	12,358,125
g. BNS Motor Vehicle Loan	11,516,306	-
h. BNS Truck Loan	10,541,667	-
Total bank loans payable	44,433,819	36,322,014
Due in less than 12 months	(15,637,848)	(12,840,331)
Due in more than 12 months	28,795,971	23,481,683

a. This is a loan at a rate of interest of 7.5% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of $155,208 plus interest.

b. This is a loan at a rate of interest of 6.75% for years 1-2 and thereafter weighted average treasury bill yield currently 1.53237%, plus 6% for years 3-5. The loan is repayable over sixty (60) months, in fixed monthly payments of $133,333. The loan was repaid during the year.

c. This is a loan at a rate of interest of 7% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of $147,605 plus interest.

d. This is a loan at a rate of interest of 7% per annum. The loan is repayable over sixty (60) months, in fixed monthly payments of $126,033.33 plus interest.

e. This is a loan at a rate of interest of 7.5% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of $283,125 plus interest.

f. This is a loan at a rate of interest of 8% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of $316,875 plus interest.

g. This is a loan at a rate of interest of 8.25% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of $311,252 plus interest.

h. This is a loan at a rate of interest of 8.25% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of $229,167 plus interest.

The loans are secured by a first and second demand debenture, dated and stamped, creating an aggregate charge over the fixed and floating assets of the Company, together with the assignment of fire, all-risk, and all-peril insurance, as well as business interruption insurance, covering the Company's properties and assets.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

18. NOTES PAYABLE

	2025 $	2024 $
GERK Limited	350,000,000	-

This is an unsecured loan payable to GERK Limited for the acquisition of the Monarch Chain of Pharmacies, consisting of two (2) promissory notes as follows: $250,000,000, which is interest-free if repaid in full by August 31, 2025, and $100,000,000, which is interest-free if repaid in full by January 1, 2026; in each case, interest will accrue at 10.0% per annum from the day after the respective due date if the principal sum is not repaid in full.

19. TRADE AND OTHER PAYABLES

	2025 $	2024 $
Trade payables	1,105,593,737	823,801,120
Statutory liabilities	30,538,649	29,914,064
Accrued salaries	3,096,954	-
GCT payable	19,741,190	29,496,352
Credit cards payable	89,532,007	91,622,220
Accrued interest	6,790,556	1,068,493
Dividend payable	20,222,235	13,794,258
Other payables and accruals	112,646,142	65,851,051
	1,388,161,470	1,055,547,558

20. DUE TO RELATED PARTIES

	2025 $	2024 $
Fontana Properties Limited	-	1,364,647

These are unsecured interest free advances, which have no fixed dates of repayment.

21. COST OF SALES

	2025 $	2024 $
Opening inventories	1,445,209,977	1,229,494,854
Add: Net purchases	6,468,211,627	5,271,635,772
	7,913,421,604	6,501,130,626
Increase in inventory obsolescence	29,687,875	9,665,781
Closing inventories	(2,041,869,403)	(1,445,209,977)
	5,901,240,076	5,065,586,430



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

22. ADMINISTRATIVE AND GENERAL EXPENSES

	2025 $	2024 $
Directors' remuneration	107,799,039	96,087,603
Salaries	1,231,161,454	984,180,125
Statutory contributions	149,926,833	123,968,108
Casual labour	47,555,096	39,654,125
Repairs and maintenance	82,358,315	64,687,127
Staff welfare	48,142,910	74,260,084
Electricity	122,417,145	106,343,534
Staff pension	23,480,738	18,283,989
Short term leases (see note 3b)	135,803,853	110,507,955
Motor vehicle and travelling	15,545,853	13,918,070
Insurance - general	22,519,898	22,406,883
- life	2,255,288	1,539,039
- health	28,200,380	25,376,494
Travel, entertainment and meals	29,743,877	31,289,386
Telephone, internet and postage	43,290,977	43,110,317
Printing and stationery	13,224,344	4,136,942
Strata plan maintenance	102,152,320	83,718,691
Staff uniform	1,583,974	7,843,495
Security	117,683,628	87,597,064
Subscriptions and donations	9,520,842	4,557,600
Rates and taxes	14,384,255	11,620,333
Audit fee	8,000,000	5,940,000
Professional and legal fees	30,978,965	14,070,594
Consultancy fees	15,019,516	10,716,197
Bad debt (recovered) / written off	(472)	270,456
Depreciation and amortisation expense	122,710,491	100,994,308
Depreciation on right of use asset	132,813,830	138,175,372
Loss / (gain) on disposal of property, plant and equipment	1,025,596	(127,634)
Expected credit loss increase	2,225,346	6,352,812
General office expenses	60,531,873	44,740,089
Rental of equipment	6,807,074	4,707,542
	2,728,863,238	2,280,926,700

23. SELLING AND PROMOTION

	2025 $	2024 $
Advertising	105,175,216	82,338,973

NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

24. OPERATING PROFIT

	2025 $	2024 $
	784,691,923	696,520,810
Stated after charging the following:		
Directors' remuneration	107,799,039	96,087,603
Auditor's remuneration	8,000,000	5,940,000

25. OTHER INCOME

	2025 $	2024 $
Interest income	51,229,273	51,335,280
Other store income and commission	79,904,641	62,867,562
Rental income	28,809,703	23,768,671
	159,943,617	137,971,513

26. FINANCE COSTS

	2025 $	2024 $
Bank charges and interest	33,910,700	30,345,692
Credit card commission	67,713,945	56,416,005
Gain on foreign exchange	(17,609,093)	(10,244,769)
Loan interest	62,479,684	33,259,680
Fair value (gain) / loss on short term investments	(26)	1,544,727
Interest expense on right of use asset	78,322,192	82,513,061
Loss on foreign exchange (IFRS 16 - Leases)	24,755,905	10,830,342
	249,573,307	204,664,738



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

27. TAXATION CHARGE

(a) Income tax charge is computed based on the profits for the financial year ended June 30, 2025. The Company's enlistment on the Jamaica Stock Exchange Junior Market effective January 8th, 2019 entitles the Company to a 100% remission of income tax for the first (five) 5 years and fifty percent (50%) remission for the following five (5) years, providing that it adheres to the rules and regulations of the Jamaica Stock Exchange Junior Market. The 50% remission, which was withdrawn from the Junior Market by the Ministry of Finance and Planning on 31 December 2013 for subsequent listings, was reinstated in October 2016. As of January 8th, 2024, the 50% remission for the remaining five years became effective.

Income and deferred taxation is computed at 25% for the financial year based on the applicable income tax rate for unregulated companies. The taxation charge is made up as follows:

	2025 $	2024 $
Current:		
Provision for income tax	88,005,459	28,773,516
Deferred:		
Origination and reversal of temporary differences	15,496,269	11,278,804
	103,501,728	40,052,320

(b) Reconciliation of effective tax rate and charge:

	2025 $		2024 $	
Profit before taxation	695,062,233		629,827,585	
Computed tax charge	173,765,558	25%	157,456,896	25%
Taxation differences between profit for financial statements and tax reporting purposes on:				
Depreciation and capital allowances	8,358,740	1%	6,327,908	1%
Disallowed expenses	3,193,913	0%	6,210,464	1%
Foreign exchange gain	6,188,976	1%	(5,328,905)	-1%
Remission of income taxes	(88,005,459)	-13%	(124,614,043)	-20%
Actual tax rate and charge	103,501,728	15%	40,052,320	6%

28. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit after taxation and the weighted average number of shares in issue during the year.

	2025 $	2024 $
Net profit attributable to shareholders	591,560,505	589,775,265
Weighted average number of shares in issue	1,249,374,825	1,249,374,825
Basic earnings per stock unit	0.47	0.47

NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

29. PROFIT BEFORE INTEREST AND TAXATION

	2025	2024
	$	$
Net profit for the year	591,560,505	589,775,265
Current period taxation	103,501,728	40,052,320
Profit before interest	695,062,233	629,827,585
Interest expense	62,479,684	33,259,680
Profit before interest and taxation	757,541,917	663,087,265

30. RELATED PARTIES

(a) Balances between the Company and its related company:

	2025	2024
	$	$
Related companies (see note 9)	5,888,260	5,513,540

The Company's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

		2025	2024
		$	$
(b)	Rental expense - Fontana Properties Limited	141,626,125	115,050,200
	Transactions with key management personnel:		
	- Directors' remuneration	107,799,039	96,087,603

31. STAFF COSTS

The number of employees at the end of the year was as follows:

	2025	2024
Permanent	612	534

The aggregate payroll costs for these persons were as follows:

	2025	2024
	$	$
Salaries and profit related pay	1,231,161,454	984,180,125
Statutory payroll contributions	149,926,833	123,968,108
	1,381,088,287	1,108,148,233



NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025
(Expressed in Jamaican dollars unless otherwise stated)

32. DIVIDENDS

The Company, at two (2) special board of directors' meetings held on July 9th, 2024 and May 26th, 2025, declared total dividend of $624,687,413 (2024: $124,937,483) in two instalments, payable on August 12th, 2024 and June 25th, 2025, to shareholders on record as at July 26th, 2024 and June 10, 2025, respectively.

33. BUSINESS COMBINATION

The Company acquired the assets of the Monarch Chain of Pharmacies on March 18, 2025. As at the year end, the Company has estimated the provisional purchase consideration to be $854,473,550, which represents management's best estimate of the fair value of the consideration that will be transferred.

The Company has applied acquisition accounting in accordance with IFRS 3 "Business Combinations". Based on the standard, the Company has recorded provisional amounts as it is within the measurement period of twelve months from the acquisition date. The actual determination of the purchase price allocation may result in adjustments to the provisional amounts recorded.

Details of the provisional purchase consideration, net assets acquired and goodwill are as follows:

		$
(i)	**Purchase consideration**	854,473,550
(ii)	**Identifiable assets acquired**	
		$
	Plant and equipment	77,936,759
	Inventories	104,473,550
	Total net identifiable assets	182,410,309
(iii)	**Goodwill on acquisition**	
		$
	Purchase consideration	854,473,550
	Less: Total identifiable assets	(182,410,309)
	Goodwill on acquisition (note 7)	672,063,241

The Company is in the process of performing a detailed valuation of the identifiable intangible assets acquired. This may result in reclassification between goodwill and other intangible assets upon completion.

34. FINANCIAL INSTRUMENTS

(a) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's principal financial assets are cash and cash equivalents and trade receivables.

Cash and cash equivalents
The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit ratings.

Trade receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. Management has a credit policy in place to minimise exposure to credit risk. Credit evaluations are performed on all customers requiring credit. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery. The impairment requirements of IFRS 9 are based on an Expected Credit Loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities. The Company estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following table provides information about the ECL's for trade receivables as at the year end.

	2025		
Aging	Gross Carrying Amount	Weighted Average Loss Rate	Lifetime ECL Allowance
Current	39,492,508	0.37	2,385,312
31-60 days	11,623,627	0.11	2,277,948
61-90 days	5,297,967	0.05	2,244,580
91 days and over	49,761,947	0.47	9,339,300
Total	106,176,049		16,247,140

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd):

Trade receivables (cont'd)

	2024		
Aging	Gross Carrying Amount	Weighted Average Loss Rate	Lifetime ECL Allowance
Current	5,663,186	0.06	3,032,757
31-60 days	45,169,298	0.49	2,055,995
61-90 days	6,104,250	0.07	2,361,306
91 days and over	35,403,271	0.38	6,571,757
Total	92,340,005		14,021,815

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company.

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Less than 1 year	More than 1 year
	$	$	$	$
June 30, 2025:				
Lease liabilities	1,039,392,424	1,039,392,424	143,472,586	895,919,837
Trade and other payables	1,388,161,470	1,388,161,470	1,388,161,470	-
Bonds payable	1,110,745,116	1,193,750,000	90,206,250	1,103,543,750
Bank loans payable	44,433,819	41,485,792	19,201,844	22,283,948
	3,582,732,829	3,662,789,686	1,641,042,151	2,021,747,535
June 30, 2024:				
Lease liabilities	1,145,012,373	1,145,012,373	141,712,616	1,003,299,757
Trade and other payables	1,055,547,558	1,055,547,558	1,055,547,558	-
Bond payable	496,212,600	560,000,000	30,000,000	530,000,000
Bank loans payable	36,322,014	41,325,482	17,530,012	23,795,470
	2,733,094,545	2,801,885,413	1,244,790,186	1,557,095,227

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd):

(iii) Market risk (cont'd):

The Company contracts material financial liabilities at fixed interest rates for the duration of the term. When utilized, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At June 30, 2025 and 2024, there were no financial liabilities subject to variable interest rate risk. Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

Fair value sensitivity analysis for fixed rate instruments
The Company does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or equity.

Foreign currency risk:
Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to significant foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaican dollar. Such exposures comprise the monetary assets and liabilities of the Company that are not denominated in that currency. The main foreign currency risks of the Company are denominated in United States dollars (US$), which is the principal intervening currency for the Company. The Company jointly manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities. The table below shows the Company's main foreign currency exposure at the reporting date.

	2025			2024		
	US$	CND$	GBP$	US$	CND$	GBP$
Cash and cash equivalent	2,843,635	8,369	11,380	2,855,068	10,485	10,530
Trade and other receivables	9,755	-	-	12,742	-	-
Lease liabilities	(6,455,436)	-	-	(7,258,706)	-	-
Trade and other payables	(1,481,813)	(85,925)	-	(616,839)	(206,970)	-
Net exposure	(5,083,859)	(77,556)	11,380	(5,007,735)	(196,485)	10,530

Sensitivity analysis:

A strengthening of 1% (2024: 1%) of the Jamaica dollar against the currencies indicated above at June 30 would have increased the Company's profit by $8,182,640 (2024: $8,022,279).

A weakening of 3.5% (2024: 4%) of the Jamaica dollar against the currencies indicated above at June 30 would have decreased the Company's profit by $28,639,241 (2024: $32,089,115).
This analysis assumes that all other variables, in particular interest rates, remain constant.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2025

(Expressed in Jamaican dollars unless otherwise stated)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd):

(iv) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate because of changes in market interest rates. The Company manages this risk through budgetary measures, ensuring, as far as possible, that fluctuations in cash flows relating to monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

(b) Capital management

The Company's objectives when managing capital are to comply with capital requirements, safeguard the Company's ability to continue as a going concern and to maintain strong capital base to support the development of its business. The Company achieves this by retaining earnings from past profits and by managing the returns on borrowed funds to protect against losses on its core business.

Fontana PHARMACY

Notes



Manchester Shopping Centre
Mandeville, Manchester

FORM OF PROXY

I/We _____ of _____

in the Parish of _____ being member/members of the above named company hereby appoint _____

of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at a venue and date to be announced.

RESOLUTIONS		FOR	AGAINST
Resolution No. 1	Adoption of Directors and Auditors Report, Financial Statement for year ended **June 30, 2025**		
Resolution No. 2	Directors retiring by rotation, be re-elected by a Single Resolution		
Resolution No. 3	Re-election of Directors Kevin O'Brien Chang, Jacqueline Sharp and Heather Goldson who are retiring by rotation		
Resolution No. 4	Ratify Interim Dividends paid on **June 25, 2025**		
Resolution No. 5	Remuneration of Directors		
Resolution No. 6	To appoint Auditors and to authorize the Directors to fix the remuneration of the Auditors		

Signed this _____ day of _____ 20 _____

Signature _____

NOTES:

1. An instrument appointing a proxy, shall, unless the contrary is stated thereon be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized in writing.
3. In the case of joint holders, the vote of the senior will be accepted to the exclusion of the votes of others, seniority being determined by the order in which the names appear on the register.
4. To be valid, this form must be received by the Registrar of the Company at the address given below not less than **48 hours** before the time fixed for holding the meeting or adjourned meeting.
5. The proxy form should bear stamp duty of **One Hundred dollars ($100.00)** which may be in the form of adhesive stamp duly cancelled by the person signing the proxy form.

REGISTRAR AND TRANSFER AGENTS
Jamaica Central Securities Depository Limited
40 Harbour Street, Kingston



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