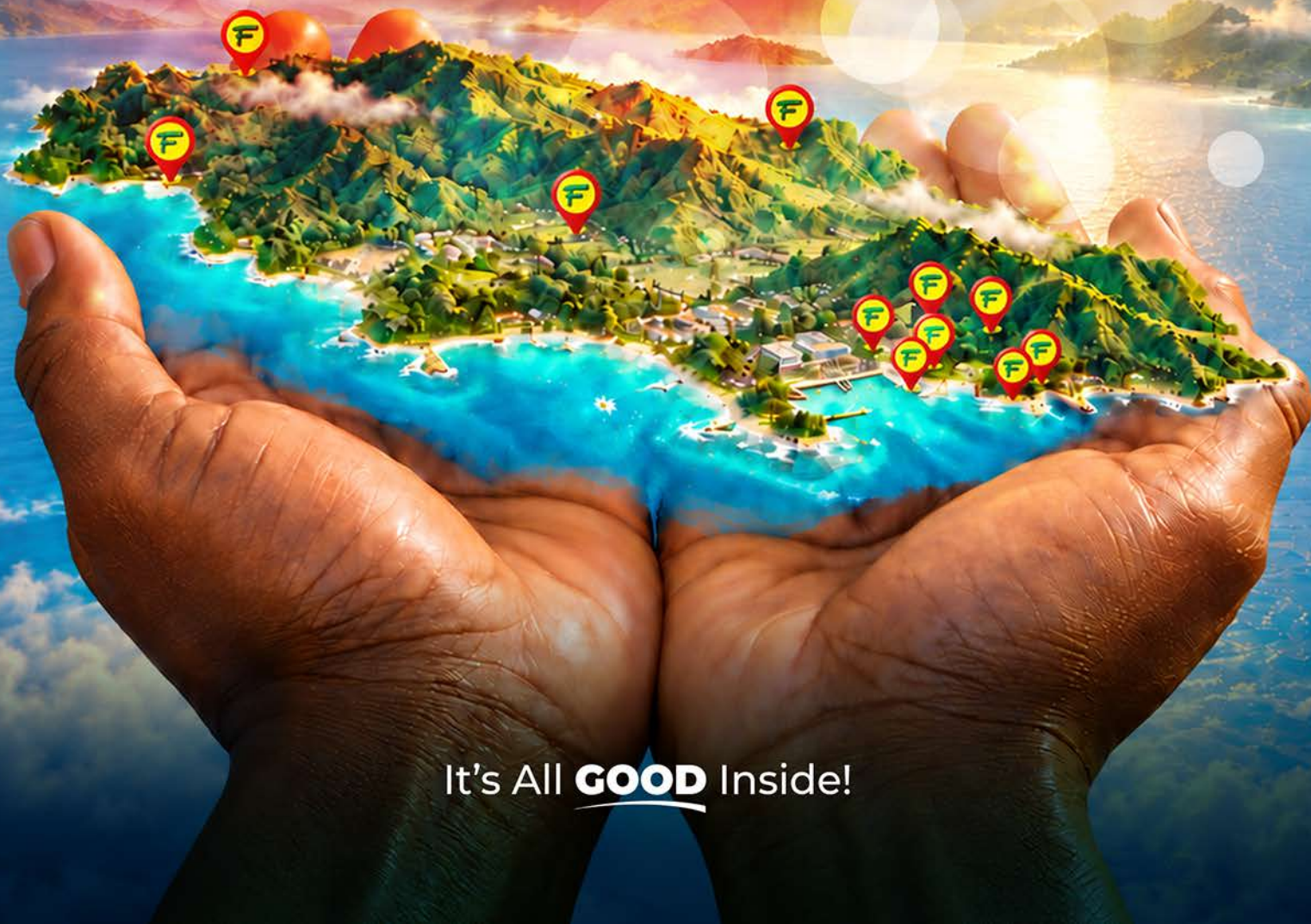




ANNUAL REPORT 2026

“Resilience through the Storm”



It's All **GOOD** Inside!



TABLE OF CONTENTS



- 03.** MISSION & CORE VALUES
- 04.** LETTER TO THE STAKEHOLDERS
- 05.** NOTICE OF THE ANNUAL GENERAL MEETING
- 06.** TRIBUTE TO SHINQUE “BOBBY” CHANG
- 09.** CHAIRMAN’S MESSAGE
- 13.** DIRECTORS’ REPORT
- 15.** BOARD OF DIRECTORS & PROFILES
- 19.** SENIOR MANAGEMENT TEAM
& STORE MANAGERS
- 25.** LIST OF TOP TEN LARGEST SHAREHOLDERS
- 27.** CORPORATE GOVERNANCE REPORT
- 29.** MANAGEMENT DISCUSSION & ANALYSIS
- 35.** FIVE-YEAR FINANCIAL REVIEW
- 37.** CORPORATE SOCIAL RESPONSIBILITY
- 46.** **ORA** - SOVEREIGN CENTRE
- 48.** HURRICANE RELIEF - MELISSA
- 50.** CORPORATE DATA
- 51.** INDEX TO
THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 2026
- 101.** NOTES
- 102.** FORM OF PROXY



Resilience through the Storm...

2





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.

3

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.



It's All **GOOD** Inside!

The logo for Fontana Pharmacy, featuring the word "Fontana" in a green script font on a yellow background, with "PHARMACY" in a white sans-serif font on a red background below it.

Fontana

PHARMACY

congratulates our Chairman

Kevin O'Brien Chang

on being awarded the Order of
Distinction, Commander Class (CD).

The Fontana Pharmacy team
proudly celebrates our Chairman
with this well-deserved honour
and your outstanding
contribution to Jamaica.

Fontana





NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **2026 Annual General Meeting** of **FONTANA LIMITED** will be held at a venue, date and time to be announced for the purpose of transacting the following business:

- 1. To receive the Audited Accounts** for the year ended June 30, 2026, 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, 2026, 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 Raymond Therrien, Anne Chang and Larren Peart, 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 Raymond Therrien, Anne Chang and Larren Peart, 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 12, 2026, 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, 2026, 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, Crichton Mullings & 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 2, 2026

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.



It's All **GOOD** Inside!



Tribute to
Shinque
"BOBBY" *Chang*

A large, close-up portrait of Bobby Chang, an elderly man with grey hair, wearing a dark suit, white shirt, and a red and blue striped tie. He is smiling gently. In the background, slightly out of focus, are a woman and another man. In the bottom left corner, there is a bouquet of white lilies.

Shinque "Bobby" Chang was a visionary entrepreneur, devoted family man, and the co-founder of **Fontana Pharmacy**. Born in Jamaica on September 26, 1931, Bobby spent more than six decades in business, building enterprises, nurturing relationships and creating opportunities for others. He passed away peacefully in Hudson, Quebec, on December 26, 2025, leaving behind seven children, 20 grandchildren and seven great-grandchildren.

Together with his beloved wife, Angela, Bobby laid the foundation for what would become one of Jamaica's most recognised pharmacy brands. Their journey began long before **Fontana**, after years of entrepreneurship in Christiana, Manchester. For approximately 10 years, Bobby operated a supermarket before he and Angela ventured into pharmacy retail.



In November 1968, they opened a small pharmacy at Manchester Shopping Centre. What began as a family business would grow into **Fontana Pharmacy**, a company whose reach and influence extend far beyond its humble beginnings.

The birth of **Fontana** itself was shaped by both circumstance and inspiration. After one of the family's businesses was destroyed by fire, Bobby and Angela refused to allow adversity to determine their future. Instead, they saw an opportunity to begin again. Around the same time, the family welcomed their sixth child, Anne. Inspired by a nearby fountain and the name of his daughter, Bobby coined the name "**Fontana**." That new beginning would ultimately become a defining chapter in the Chang family story.

Bobby was known for his keen intellect, entrepreneurial instinct and exceptional business acumen. He possessed an ability to recognise opportunities early and was never afraid to explore new ideas. He and Angela operated several businesses, but they quickly recognised the potential of pharmacy retail. When the pharmacy began outperforming their clothing business, they shifted their focus and continued to expand.

From its earliest days, Bobby believed that success was built around people. He placed great importance on putting the customer first, empowering employees and developing genuine personal relationships with those around him. His leadership was characterised by quiet confidence rather than showmanship, and his calm counsel became a valuable source of guidance for the family and the business.

Bobby also believed in looking beyond Jamaica for ideas and opportunities. He had an appreciation for what was happening internationally and encouraged the business to embrace emerging trends and bring new products and concepts to the Jamaican market. His willingness to look beyond traditional retail helped shape **Fontana's** distinctive approach and contributed to the company's culture of innovation.

Even as **Fontana** grew from a small family operation into a national retail business, Bobby remained an important source of wisdom. He was regarded as an "**éminence grise**"—a trusted and experienced adviser whose knowledge, perspective and understanding of business continued to inform important strategic decisions.

His influence, however, extended beyond business. Bobby was known for his generosity and for helping people in need. Those who knew him remember not only his intelligence and entrepreneurial spirit, but also his warmth, humility and generous soul.

Away from business, Bobby was an avid traveller with a deep appreciation for music, particularly classical music and opera. In his final days, however, he requested Jamaican music—a fitting reflection of the country that had been his home, his inspiration and the birthplace of the legacy he created.

In 1974, Bobby and Angela moved to Toronto, Canada, with their seven children: **Kevin O'Brien, Deborah Ann, Lori Roberta, Paula Suzanne, Mary Catherine, Anne Elizabeth and Karla Stephanie**. Although his life later took him away from Jamaica, the roots he planted here continued to flourish through his family and through **Fontana Pharmacy**.

Today, **Fontana** stands as a testament to Bobby and Angela's courage, resilience and entrepreneurial vision. What began in 1968 as a small family pharmacy grew into a national Jamaican institution, carried forward by their children and generations of the family who followed.

The fire that once destroyed a business could have marked an ending. Instead, Bobby and Angela turned it into a new beginning. Almost six decades later, that beginning lives on in **Fontana Pharmacy**—and in the people, families and communities touched by the legacy of Shingue "**Bobby**" Chang.





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THEM AT ANY



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AND GIVE THE
GIFT OF SHOPPING!

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CHAIRMAN'S MESSAGE

“

Hurricanes occur periodically in Jamaica from July to late October. An old sailor's adage goes:

*June too soon, July stand by
August look out you must
September remember
October all over.*

A Wikipedia list suggests this old rhyme is only partially correct.

KEVIN
CHANG



9

The last three hurricanes to hit Jamaica directly were Charlie on August 17-18, 1951, Gilbert on September 12, 1988, and Melissa on October 28, 2025. Charlie and Gilbert made landfall as high-end Category 3 hurricanes, causing 152 and 45 deaths.

Melissa, one of the most powerful hurricanes on record, made landfall in Westmoreland as a catastrophic Category 5 storm on October 28, 2025, with sustained winds reaching 185 mph (300 km/h). It was the first recorded Category 5 hurricane to strike Jamaica. Southwestern parishes St. Elizabeth, Westmoreland, Hanover, and St. James suffered severe damage to infrastructure, roofs, and roads.

1951



CHARLIE
17-18 AUGUST | CATEGORY 3

1988

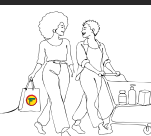


GILBERT
12 SEPTEMBER | CATEGORY 3

2025



MELISSA
28 OCTOBER | CATEGORY 5



It's All **GOOD** Inside!



US\$8.8BN

Estimated Physical Damage
World Bank | IDB Rapid Assessment
Equivalent to 41% of 2024 GDP

At least 100,000 to 120,000 buildings suffered severe structural damage or complete roof loss. Widespread electrical blackouts and total communication cutoffs affected most of the island. Melissa caused 45 deaths, and 90,000 to 120,000 people were displaced. The World Bank and IDB placed total damage and losses at US\$8.8 billion.

The disaster wiped out nearly a third to a quarter of Jamaica's annual economic output, reversing years of development gains. Fontana was directly affected, with both Sav La Mar and Montego Bay stores unable to resume business as usual for substantial periods due to both structural damage and staff difficulty in reaching work.

RECORD REVENUE AND A STRONGER BALANCE SHEET

J\$10.70BN

REVENUE

+12.4% year on year

J\$3.06BN

SHAREHOLDERS' EQUITY

+6.8% year on year

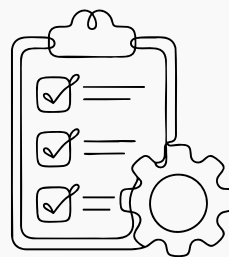
J\$140.6M

BORROWINGS REDUCED

Both Monarch Notes Settled

Given all this, **Fontana's** end-of-year results were a lot better than might have been expected after such massively negative economic interruptions. We once again posted

record-breaking results. Revenue rose to \$10.70 billion for the financial year ended June 30, 2026. This was 12.4% higher than the \$9.5 billion posted in 2025. Total borrowings fell by \$140.6 million, shareholders' equity rose 6.8% to \$3.06 billion, and both promissory notes from the Monarch acquisition were settled on schedule and interest-free. Net profit was \$507.8 million (2025: \$583.1 million). The decline mainly reflects non-cash amortization of the intangible assets acquired with Monarch, the cost of operating a larger store network for a full year, higher interest on the bonds that financed the acquisition, and the effects of Hurricane Melissa. Before these financing and non-cash charges, underlying earnings held firm. Earnings before finance costs, taxation, depreciation and amortization were \$1.21 billion, slightly ahead of the prior year.



Looking ahead, we remain confident in **Fontana's** ability to navigate the challenges and opportunities that lie ahead. The resilience demonstrated by our team, the continued support of our customers, the strength of our supplier relationships, and the trust of our shareholders provide a solid foundation for sustained growth. We will

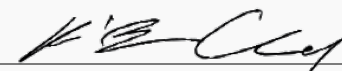


continue to invest in our people, strengthen our operations, enhance the customer experience, and pursue opportunities that create long-term value for our stakeholders.

As we reflect on the year, Hurricane Melissa has reminded us that our greatest strength lies not only in our financial performance, but also in our people, our partnerships, and our ability to stand together in difficult times. We extend our heartfelt gratitude to our employees, customers, suppliers, business partners, and shareholders for their unwavering support and confidence in **Fontana**.

On behalf of the Board of Directors, I thank our management team and every member of staff for their dedication, perseverance, and commitment throughout this challenging year. Their efforts have been instrumental in sustaining our business and positioning us for the future.

While the road ahead may present challenges, we approach the new financial year with optimism, determination, and a continued commitment to serving Jamaica.



Kevin O'Brien Chang
Chairman, Executive Director

“

*Together, we will build on our achievements,
strengthen our resilience, and continue to deliver on
our promise of Health, Home, Beauty and Family —
because at Fontana, it's all good inside.*





SENIORS' DAY



20%
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DIRECTORS'

REPORT

FINANCIAL RESULTS

The Directors are pleased to present the report for the financial year ended June 30, 2026.

	\$
Profit before Taxation	595,278,729
Taxation charge	(87,481,372)
Net Profit for the year	507,797,357
Earnings per share	0.41

DIVIDENDS

The Directors recommended that the interim dividends of 25 cents paid on June 12, 2026, be ratified by the shareholders in general meeting.

THE BOARD

The Directors as of June 30, 2026 were as follows:

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

In accordance with Regulation 105 of the Company's Articles of Incorporation, the Directors retiring by rotation are Raymond Therrien, Anne Chang, and Larren Peart, 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



● RAYMOND
THERRIEN



It's All **GOOD** Inside!



FIND YOUR FAVOURITE STORE

11 Locations Across Jamaica

14



KINGSTON, ST. ANDREW & PORTMORE



It's All **GOOD** Inside!



BOARD OF DIRECTORS AND PROFILES

Guiding our business...
Supporting our people.

15



1. **KEVIN O'BRIEN CHANG** - Executive Director, Chairman, 2. **ANNE CHANG** - Executive Director, Chief Executive Officer,
3. **RAYMOND THERRIEN** - Executive Director, Chief Operating Officer, 4. **HEATHER GOLDSON** - Independent Non-Executive Director,
5. **JACQUELINE SHARP** - Independent Non-Executive Director, 6. **LARREN PEART** - Independent Non-Executive Director



It's All **GOOD** Inside!



Kevin O'Brien Chang
Executive Director,
Chairman

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 as the Customer Rewards Programme, which now boasts over 120,000 members and reinforces Fontana's position as Jamaica's premier 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, where she spent 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 an Honours Bachelor of Commerce degree with a major in Marketing from McMaster University.



Raymond 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 organisation, working closely with the CFO and Finance team. His primary responsibilities include overseeing the day-to-day operations of the organisation, with key areas of focus including 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 a BSc 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.





Jacqueline Sharp

Independent Non-Executive Director



Heather Goldson

Independent Non-Executive Director



Darren Peart

Independent Non-Executive Director

17

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 charterholder 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.

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 rollout operations in St. Lucia and Barbados.

Heather currently sits on the Board of 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 Bachelor's degree in Business Administration from Florida International University.

Darren 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, Darren has been instrumental in providing insights for some of the region's largest brands, including GraceKennedy Foods, 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, Darren 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.





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☎ 876-952-3866 ☎ 876-550-7511

OCHO RIOS (Eight Rivers Town Centre)
☎ 876-974-8889 ☎ 876-878-4768

SAV-LA-MAR (Beckford Plaza)
☎ 876-955-9119 ☎ 876-372-6069

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TROPICAL PLAZA
☎ 876-920-1539

SOVEREIGN CENTRE
☎ 876-978-3495

SOVEREIGN VILLAGE
☎ 876-612-7919



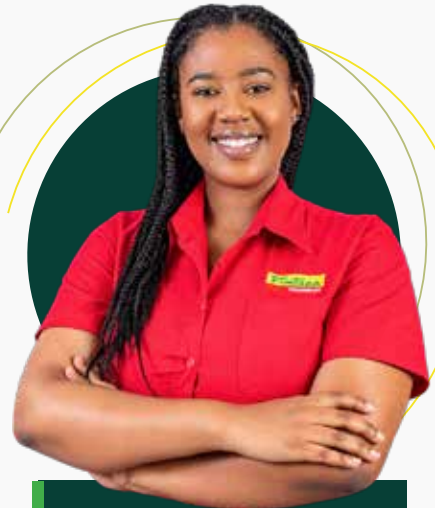
SENIOR MANAGEMENT TEAM

CORPORATE MANAGERS

19



JUDALE SMITH
Chief Financial Officer



DAINA DYER-DEGALE
Beauty Manager



DENISE DOUGLAS
Company Secretary



DENZIE FARQUHARSON
Finance Manager



LANCELOT WHYTE
Facilities & Project Manager



■ OPERATIONS

20



DIONNE SMALLHORNE
General Manager
-Store Operations



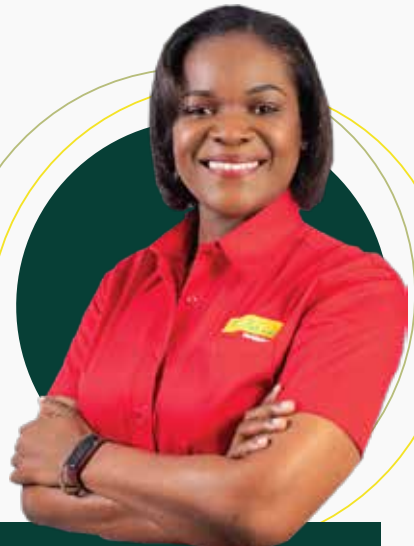
DAMIAN ROBINSON
Inventory Manager



VALENTINE "ALEX" ELLIS
IT Manager



CLAYON MARSH
Loss Prevention
Manager

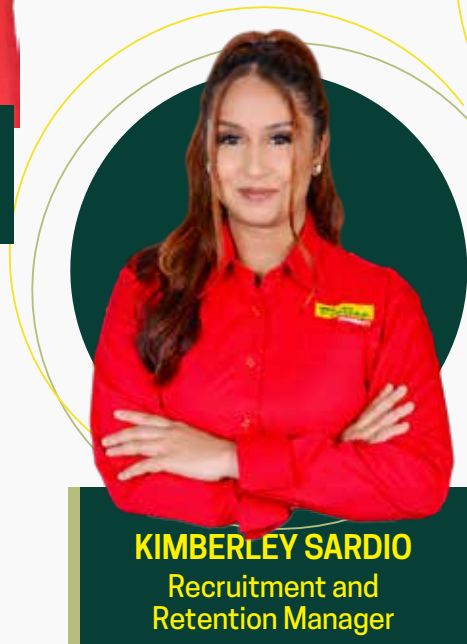


STEPHANIE SMITH
Marketing Manager



CORPORATE MANAGERS - cont'd

MANAGERS



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RUBY &
Kisses

medicube



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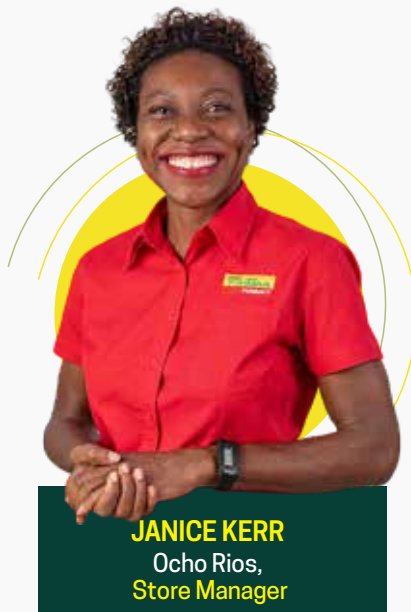
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STORE MANAGERS

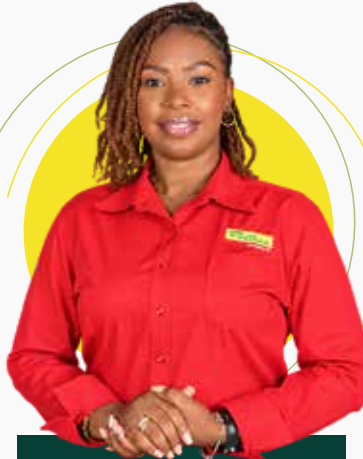


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STORE MANAGERS - cont'd

24



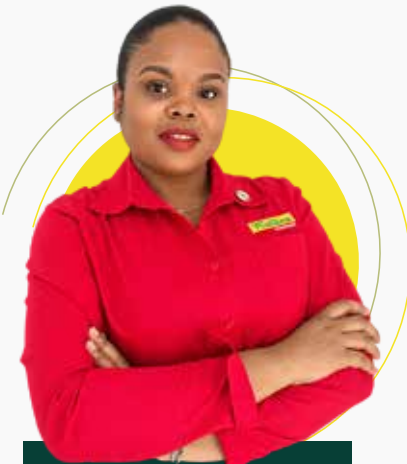
KAY-ANN MITCHELL
Assistant Store Manager



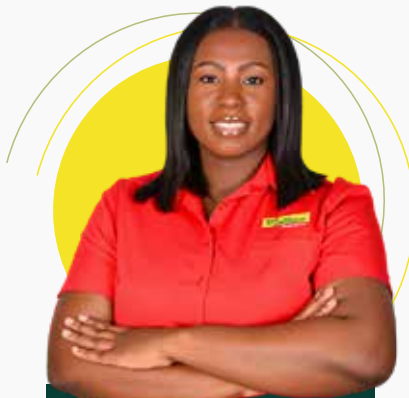
LEONIE HARVEY
Montego Bay,
Store Manager



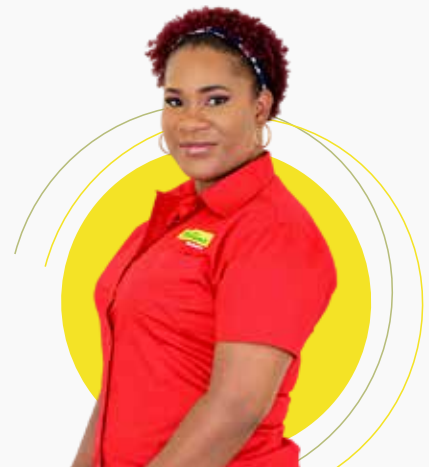
SHAREL TOMLINSON
Waterloo,
Store Manager



SHARON CROOKS
Ocho Rios,
Store Manager



TAMEKA LOBBAN
Barbican Square,
Store Manager



TENA MCINTOSH
Savanna-la-mar,
Store Manager





LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT JUNE 30, 2026

SHAREHOLDER	NO. OF STOCK UNITS
1. Burbank Holdings Limited	961,298,275
2. Astronomical Holdings Limited	12,931,000
3. Sagicor Select Fund Limited – ('Class C' Shares) Manufacturing & Distribution	10,028,143
4. SJIML A/C 3119	9,606,875
5. St. Elizabeth International Limited	9,230,953
6. JCSD Trustee Services Ltd. A/C# 76579-02	9,103,727
7. Wayfinder Holdings Limited	8,502,288
8. Jacqueline Sharp/Jason Sharp	7,094,000
9. Grace Kennedy Pension Fund Custodian Ltd. For Grace Kennedy Pension Scheme	5,594,424
10. St. Elizabeth Holdings Limited	5,319,000



SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT JUNE 30, 2026

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
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, 2026

Denise Douglas	25,352	Ryan M ^c Calla (joint holder)
Judale Samuels-Smith	613,506	Daniel Smith (joint holder)



SHOP
LUXURY
AT

Orá
by Fontana

FENTY BEAUTY
DESIGNER FRAGRANCES
SKIN CARE





CORPORATE GOVERNANCE REPORT

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

As of June 30, 2026, 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.

The Board and its Committees -

Board of Directors

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

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

27

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:

THE AUDIT AND COMPLIANCE COMMITTEE



- 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; oversee and review a Performance Management Scheme; and evaluate the organisational structure and 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 2026 financial year are reflected in the Table below:



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

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

The Company holds general meetings with shareholders annually, and the meeting is organised to allow shareholders to provide 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

29

OVERVIEW

Fontana, Jamaica's largest pharmacy chain, passed \$10 billion in annual revenue for the first time in FY2026. Revenue rose 12.4% to \$10.70 billion.

This was the first full year of trading from the former Monarch Pharmacy stores, and it was also a year of balance-sheet strengthening. Total borrowings fell by \$140.6 million, shareholders' equity rose 6.8% to \$3.06 billion, and both promissory notes from the Monarch acquisition were settled on schedule and interest-free.

Net profit was \$507.8 million (2025: \$583.1 million). The decline mainly reflects non-cash amortization of the intangible assets acquired with Monarch, the cost of operating a larger store network for a full year, higher interest on the bonds that financed the acquisition, and the effects of Hurricane Melissa.

Before these financing and non-cash charges, underlying earnings held firm. Earnings before finance costs, taxation, depreciation and amortization were \$1.21 billion, slightly ahead of the prior year.



REVENUE

J\$10.70BN

+12.4% year on year



NET PROFIT

J\$507.8M

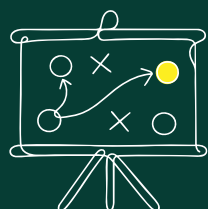
-12.9% vs FY2025 restated



GROSS PROFIT

J\$4.02BN

+11.1% year on year



SHAREHOLDERS' EQUITY

J\$3.06BN

+6.8% year on year

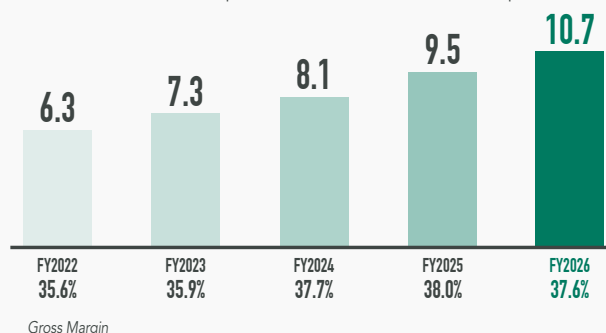


The 2025 comparatives were restated after the Monarch purchase price allocation was finalized. The restatement reduced previously reported 2025 net profit from \$591.6 million to \$583.1 million. This MD&A should be read in conjunction with the audited financial statements for the year ended June 30, 2026 and the accompanying notes.

Pharmacy operations remain the cornerstone of the business and continue to anchor Fontana's reputation as a trusted healthcare retailer.

REVENUE UP 69% IN FIVE YEARS TO \$10.7 BILLION

Revenue, J\$ Billions up 69% since FY2022, 14.0% a Year Compounded.



Gross profit rose 11.1% to \$4.02 billion (2025: \$3.62 billion). Gross margin was 37.6% compared with 38.0% last year. Cost of sales included \$15.8 million of inventory written off following Hurricane Melissa. Excluding this one-off loss, gross margin was 37.7%, which is essentially in line with the prior year even though the store base was larger.

Administrative, selling and promotion expenses rose 18.3% to \$3.36 billion (2025: \$2.84 billion). The ratio of operating expenses to revenue moved from 29.9% to 31.4%. Most of the increase reflects a full year of costs for the expanded network, along with non-cash amortization:

- **STAFF COSTS:** Salaries and statutory contributions rose \$187.3 million (13.6%) to \$1.57 billion, reflecting a full year of staffing across the enlarged store network.
- **TENANCY:** Short-term leases (+\$70.9 million), strata maintenance (+\$33.4 million), electricity (+\$20.7 million) and security (+\$14.8 million) increased as the Monarch locations operated for a full year.
- **DEPRECIATION AND AMORTIZATION:** This line rose \$64.5 million to \$201.5 million. Of that total, \$58.4 million was non-cash amortization of intangible assets acquired with Monarch (2025: \$8.5 million).

30

FINANCIAL HIGHLIGHTS

	FY2026	FY2025	CHANGE
Revenue	\$10.70 bn	\$9.52 bn	+12.4%
Gross Profit	\$4.02 bn	\$3.62 bn	+11.1%
Gross Margin	37.6%	38.0%	-0.4 pts
EBITDA	\$1.21 bn	\$1.21 bn	+0.4%
Operating Profit	\$658.0 m	\$776.2 m	-15.2%
Profit Before Taxation	\$595.3 m	\$686.6 m	-13.3%
Net Profit	\$507.8 m	\$583.1 m (restated)	-12.9%
Earnings Per Share	\$0.41	\$0.47	-\$0.06
Dividends* Paid	\$312.3 m	\$624.7 m	-50.0%
Cash and Cash Equivalents	\$1.47 bn	\$1.60 bn	-8.5%
Total Borrowings (Bonds, Bank Loans, Notes)	\$1.36 bn	\$1.51 bn	-9.3%
Shareholders' Equity	\$3.06 bn	\$2.87 bn	+6.8%
Current Ratio	2.0	2.0	Stable

*Declared in June but paid in new financial year.

FINANCIAL PERFORMANCE

Revenue increased by 12.4%, from \$9.52 billion to \$10.70 billion, which added \$1.18 billion in sales. The main driver was the first full twelve months of trading from the former Monarch Pharmacy stores, which contributed only three and a half months in the prior year following their acquisition on March 18, 2025. Continued growth across the established store network and a full year of the Ora by Fontana and Fenty beauty offerings introduced last year also supported sales.

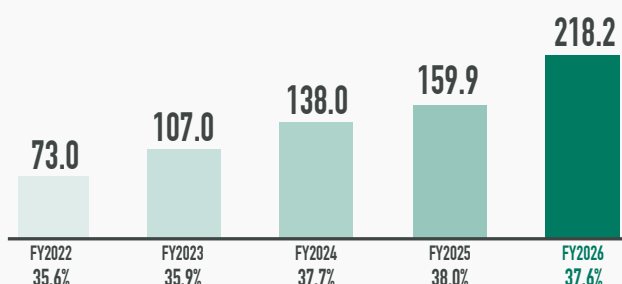


▪ **REPAIRS AND MAINTENANCE:** These costs increased \$49.4 million to \$131.8 million.

Selling and promotion expenses fell 4.6% to \$100.3 million, while revenue grew by double digits.

OTHER INCOME HAS TRIPLED SINCE FY2022 TO \$218 MILLION

Other income, J\$ Millions 3.0 times the FY2022 level.



Finance costs rose 12.5% to \$280.9 million (2025: \$249.6 million). Loan and bond interest increased to \$128.5 million from \$62.5 million. This reflects a full year of interest on the Tranche A bond raised to fund the Monarch acquisition and the \$300 million Tranche B drawn this year. The increase was partly offset by lower interest on lease liabilities (\$68.8 million, down from \$78.3 million) and by foreign exchange gains. Credit card commissions rose to \$75.2 million, in line with higher sales.

Profit before taxation was \$595.3 million, 13.3% below the restated prior year figure of \$686.6 million. Before interest on borrowings, profit was \$723.8 million, and interest on borrowings was covered 5.6 times.

TAXATION AND NET PROFIT

The taxation charge fell to \$87.5 million from \$103.5 million, giving an effective tax rate of 14.7% (2025: 15.1%). Fontana continues to benefit from the 50% income tax remission available to Junior Market companies, which was worth \$68.1 million this year and runs until January 2029.

Net profit was \$507.8 million (2025: \$583.1 million restated), and earnings per share were \$0.41 (2025: \$0.47). Return on shareholders' equity was 16.6%

MONARCH ACQUISITION AND INTANGIBLE AMORTIZATION



The Monarch acquisition continues to affect reported earnings through the amortization of acquired intangibles. This is a non-cash accounting charge and does not affect the cash the stores generate. It is also front-loaded, so it will fall sharply from FY2028.

Fontana acquired the Monarch Chain of Pharmacies on March 18, 2025, for \$854.5 million. The purchase price allocation was finalized on February 20, 2026, within the period permitted by IFRS 3, and it identified three intangible assets – Brand, Customer Relationships and Non-Compete Agreement.

MONARCH AMORTISATION EXPECTED TO DROP BY THREE-QUARTERS IN FY2028

Amortisation of Monarch intangibles, J\$ Millions Down 75% in FY2028 as the brand is fully amortised



CASH FLOW AND LIQUIDITY

Fontana's operations continued to generate strong cash flow, which the Company used this year to reduce debt. Cash generated from operations before working capital changes rose 3.4% to \$1.13 billion.

Net cash from operating activities was \$824.3 million (2025: \$856.4 million). The small decrease came from a deliberate \$191.6 million reduction in trade and other payables as the Company settled supplier balances.

Inventory was reduced by \$23.0 million, to \$2.02 billion, even as revenue grew 12.4%. Days of inventory on hand, based on average inventory, were 111 (2025: 108), broadly stable in the first full year of stocking the enlarged network.

Key cash movements during the year:

CASH MOVEMENT

FY2026

Net Cash from Operating Activities	\$824.3 m
Proceeds from Bond Issues (Tranche B)	\$300.0 m
Repayment of Monarch Promissory Notes	\$350.0 m
Repayment of Bonds and Bank Loans	(\$108.3 m)
Dividends Paid	(\$312.3 m)
Lease Payments	(\$223.9 m)
Interest paid	(\$128.5 m)
Capital Expenditure (Property, Equipment and Software)	(\$148.8 m)

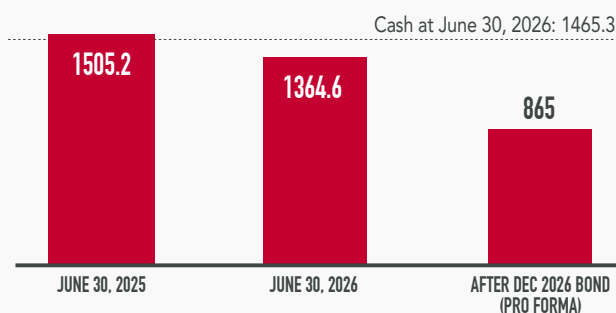
Fontana ended the year with \$1.47 billion in cash and cash equivalents. This included \$713.0 million in short-term investments. The current ratio was 2.0 (2025: 2.0). It remained unchanged even though the \$500 million bond maturing in December 2026 has been reclassified as a current liability.

DECEMBER 2026 BOND MATURITY

The \$500 million variable rate corporate bond matures on December 14, 2026 and will be settled in full on its due date. Year-end cash and short term unrestricted investment covers this repayment 2.9 times. Once it is settled, gross borrowings will fall by more than one-third, and the Company's only remaining bond will be the 9.5% fixed-rate bond, which had \$846.3 million outstanding at year end.

BORROWINGS TO FALL TO ABOUT \$0.86 BILLION ONCE THE DECEMBER BOND IS REPAYED

Bonds, bank loans and notes payable, J\$ Millions
the J\$500 m bond is repaid from existing cash



FINANCIAL POSITION

Fontana's balance sheet is stronger than a year ago: equity is higher, debt is lower, and leverage has fallen on every measure.

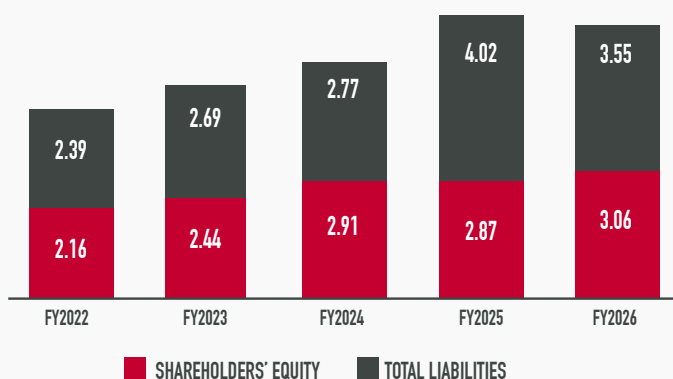
- **Shareholders' equity** rose 6.8% to \$3.06 billion (2025: \$2.87 billion), after dividends of \$312.3 million.
- **Total assets** were \$6.61 billion (2025: \$6.88 billion). The 4.0% decrease reflects the use of cash to retire the Monarch notes and other debt, plus scheduled depreciation of right-of-use assets and amortization of intangibles.
- **Total borrowings**, comprising bonds, bank loans and notes payable, fell 9.3% to \$1.36 billion. Cash of \$1.47 billion exceeded total borrowings by \$100.7 million.



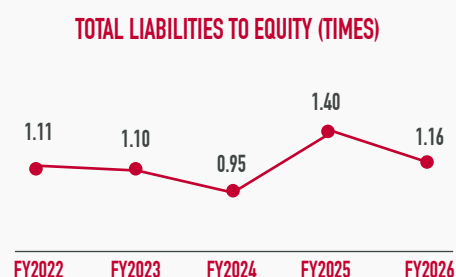
- **Leverage improved**, Total liabilities to equity, the debt-to-equity measure reported last year, fell to 1.2 from 1.4. Borrowings to equity fell to 0.45 from 0.53.
- **Lease liabilities** fell to \$884.3 million from \$1.04 billion.
- **Inventory** of \$2.02 billion accounts for 31% of total assets and remains the Company's largest asset, supporting product availability across the network.

SHAREHOLDERS' EQUITY UP 42% SINCE FY2022 TO \$3.06 BILLION

Equity and total liabilities, J\$ Billions Equity up 42% Since FY2022



LEVERAGE DOWN FROM ITS FY2025 PEAK; CURRENT RATIO AT OR ABOVE 2.0 EVERY YEAR



STRATEGIC FOCUS AND OUTLOOK

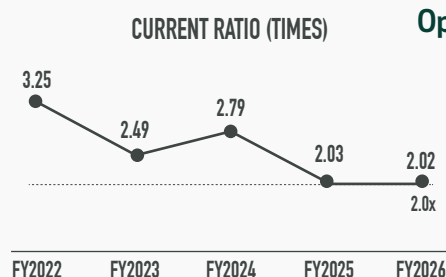
FY2026 was a year of consolidation. Fontana absorbed the Monarch stores into a single network, crossed \$10 billion in revenue, and began reducing the debt taken on to fund its expansion.

Management believes the Company enters FY2027 well placed. Several of the factors that weighed on FY2026 earnings are expected to ease:

- **Lower debt and interest.** Repaying the \$500 million bond in December 2026 from existing cash will cut gross borrowings by more than one-third.
- **Lower amortization.** Amortization of Monarch intangibles is expected to fall from about \$58 million to about \$14 million a year from FY2028.
- **Full-year cost base.** FY2026 was the first year with a full year of costs for the enlarged network. Revenue growth in FY2027 will be measured against a stable, fully integrated cost base.

The retail pharmacy sector continues to show strong fundamentals, supported by an ageing population and a rising prevalence of chronic disease. Fontana's hybrid model, which combines pharmacy, beauty and general retail, positions it to capture growth across several categories.

PRIORITIES FOR THE YEAR AHEAD



Operational Excellence & Operating

Leverage: Drive productivity across the enlarged network, with particular focus on staffing, occupancy, repairs and other controllable costs. As recently added locations and investments

mature, our objective is to restore operating leverage and progressively improve the operating expense ratio.



Margin, Procurement & Inventory Productivity:

Accelerate the implementation of Fontana's central purchasing Initiative, which will transition key expenditure categories towards a more structured, centralized, buyer-led model.

This will allow the Company to better leverage its increased scale, strengthen supplier negotiations, improve category and assortment management, and drive greater consistency in purchasing across the network. Enhanced purchasing discipline, together with improved inventory planning and stock productivity, will be central to protecting gross margin, increasing inventory turns and reducing working capital tied up in slow-moving stock.

Revenue Growth & Diversification: Drive sustainable same-store growth while expanding higher-growth and complementary revenue streams across beauty, lifestyle, services, store income and commissions.

Particular emphasis will be placed on increasing productivity from the Company's existing footprint and recently integrated locations.

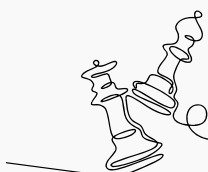
Customer Experience, Digital & Data: Deepen customer engagement through data-driven personalization, loyalty initiatives and a more seamless omnichannel experience. Investments in technology and analytics will increasingly be directed toward measurable improvements in customer retention, basket size, frequency and operational decision-making.

Returns on Invested Capital: Shift the emphasis from expansion to extracting stronger returns from investments already made. Management will focus on improving the

earnings contribution and ROIC of recently acquired and developed operations, while applying disciplined return thresholds to new capital expenditure.

Balance Sheet & Capital Discipline: Maintain strong liquidity, meet debt obligations as they mature and carefully balance debt reduction, reinvestment in the business and shareholder distributions. Capital allocation decisions will remain focused on opportunities capable of generating attractive long-term returns.

LOOKING AHEAD



Fontana enters FY2026/27 with a larger platform and significant opportunities to improve productivity across the business. Our focus for the year ahead is clear: convert scale into stronger margins, improved operating leverage, higher returns on invested capital and sustainable cash generation.

With a strong brand, an expanded network and a disciplined approach to execution and capital allocation, we believe Fontana is well positioned to deliver sustainable growth and long-term value for our shareholders, customers and employees.



FIVE-YEAR FINANCIAL REVIEW

INCOME STATEMENT HIGHLIGHTS (J\$)

	2022	2023	2024	2025	2026
Revenue	6,343,076,888	7,317,436,676	8,125,372,913	9,519,970,453	10,700,066,309
change over prior year	23%	15%	11%	17%	12%
COGS	4,083,488,418	4,688,547,527	5,065,586,430	5,901,240,076	6,679,780,216
% of Revenue	64%	64%	62%	62.0%	62.4%
Gross Profit	2,259,588,470	2,628,889,149	3,059,786,483	3,618,730,377	4,020,286,093
change over prior year	16%	16%	16%	18%	11%
Operating Expenses	1,498,979,318	1,883,143,049	2,363,265,673	2,842,507,170	3,362,334,586
change over prior year	15%	26%	25%	20%	18%
Other Income	73,018,842	107,001,073	137,971,513	159,943,617	218,217,692
change over prior year	21%	47%	29%	16%	36%
Finance Costs	218,587,464	195,976,285	204,664,738	249,573,307	280,890,470
change over prior year	31%	-10%	4%	22%	13%
PBT	616,555,205	656,770,888	629,827,585	686,593,517	595,278,729
change over prior year	14%	7%	-4%	9%	-13%
Taxation	10,356,499	1,568,789	40,052,320	103,501,728	87,481,372
Net Profit	606,198,706	655,202,099	589,775,265	583,091,789	507,797,357
change over prior year	18%	8%	-10%	-1%	-13%
Ratios					
EPS (\$)	0.49	0.52	0.47	0.47	0.41
NP Margin (%)	9.6%	9.0%	7.3%	6.1%	4.7%
GP Margin (%)	36%	36%	38%	38%	38%

FINANCIAL POSITION HIGHLIGHTS (J\$)

	2022	2023	2024	2025	2026
Non-Current Assets	1,857,790,039	2,182,872,373	2,340,125,487	2,997,053,237	2,811,541,888
change over prior year	14%	17%	7%	28%	-6%
Current Assets	2,693,585,659	2,950,018,288	3,339,291,305	3,884,134,637	3,797,501,908
change over prior year	46%	10%	13%	16%	-2%
Total Assets	4,551,375,698	5,132,890,661	5,679,416,792	6,881,187,874	6,609,043,796
change over prior year	31%	13%	11%	21%	-4%
Non-Current Liabilities	1,560,022,103	1,504,566,507	1,574,335,436	2,105,860,013	1,664,475,872
change over prior year	64%	-4%	5%	34%	-21%
Current Liabilities	829,794,998	1,186,375,906	1,198,295,326	1,910,137,455	1,883,923,867
change over prior year	17%	43%	1%	59%	-1%
Total Liabilities	2,389,817,101	2,690,942,413	2,772,630,762	4,015,997,468	3,548,399,739
change over prior year	44%	13%	3%	45%	-12%
Equity	2,161,558,597	2,441,948,248	2,906,786,030	2,865,190,406	3,060,644,057
change over prior year	20%	13%	19%	-1%	7%
Current/Total Liabilities	35%	44%	43%	48%	53%
Ratios					
Current Ratio	3.2	2.5	2.8	2.0	2.0
Debt to Equity	1.1	1.1	1.0	1.4	1.2
Inventory Turns Ratio	4.5	4.2	3.8	3.4	3.3
Inventory Days to Sales	81.7	86.5	96.4	107.8	110.9
Return on Asset	13%	13%	10%	8%	8%
Return on Equity	28%	27%	20%	20%	17%





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CORPORATE SOCIAL RESPONSIBILITY



37

At **Fontana Pharmacy**, Corporate Social Responsibility is deeply woven into our culture and guided by our core values of Service, Respect, Family, and Community. Since our founding by Bobby and Angela Chang, we have recognized that our role extends beyond providing products and services. We have a responsibility to contribute to the well-being of the communities in which we operate and to support initiatives that create opportunities for individuals and families across Jamaica.



200+
initiatives supported
across Jamaica

During the 2025–2026 financial year, **Fontana Pharmacy** continued to broaden the reach of its CSR programme, supporting more than 200 initiatives across Jamaica. Our contributions spanned education, health and wellness, youth development, sports, culture, community development, senior citizens, environmental initiatives, and emergency relief.

From providing school supplies and supporting literacy programmes to investing in sporting development and responding to communities affected by Hurricane Melissa, our approach remained focused on responding to real needs while creating opportunities for people to thrive.



It's All **GOOD** Inside!

HIGHLIGHTS OF OUR CSR INITIATIVES

WISHING TREE INITIATIVE



The Wishing Tree Initiative remains one of **Fontana Pharmacy's** most recognizable Christmas programmes, bringing together customers, suppliers and **Fontana** teams to provide gifts to children and vulnerable groups during the holiday season.

Through the programme, wish lists are placed on specially designated Wishing Trees at selected **Fontana** locations. Customers and partners can select a wish, purchase the requested item and return it to the store, allowing **Fontana** to coordinate distribution to the designated beneficiaries.

The programme is driven largely by the generosity of our customers and staff, who contribute toys, books, personal care products and other requested items. Their participation allows **Fontana** to extend its reach beyond direct corporate contributions and gives members of the wider community an opportunity to play an active role in supporting children and families during the Christmas season.

For 2025, beneficiaries included:

- Annie Dawson Children's Home
- Sophie's Place
- Mary's Child
- Jamaica National Children's Home
- Wortley Home for Girls
- Widow's Mite
- Savanna-la-Mar Hospital Pediatric Ward
- Blessed Assurance
- Strathmore Gardens Children's Home
- Mount Olivet Boys' Home

The beneficiaries represent a range of children's homes, care facilities, hospitals and organizations supporting vulnerable children and families. Through these partnerships, the Wishing Tree Initiative helps direct holiday gifts to children who may otherwise have limited opportunities to experience the season in the same way as their peers.

The initiative reflects **Fontana's** values of Service, Respect, Family and Community, while creating a practical way for customers, employees, suppliers and community partners to come together in support of those in need.



SUPPORTING EDUCATION AND LITERACY



4

Schools visited
for Read Across
Jamaica Day



Education remained a major area of Fontana's CSR investment. Support included school supplies, literacy programmes, academic competitions, educational assistance and school events.

Key initiatives included:

- Read Across Jamaica Day, with Fontana representatives reading to students at four schools.
- Jamaica Library Services and parish reading competitions.
- MESYI Region 4 Literacy Fair.
- JTA Spell-a-thon and other spelling and academic competitions.
- Project RISE STEAM Fair.
- YeCats Reading Lab at Bethabara Primary School.
- Donations of notebooks, back packs, lunch kits, stationery and classroom supplies.
- Support for graduations, yearbooks, orientations, teacher appreciation activities and academic awards.

FONTANA EMPLOYEE SCHOLARSHIP AWARDEES



39



PROMOTING HEALTH AND WELLNESS



Fontana supported health and wellness initiatives including blood drives, health fairs, cancer awareness, mental health and women's health programmes.

Support included:

- Cornwall Regional Hospital health and staff initiatives.
- Arava and Faculty of Medical Sciences blood drives.
- National Blood Transfusion Service World Blood Donor Day.
- Jamaica Cancer Society programmes.
- Paint Ochi Pink & Blue Run/Walk.
- CIBC Walk for the Cure.
- Kiwanis Breast Cancer 5K Run/Walk/ Wheelchair.
- Community health fairs hosted by school, churches and health organizations.
- Contributions included financial support, gift cards, gift baskets, health and personal care products, first aid supplies and other materials.

SPORTS AND YOUTH DEVELOPMENT



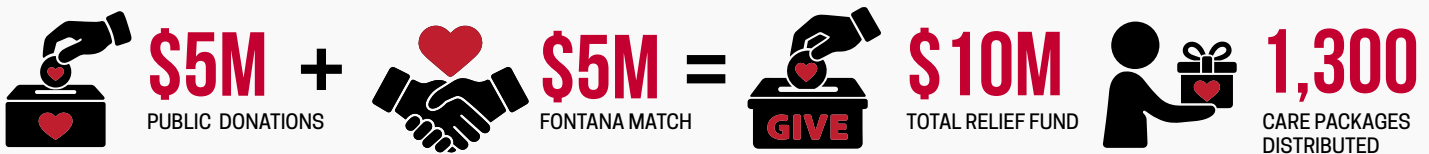
Sports remained an important platform for youth development, teamwork, discipline and healthy living. **Fontana** supported football, golf, cricket, hockey, pickleball, athletics and community fitness programmes.

Notable contributions included:

- Montego Bay United Football Club
- Youth in Action Summer Football Programme
- Jill Stewart MoBay City Run
- Montego Bay Yacht Club International
- Marlin Tournament
- CUMI Golf Tournament
- NCU Homecoming Golf Tournament
- Various golf tournaments, school sports days, football programmes, athletics events, 5K runs and community sporting activities.



HURRICANE MELISSA RELIEF AND COMMUNITY RECOVERY



The impact of Hurricane Melissa in October 2025 brought significant challenges to western Jamaica. Fontana Pharmacy responded by addressing immediate needs and supporting longer-term recovery.

FROM EMERGENCY RELIEF TO RECOVERY



Through the **Fontana Foundation** and **Amber FundMe**, **Fontana** launched a hurricane relief campaign that raised approximately \$5 million in public donations, which **Fontana** matched dollar-for-dollar, creating a total relief fund of approximately \$10 million.

Approximately 1,300 care packages containing food, water, personal care products, clothing and other necessities were distributed. **Fontana** also provided door-to-door assistance to vulnerable and shut-in residents and supported communities significantly affected by the storm.

Care packages were distributed to:

- Rose Hill, Hanover
- Copse, Lethe, Hanover
- Hog Pond, Lethe, Hanover
- Bethel Town Square
- Bethel Town, Westmoreland
- Argyle Mountain, Bethel Town, Westmoreland
- Blue Hole, Montpelier, St. James
- New Ramble, St. James
- Cambridge Square, Cambridge, St. James
- Flagstaff, Johns Hall, St. James
- Hurlock District, Johns Hall, St. James
- Moy Hall District, Reading, St. James
- Mafoota, St. James
- Galloway District, Westmoreland
- Landillo District, Westmoreland
- Cousins Cove, Lucea, Hanover
- Westgreen, Catherine Hall, St. James
- Grange, Westmoreland

The **Fontana Foundation** also provided in-kind donations to schools, hospitals, health centres, care facilities and community organizations. Donations included personal care products, cleaning supplies, groceries, baby products, pharmacy items and clothing.

Educational institutions receiving support included Sudbury Primary School, Euphemia Basic School, Middlesex Primary, Cove Primary, Flankers Primary & Junior High, Jamaica School for the Deaf, Cocoon



Infant & Primary Schools, Esher Infant & Primary Schools and Lucea Infant & Primary Schools. Healthcare recipients included Savanna-la-Mar Hospital, Cornwall Regional Hospital, Grange & Cave Valley Health Centres, Type 5 Clinic, Hanover Clinics and the Western Regional Health Authority.

Additional assistance was provided to Lucea Infirmary, National Women's Ministry, Montpelier Community Outreach, Cambridge Community Outreach and Bethel Town Community Outreach.

Fontana also partnered with Unicycle to organize clothing drives at its stores, with donated items distributed to affected individuals and families. Fontana team members and directors participated in clean-up activities at the Montego Bay store following the hurricane.



SUPPORTING THE REBUILDING OF SCHOOLS



The Fontana Foundation committed \$4 million toward urgent repairs at three schools in St. James and Westmoreland that sustained significant damage during Hurricane Melissa.

BUCKINGHAM PRIMARY AND INFANT SCHOOL — HOPETON, ST. JAMES



A contribution of \$1 million was made to support restoration work at Buckingham Primary and Infant School, which serves approximately 167 students. Students temporarily used church facilities while repairs were undertaken.

UNITY PRIMARY SCHOOL — SAVANNA-LA-MAR, WESTMORELAND



The Foundation allocated \$2 million to Unity Primary School, which serves approximately 1,400 students. The funding will support repairs to classrooms, the roof and electrical system.



JOHN'S HALL PRIMARY SCHOOL – ST. JAMES



An additional \$1 million was committed to replace damaged windows and doors, improving the safety and functionality of the school's learning spaces.

Fontana also donated essential supplies to affected institutions, including the Bluefields Bay Villas Foundation Back-to-School Initiative, providing school supplies and backpacks valued at approximately \$1.27 million, the Mustard Seed Home, and partnered with Unicycle to collect and distribute clothing to families in need.

Fontana teams also participated directly in community support and recovery efforts.



PARTNERSHIPS AND COMMUNITY RELIEF



Fontana strengthened its relief efforts through partnerships with suppliers, organizations and community groups.

In partnership with the Rainforest Foundation, Fontana donated 2,380 items to communities affected by Hurricane Melissa. The company also supported the Bluefields Foundation Toy Drive with toys valued at up to US\$3,000.

BARBICAN TREAT



The Barbican Treat continued to bring Fontana's community values to life by providing direct support to families in the Barbican area.



For the 2025 initiative, over 200 bags were packaged and distributed to children and their families. The programme was made possible through contributions from our valued local suppliers.

44



SENIOR CITIZENS AND COMMUNITY UPLIFTMENT



Fontana supported senior-focused initiatives, including the National Council for Senior Citizens' Senior Citizens Month, the Jericho Reunion Senior Citizens Dinner and other community programmes.

Support was also provided to churches, civic organizations, community associations and local groups undertaking health, education, youth and neighbourhood development initiatives.

CULTURE, HERITAGE AND COMMUNITY EVENTS



Fontana supported cultural and community events celebrating Jamaica's heritage, creativity and national identity. Initiatives included the Seville Heritage Expo, National Museum West Heritage Month Competition, cultural pageants, music concerts, community festivals and heritage programmes.

CONCLUSION

As **Fontana Pharmacy** moves forward, we remain committed to using our resources, partnerships and presence across Jamaica to support initiatives that strengthen families, create opportunities and contribute to healthier, more resilient communities.



INTRODUCING FENTY BEAUTY



PRO FILT'R FLUID FLEX FOUNDATION

- ❖ Extreme longwear up to 12hrs
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- ❖ Looks like skin, feels like nothing

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HURRICANE RELIEF

Melissa



*In the aftermath of Hurricane Melissa, we were reminded of the importance of standing with the communities we serve, particularly during times of crisis. Through the **Fontana Foundation** and our wider team, we mobilised support for families and communities affected by the hurricane, providing essential care packages containing personal care items, cleaning supplies, groceries, baby products, pharmacy and skincare items.*

We also organised clothing drives at each of our stores, collecting donations from our teams, partners and customers and coordinating their distribution to affected communities

through our partnership with Unicycle. Beyond donations, our team came together in a hands-on way, with staff members and Directors assisting with the clean-up and restoration of our Montego Bay location following the hurricane. We also contributed to the restoration of schools and other community spaces impacted by the hurricane, providing donations to support renovation and recovery efforts. Through our partnership with the Amber FundMe campaign, we committed to matching donations up to JMD \$5 million, helping to drive a collective target of JMD \$10 million. To date, more than 1,300 care packages have been distributed to communities in the western region. For us, these efforts represent more than immediate relief, they reflect our commitment to supporting long-term recovery and being present for our customers, our communities, our team, and Jamaica when it matters most.





CORPORATE DATA

REGISTERED OFFICE

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

Tel: 876-952-3866

Fax: 876-979-0885

Email: contact@fontanapharmacy.com

AUDITORS

Crichton Mullings & Associates
80 Lady Musgrave Road, Kingston

BANKERS

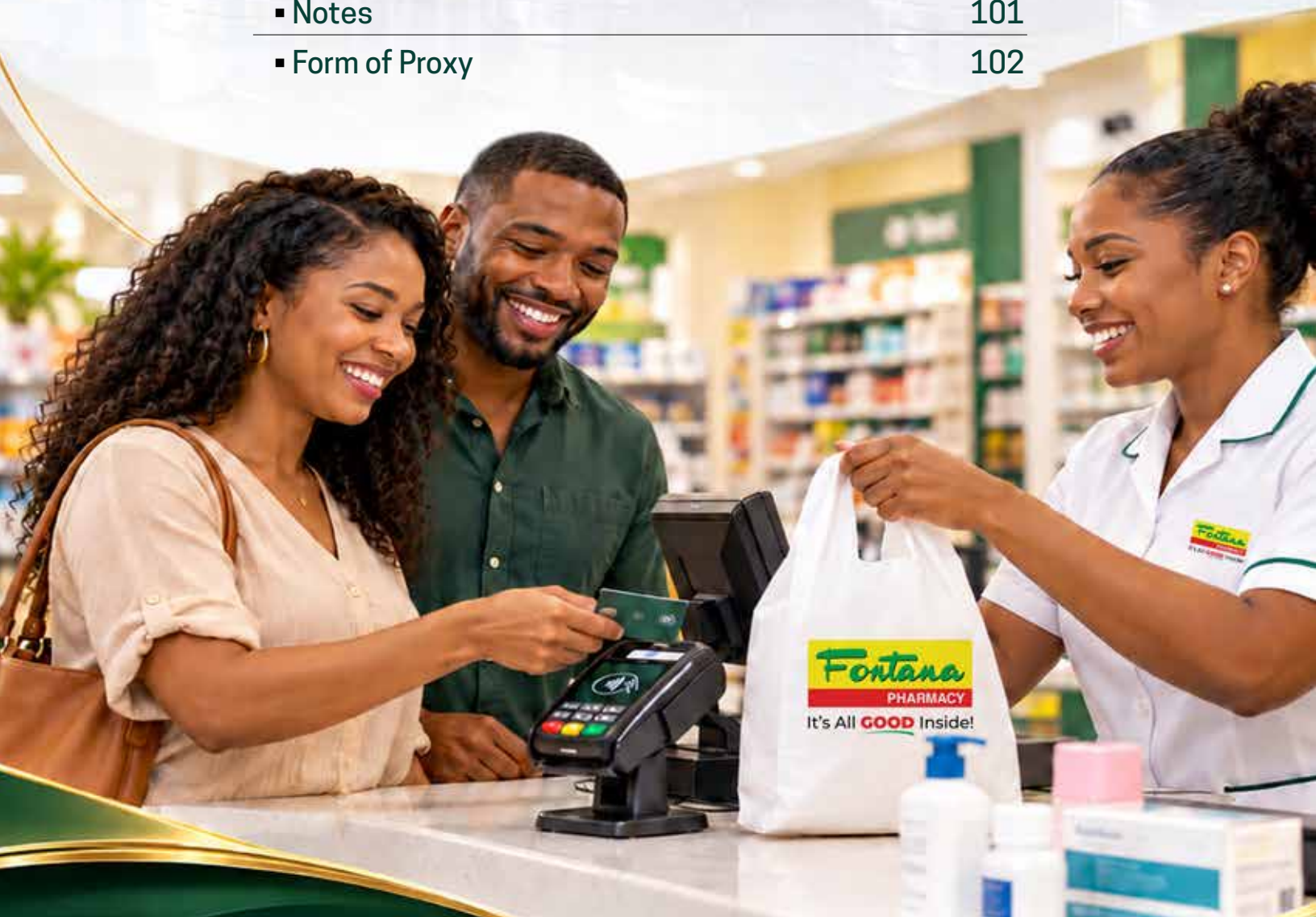
National Commercial Bank
Bank of Nova Scotia Jamaica Ltd.
First Global Bank
Sagicor Bank
Victoria Mutual Building Society





INDEX TO THE AUDITED FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2026

▪ Independent Auditor's Report	52
▪ Statement of Financial Position	60
▪ Statement of Comprehensive Income	61
▪ Statement of Changes in Equity	62
▪ Statement of Cash Flows	63
▪ Notes to the Financial Statements	64
▪ Notes	101
▪ Form of Proxy	102



Leary Mullings
FCA, FCCA, CPA, MBA
Senior Partner

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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, 2026, 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 material 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, 2026, 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.

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) <u>Carrying value of inventory</u> Inventory is reported at \$2.02 billion and represents 31% of total assets of the Company as at June 30, 2026. 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.	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 selected Company stores. As a part of this process, we selected samples to conduct our independent counts at each store. • The results of our sample counts were compared with the inventory listing and the variances extrapolated to the population. Our procedures did not identify any material misstatement in the carrying value of inventory at the reporting date.

Independent Auditor's Report (cont'd)

**To the members of
FONTANA LIMITED**

Key audit matters (cont'd)

Key audit matter	How the matter was addressed in our audit
2) <u>Accounting for Business Combination - Intangible Assets</u> On March 18, 2025, the Company acquired the Monarch Chain of Pharmacies for a purchase price of \$854 million. 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. During the year ended June 30, 2026, management retrospectively adjusted the provisional amounts to reflect the final purchase price allocation.	Our audit procedures to address the key audit matter relating to the accounting for business combination - intangible assets, included the following: • We reviewed the acquisition agreement to understand key terms and conditions. • We assessed the external valuation of the identifiable intangible assets, including the valuation methodologies and key assumptions used and reconciled the amounts to the purchase price allocation • We evaluated the disclosure of the business combination to ensure compliance with the accounting standards. The results of our procedures were consistent with management's accounting for the business combination and the recognition and measurement of the related intangible assets.

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
3) <u>Goodwill impairment assessment</u> The Company has goodwill of \$698.3 million arising from the acquisition of the Barbican store operations and Monarch Chain of Pharmacies, which represents 10.57% of the total assets as at the year end. The annual impairment assessment requires management's judgement and estimation in determining estimated future earnings, taking into consideration the inflation, growth rates and other underlying assumptions.	Our audit procedures to address the goodwill impairment assessment included the following: • We reviewed the external valuation supporting management's impairment assessment of the relevant cash-generating units, including the key assumptions, cash-flow projections, discount rates and growth rates. • We compared management's historical forecasts with actual past results to check for forecasting accuracy and any indication of bias. • We recalculated the carrying amounts, checked the mathematical accuracy of the models and goodwill allocations to the specific cash generating units. • We also confirmed that the disclosure is in compliance with the relevant standard. The results of our procedures were consistent with management's assessment that goodwill was not impaired at the reporting date.

Independent Auditor's Report (cont'd)

To the members of FONTANA LIMITED

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.

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 7-8, forms part of our auditor's report.

Independent Auditor's Report (cont'd)

To the members of
FONTANA LIMITED

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
September 10, 2026

Independent Auditor's Report (cont'd)

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.

Independent Auditor's Report (cont'd)

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.

FONTANA LIMITED

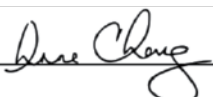
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

	Note	2026 \$	2025 \$	
ASSETS				
Non-current Assets				
Property, plant and equipment	5	1,370,546,694	1,355,517,722	
Right of use asset	6	635,541,713	768,355,543	
Intangible assets	7	805,453,481	873,179,972	*
		<u>2,811,541,888</u>	<u>2,997,053,237</u>	*
Current Assets				
Inventories	8	2,018,863,592	2,041,869,403	
Due from related parties	9	3,645,776	5,888,260	
Due from directors	10	13,770,333	5,506,075	
Trade and other receivables	11	295,881,863	229,798,968	
Cash and cash equivalents	12	1,465,340,344	1,601,071,931	
		<u>3,797,501,908</u>	<u>3,884,134,637</u>	
TOTAL ASSETS		<u><u>6,609,043,796</u></u>	<u><u>6,881,187,874</u></u>	*
EQUITY AND LIABILITIES				
Equity				
Share capital	13	252,589,301	252,589,301	
Accumulated surplus		<u>2,808,054,756</u>	<u>2,612,601,105</u>	
		<u>3,060,644,057</u>	<u>2,865,190,406</u>	
Non-current Liabilities				
Bond payable	14	829,960,222	1,110,745,116	
Deferred tax liability	15	89,743,298	70,399,089	*
Non-current portion of lease liability	6	729,002,627	895,919,837	
Bank loans payable	16	15,769,725	28,795,971	
		<u>1,664,475,872</u>	<u>2,105,860,013</u>	*
Current Liabilities				
Current portion of lease liability	6	155,309,520	143,472,586	
Current portion bond payable	14	499,242,520	-	
Current portion of bank loans payable	16	19,634,557	15,637,848	
Notes payables	17	-	350,000,000	
Trade and other payables	18	1,196,538,102	1,388,161,470	
Due to related parties	19	6,052,234	-	
Taxation payable	20	7,146,934	12,865,551	
		<u>1,883,923,867</u>	<u>1,910,137,455</u>	
TOTAL EQUITY AND LIABILITIES		<u><u>6,609,043,796</u></u>	<u><u>6,881,187,874</u></u>	

Approved for issue by the Board of Directors on September 10, 2026 and signed on its behalf by:

 _____ Chairman	 _____ Director
--	--

*Restated - see Note 35

The accompanying notes form an integral part of the financial statements



FONTANA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

	Note	2026 \$	2025 \$
Revenues	4	10,700,066,309	9,519,970,453
Cost of sales	21	<u>(6,679,780,216)</u>	<u>(5,901,240,076)</u>
Gross profit		4,020,286,093	3,618,730,377
Administrative and other expenses	22	(3,261,989,615)	(2,737,331,954) *
Selling and promotion	23	<u>(100,344,971)</u>	<u>(105,175,216)</u>
Operating profit	24	657,951,507	776,223,207
Other income	25	<u>218,217,692</u>	<u>159,943,617</u>
		876,169,199	936,166,824
Finance costs	26	<u>(280,890,470)</u>	<u>(249,573,307)</u>
Profit before taxation		595,278,729	686,593,517
Taxation charge	27	<u>(87,481,372)</u>	<u>(103,501,728)</u>
Net profit, being total comprehensive income for the year		<u>507,797,357</u>	<u>583,091,789</u> *
Earnings per share for profit attributable to the equity holders of the Company during the year	28	<u>\$ 0.41</u>	<u>\$ 0.47</u>

*Restated - see Note 35

The accompanying notes form an integral part of the financial statements



It's All **GOOD** Inside!

FONTANA LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

62

	Share Capital \$	Accumulated Surplus \$	Total \$
Balance at June 30, 2024	252,589,301	2,654,196,729	2,906,786,030
Transactions with owners:			
Dividend (note 32)	-	(624,687,413)	(624,687,413)
Net profit, being total comprehensive income for the year	-	583,091,789	583,091,789
Balance at June 30, 2025	252,589,301	2,612,601,105	2,865,190,406
Transactions with owners:			
Dividend (note 32)	-	(312,343,706)	(312,343,706)
Net profit, being total comprehensive income for the year	-	507,797,357	507,797,357
Balance at June 30, 2026	<u>252,589,301</u>	<u>2,808,054,756</u>	<u>3,060,644,057</u>

The accompanying notes form an integral part of the financial statements



FONTANA LIMITED

STATEMENT OF CASH FLOWS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

	Note	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before interest and taxation	29	723,797,816	749,073,201
Adjusted for:			
Gain on disposal of property, plant and equipment		-	(4,705,971) *
Depreciation on right of use asset		132,813,830	132,813,831
Depreciation and amortisation expense		201,459,906	136,910,774 *
Interest expense on right of use asset		68,827,834	78,322,192
Amortization of bond issuance cost		5,957,627	2,995,849
		<u>1,132,857,013</u>	<u>1,095,409,876</u>
Decrease / (increase) in operating assets:			
Inventories		23,005,811	(492,185,876)
Due from related parties		2,242,484	(374,720)
Directors' loans, net		(8,264,258)	5,259,012
Trade and other receivables		(66,082,895)	(22,956,049)
(Decrease) / increase in operating liabilities:			
Trade and other payables		(191,623,369)	332,613,911
Due to related parties		6,052,234	(1,364,647)
Cash flows provided by operating activities		<u>898,187,020</u>	<u>916,401,507</u>
Taxation		<u>(73,855,781)</u>	<u>(60,010,163)</u>
Net cash provided by operating activities		<u>824,331,239</u>	<u>856,391,344</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible asset		(8,676,047)	(5,346,985) *
Acquisition of assets through business combination	5,7	-	(504,473,550) *
Acquisition of property, plant and equipment		(140,086,340)	(122,836,255)
Proceeds from disposal of property, plant and equipment		-	9,995,883
Cost of work in progress		<u>-</u>	<u>(37,027,777)</u>
Net cash used in investing activities		<u>(148,762,387)</u>	<u>(659,688,684)</u>

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

The accompanying notes form an integral part of the financial statements



It's All **GOOD** Inside!

FONTANA LIMITED**STATEMENT OF CASH FLOWS (CONT'D)**
AS AT JUNE 30, 2026*(Expressed in Jamaican dollars unless otherwise stated)*

64

CASH FLOWS FROM FINANCING ACTIVITIES

	Note	2026 \$	2025 \$
Dividends paid		(312,343,706)	(624,687,413)
Net proceeds from the issue of a bond		300,000,000	627,786,667
Repayment of bonds		(87,500,000)	(16,250,000)
Proceeds from loans		11,795,000	25,940,073
Payment of notes payable		(350,000,000)	-
Repayment of loans		(20,824,537)	(17,828,268)
Lease liability, net		(223,908,109)	(183,942,141)
Interest paid		(128,519,087)	(62,479,684)
Net cash used in financing activities		(811,300,439)	(251,460,766)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(135,731,587)	(54,758,106)
CASH AND CASH EQUIVALENTS - Beginning of the year		1,601,071,931	1,655,830,037
CASH AND CASH EQUIVALENTS - End of the year		<u>1,465,340,344</u>	<u>1,601,071,931</u>
REPRESENTED BY:			
Short term investments		712,952,962	762,326,367
Cash and bank deposits		752,387,382	838,745,564
		<u>1,465,340,344</u>	<u>1,601,071,931</u>

The accompanying notes form an integral part of the financial statements

FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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 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 areas involving assumptions and estimates that are significant to the financial statements include: (i) impairment testing of goodwill; (ii) expected credit losses on trade receivables; and (iii) net realisable value and obsolescence of inventories.

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.

(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:



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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 21 'Lack of Exchangeability', issued August 2023.** Effective for annual periods commencing on or after 1 January 2025. The amendment provides guidance for assessing whether a currency is exchangeable and determining the exchange rate when there is a lack of exchangeability.

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:

- **IFRS 18 'Presentation and Disclosure in Financial Statements', issued April 2024.** Effective for periods commencing on or after January 1, 2027. The Company has not yet commenced a detailed assessment of the impact of IFRS 18 and accordingly, the impact cannot be reasonably estimated.
- **IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' Amendments, issued May 2024.** 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'.

The Board of Directors anticipates that the adoption of the standards, amendments and interpretations that are relevant to the Company in future periods is unlikely to have any material impact on the financial statements, with the exception of IFRS 18 Presentation and Disclosure in Financial Statements, for which the Company has not yet commenced a detailed assessment.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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 trade receivables 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 trade receivables 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 realisable 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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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.

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).



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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) Impairment testing of goodwill

In determining whether goodwill is impaired, the Company estimates the recoverable amount of the relevant cash-generating units, being the higher of its value in use and the fair value less costs of disposal. The determination of the recoverable amount requires the use of significant estimates and assumptions, including projected revenues and cash flows, growth rates and discount rates. These estimates and assumptions are based on historical performance, approved budgets and prevailing and expected economic conditions.

(c) 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 estimates. 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 customers' actual default in the future.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised 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 capitalised when it is probable that future economic benefits associated with the asset will flow to the Company and the cost can be reliably measured. Depreciation commences when an asset is available for use. Assets under construction are included in property, plant and equipment as work in progress and are not depreciated until available for use.

(b) Leases

A contract is, or contains, a lease if it conveys the right to 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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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 arising on a business combination is carried at cost less accumulated impairment losses. The Company assesses goodwill for impairment on an annual basis or when events or circumstances indicate that the carrying value may be impaired.

(d) 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 realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(e) Trade and other receivables

Trade and other receivables are stated at amortised cost less provision for impairment.

(f) Trade and other payables

Trade and other payables are stated at amortised cost.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) 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.

(h) 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.

(i) Taxation

Income tax expense represents the sum of current income tax charges 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 of prior period.

(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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

(k) Revenue recognition

Revenue from the sale of pharmaceutical and associated retail products is recognised at a point in time when control of the goods passes to the customer, generally at the point of sale or on delivery. Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for the goods.

(l) Segment reporting

The Company has one operating segment, being the retail sale of pharmaceutical and other products. The Company's Chief Operating Decision Maker ("CODM") reviews the results of the business to make decisions about resource allocation and assess the performance. Accordingly, no separate segment results are presented. The Company provides entity-wide disclosures required by IFRS 8 for products and services and geographic information where applicable.

(m) Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) 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.

An impairment loss recognised for goodwill is not reversed in a subsequent period. Impairment losses recognised for assets other than goodwill are reversed only to the extent permitted by IAS 36.

(n) 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 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. Transaction 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 and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or 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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) 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 receivables, due from related parties, due from directors, cash and bank balances and short-term investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group 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).

The Company applies a simplified approach for trade receivables in calculating ECLs and other financial assets measured at amortised cost are assessed under the general 12-month / lifetime ECL model as applicable. Therefore, the Company does not track changes in credit risk for trade receivables, 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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) 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.

(o) 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.

(p) 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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) 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 recognised in the statement of comprehensive income in the period in which they are incurred.

(r) Dividends

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

(s) Intangible assets

This represents goodwill and other intangible assets. Goodwill is carried at cost less accumulated impairment losses and is not amortised. Other intangible assets acquired separately or in a business combination are initially measured at cost or fair value and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets are amortised on a straight-line basis over their estimated useful lives. The useful life of intangible assets in use are as follows:

Goodwill	Indefinite
Brand	2 years (revised remaining useful life)
Customer relationships	5 years
Non-compete agreement	3 years
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. At acquisition, the brand was assigned an estimated useful life of five (5) years. Based on information and circumstances arising subsequently to the acquisition, management reassessed the useful life and revised the remaining useful life to two years, effective July 01, 2025. The change has been accounted for prospectively as a change in accounting estimate in accordance with IAS 8, which resulted in amortisation of \$42,288,300 for the year.

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.

(t) Comparative information

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



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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, 2024	768,373,519	350,799,164	148,469,553	403,137,836	33,274,150	119,987,850	-	1,824,042,072
Acquisitions through business combination								
Additions	65,738,513	2,597,660	1,546,913	8,053,673	-	-	-	77,936,759
Disposal	14,333,827	28,376,198	23,637,499	7,302,267	599,795	48,586,669	37,027,777	159,864,032
				(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
Additions	24,584,510	52,144,298	18,426,708	33,955,653	2,064,703	8,910,468	-	140,086,340
Transfer	37,027,777	-	-	-	-	-	(37,027,777)	-
Disposal	-	-	(369,291)	(2,643,324)	-	-	-	(3,012,615)
Balance at June 30, 2026	910,058,146	433,917,320	191,711,382	443,982,358	35,938,648	164,211,730	-	2,179,819,584
Accumulated Depreciation:								
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	19,112,689	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
Charge for the year	18,828,288	32,529,157	22,040,267	31,831,596	2,551,099	17,276,961	-	125,057,368
Disposal	-	-	(369,291)	(2,643,324)	-	-	-	(3,012,615)
Balance at June 30, 2026	121,696,163	227,837,165	126,882,864	232,492,725	19,869,116	80,494,857	-	809,272,890
Net Book Value:								
Balance at June 30, 2026	788,361,983	206,080,154	64,828,518	211,489,633	16,069,532	83,716,873	-	1,370,546,694
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

FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

6. RIGHT OF USE ASSET

	Buildings	
	\$	
Cost		
Balance at June 30, 2025 and 2026	<u>1,383,427,018</u>	
Depreciation charge of right of use asset		
Balance at June 30, 2025	615,071,475	
Charge for the year	<u>132,813,830</u>	
Balance at June 30, 2026	<u>747,885,305</u>	
Net Book Value		
Balance at June 30, 2026	<u>635,541,713</u>	
Balance at June 30, 2025	<u>768,355,543</u>	
Lease Liability:		
	2026	2025
	\$	\$
Non-current lease liability	<u>729,002,627</u>	<u>895,919,837</u>
Current lease liability	<u>155,309,520</u>	<u>143,472,586</u>
	<u>884,312,147</u>	<u>1,039,392,423</u>



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

7. INTANGIBLE ASSETS

	<u>Goodwill</u> \$	<u>Brand</u>	<u>Customer Relationships</u>	<u>Non- compete Agreement</u>	<u>Software</u> \$	<u>Total</u> \$
At Cost/Valuation:						
Balance at June 30, 2024	165,461,145	-	-	-	59,086,567	224,547,712
Additions	-	-	-	-	5,346,985	5,346,985
Acquisition through business combination	532,841,491	89,028,000	46,788,000	20,137,000	-	688,794,491
Balance at June 30, 2025	698,302,636	89,028,000	46,788,000	20,137,000	64,433,552	918,689,188 *
Additions	-	-	-	-	8,676,047	8,676,047
Balance at June 30, 2026	698,302,636	89,028,000	46,788,000	20,137,000	73,109,599	927,365,235
Accumulated Amortisation:						
Balance at June 30, 2024	-	-	-	-	22,157,462	22,157,462
Charge for the year	-	4,451,400	2,339,400	1,677,916	14,883,038	23,351,754
Balance at June 30, 2025	-	4,451,400	2,339,400	1,677,916	37,040,500	45,509,216 *
Charge for the year	-	42,288,300	9,357,600	6,712,501	18,044,137	76,402,538
Balance at June 30, 2026	-	46,739,700	11,697,000	8,390,417	55,084,637	121,911,754
Net Book Value:						
Balance at June 30, 2026	698,302,636	42,288,300	35,091,000	11,746,583	18,024,962	805,453,481
Balance at June 30, 2025	698,302,636	84,576,600	44,448,600	18,459,084	27,393,052	873,179,972

*Restated - see Note 35



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

7. INTANGIBLE ASSETS (CONT'D)

Goodwill is allocated for impairment testing to the Barbican Store \$165,461,145 and Monarch Chain of Pharmacies \$532,841,491. The recoverable amount of each cash generating unit was determined based on the value in use basis. Value in use was calculated using cash-flow projections based on approved budgets for five (5) years.

The key assumptions used are as follows:

- (i) Long-term growth rate of 3%;
- (ii) Discount rate (pre-tax) of 17.1% for both the Barbican Store and Monarch Chain of Pharmacies;
- (iii) Terminal value of \$1.1 billion (Barbican store) and \$1.5 billion (Monarch Chain of Pharmacies)

The impairment assessment determined recoverable amounts of \$887.3 million for the Barbican Store CGU and \$1.08 billion for the Monarch Chain of Pharmacies CGU. These recoverable amounts exceeded the carrying amounts of the respective CGUs, including the goodwill allocated to the CGU. Accordingly, management concluded that there was no impairment of goodwill as at June 30, 2026.

8. INVENTORIES

	2026 \$	2025 \$
Inventories	1,911,141,866	1,887,193,068
Goods in transit	135,188,385	185,567,467
	<u>2,046,330,251</u>	<u>2,072,760,535</u>
Less:		
Provision for obsolescence	<u>(27,466,659)</u>	<u>(30,891,132)</u>
	<u>2,018,863,592</u>	<u>2,041,869,403</u>

9. DUE FROM RELATED PARTIES

	2026 \$	2025 \$
Fontana Employee Share Trust (i)	1,626,049	2,294,638
Fontana Properties Limited	-	3,545,375
Fontana Foundation	<u>2,019,727</u>	<u>48,247</u>
	<u>3,645,776</u>	<u>5,888,260</u>

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

These balances are repayable on demand.

10. DUE FROM DIRECTORS

	2026 \$	2025 \$
Due from directors	<u>13,770,333</u>	<u>5,506,075</u>

These balances are unsecured, interest free and have no fixed dates of repayment. The balances are repayable on demand.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

11. TRADE AND OTHER RECEIVABLES

	2026 \$	2025 \$
Trade receivables	136,570,626	106,176,049
Less: expected credit loss	(20,277,380)	(16,247,140)
Net trade receivables	116,293,246	89,928,909
Other receivables	35,617,700	33,806,181
Deposit on assets (i)	1,725,916	9,135,544
Prepayments	65,224,352	27,309,511
GCT recoverable	12,867,273	6,992,639
Security deposits (ii)	64,153,376	62,626,184
	<u>295,881,863</u>	<u>229,798,968</u>

- (i) These represent deposits made on assets for store locations.
- (ii) This includes an amount of \$55,902,634 (2025: \$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. CASH AND CASH EQUIVALENTS

	2026 \$	2025 \$
Term and demand deposits	553,408,785	510,949,580
Foreign currency accounts	192,725,134	324,675,281
Short term investments (i)	712,952,962	762,326,367
Cash balances	6,253,463	3,120,703
	<u>1,465,340,344</u>	<u>1,601,071,931</u>

- (i) These represent short-term investments with financial institutions for periods ranging from thirty (30) days to three (3) months and attract interest rates between 5.5% and 6.0% per annum.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

13. SHARE CAPITAL

	2026 \$	2025 \$
Authorized:		
2,664,999,860 ordinary shares		
Issued and fully paid:		
1,249,374,825 ordinary shares	<u>252,589,301</u>	<u>252,589,301</u>

- (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.

14. BOND PAYABLE

	2026 \$	2025 \$
6% Fixed and variable agreed rate unsecured senior corporate bond (i)	500,000,000	500,000,000
9.5% Fixed rate unsecured senior corporate bond (ii)	<u>846,250,000</u>	<u>633,750,000</u>
Gross principal outstanding	1,346,250,000	1,133,750,000
Less: Deferred bond issue costs	(757,480)	(2,272,440)
Less: Deferred bond issue costs	<u>(16,289,778)</u>	<u>(20,732,444)</u>
Total carrying amount	<u>1,329,202,742</u>	<u>1,110,745,116</u>
Current bond payable	<u>499,242,520</u>	<u>-</u>
Non-current bond payable	<u>829,960,222</u>	<u>1,110,745,116</u>

- (i) This represents a five (5) year unsecured long-term corporate bond from Scotia Investment 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 a five (5) year and a four and point five eight (4.58) year unsecured long-term corporate bonds from Scotia Investments Jamaica Limited scheduled to be disbursed in two (2) tranches. Tranche A was disbursed during the prior financial year and attracts a fixed interest rate of 9.5% from Year one (1) to Year five (5). Tranche B of \$300 million was disbursed during the current financial year and attracts a fixed interest rate of 9.5% from Year one (1) to Year five (5).



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

15. 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:

	2026 \$	2025 \$
Deferred tax liability	<u>89,743,298</u>	<u>70,399,089</u> *
	2026 \$	2025 \$
Property, plant and equipment	84,794,256	53,060,692
Intangible assets	1,613,621	-
Deferred tax arising from business combination	-	16,731,250
Conversion of foreign currency	<u>3,335,421</u>	<u>607,147</u>
	<u>89,743,298</u>	<u>70,399,089</u> *

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

	2026 \$	2025 \$
Balance at the beginning of the year	70,399,089	38,171,570
Intangible assets recognised on business combination	-	16,731,250
Movement during the year	<u>19,344,209</u>	<u>15,496,269</u>
Balance at the end of the year	<u>89,743,298</u>	<u>70,399,089</u> *

***Restated - see Note 35**



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

15. DEFERRED TAX LIABILITY (CONT'D)

		2026		
		Opening balance	Recognised in profit or loss	Closing balance
Property, plant and equipment		53,060,692	31,733,564	84,794,256
Intangible assets recognised on business combination		16,731,250	(15,117,629)	1,613,621
Conversion of foreign currency		607,147	2,728,274	3,335,421
		<u>70,399,089</u>	<u>19,344,209</u>	<u>89,743,298</u>
		2025		
		Opening balance	Recognised in profit or loss	Recognised in business combination
Property, plant and equipment	38,779,768	14,280,924	-	53,060,692
Intangible assets recognised on business combination	-	-	16,731,250	16,731,250
Conversion of foreign currency	(608,198)	1,215,345	-	607,147
	<u>38,171,570</u>	<u>15,496,269</u>	<u>16,731,250</u>	<u>70,399,089</u> *



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

16. BANK LOANS PAYABLE

	2026 \$	2025 \$
a. BNS Motor Vehicle Loan	1,396,875	3,259,375
b. BNS Motor Vehicle Loan	-	1,307,320
c. BNS Van Loan	1,512,368	3,024,776
d. BNS Motor Vehicle Loan	2,831,250	6,228,750
e. BNS Motor Vehicle Loan	4,753,125	8,555,625
f. BNS Motor Vehicle Loan	7,781,288	11,516,306
g. BNS Truck Loan	7,791,668	10,541,667
h. BNS BYD Vehicle Loan	9,337,708	-
Total bank loans payable	35,404,282	44,433,819
Due in less than 12 months	(19,634,557)	(15,637,848)
Due in more than 12 months	15,769,725	28,795,971

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- This is a loan at a rate of interest of 8.5% per annum. The loan is repayable over forty-eight (48) months, in fixed monthly payments of \$245,729 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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

17. NOTES PAYABLE

	2026 \$	2025 \$
GERK Limited	-	350,000,000

In the prior year, the balance represented 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, interest-free if repaid in full by August 31, 2025, and \$100,000,000, interest-free if repaid in full by January 1, 2026; in each case, interest would have accrued at 10.0% per annum from the day after the respective due date if the principal sum was not repaid in full.

Both promissory notes were settled by the respective contractual repayment dates.

18. TRADE AND OTHER PAYABLES

	2026 \$	2025 \$
Trade payables	895,599,532	1,105,593,737
Statutory liabilities	32,012,076	30,538,649
Accrued salaries	4,604,716	3,096,954
GCT payable	27,370,217	19,741,190
Credit cards payable	66,098,393	89,532,007
Accrued interest	8,812,784	6,790,556
Unclaimed dividends	24,088,905	20,222,235
Other payables and accruals	137,951,479	112,646,142
	<u>1,196,538,102</u>	<u>1,388,161,470</u>

19. DUE TO RELATED PARTIES

	2026 \$	2025 \$
Fontana Properties Limited	<u>6,052,234</u>	<u>-</u>

This balance is unsecured, interest free and has no fixed date of repayment.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

20. TAXATION PAYABLE

	2026 \$	2025 \$
Taxation payable / (recoverable) at beginning of year	12,865,551	(15,129,745)
Income tax charge for the current year	68,137,163	88,005,459
Withholding tax recoverable during the year	(5,718,616)	(720,693)
Tax payments made during the year	<u>(62,701,083)</u>	<u>(46,314,703)</u>
	12,583,015	25,840,318
Less: withholding tax utilised during the year	<u>(5,436,081)</u>	<u>(12,974,767)</u>
Taxation payable at the end of the year	<u><u>7,146,934</u></u>	<u><u>12,865,551</u></u>

21. COST OF SALES

	2026 \$	2025 \$
Opening inventories	2,041,869,403	1,445,209,977
Add: Net purchases	6,644,384,495	6,527,587,377 *
Inventory written off due to Hurricane Melissa	<u>15,814,383</u>	<u>-</u>
	8,702,068,281	7,972,797,354
Decrease in inventory obsolescence	(3,424,473)	(29,687,875)
Closing inventories	<u>(2,018,863,592)</u>	<u>(2,041,869,403)</u>
	<u><u>6,679,780,216</u></u>	<u><u>5,901,240,076</u></u>



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

22. ADMINISTRATIVE AND GENERAL EXPENSES

	2026 \$	2025 \$
Directors' remuneration	107,689,584	107,799,039
Salaries	1,395,844,268	1,231,161,454
Statutory contributions	172,534,235	149,926,833
Casual labour	61,046,840	47,555,096
Repairs and maintenance	131,772,123	82,358,315
Staff welfare	54,196,690	48,142,910
Electricity	143,082,860	122,417,145
Staff pension	33,334,579	23,480,738
Short term leases (see note 3b)	206,712,089	135,803,853
Motor vehicle and travelling	20,798,655	15,545,853
Insurance - general	26,294,784	22,519,898
- life	1,646,355	2,255,288
- health	35,521,135	28,200,380
Travel, entertainment and meals	21,621,460	29,743,877
Telephone, internet and postage	41,098,590	43,290,977
Printing and stationery	9,869,655	13,224,344
Strata plan maintenance	135,601,317	102,152,320
Staff uniform	10,535,350	1,583,974
Security	132,457,782	117,683,628
Subscriptions and donations	17,914,171	9,520,842
Rates and taxes	14,337,149	14,384,255
Audit fee	8,800,000	8,000,000
Professional and legal fees	26,931,850	30,978,965
Consultancy fees	20,435,729	15,019,516
Bad debt written off / (recovered)	104,592	(472)
Depreciation and amortisation expense	201,459,906	136,910,774
Depreciation on right of use asset	132,813,830	132,813,830
Gain on disposal of property, plant and equipment	-	(4,705,971)
Expected credit loss increase	4,030,240	2,225,346
Disaster relief	15,011,006	-
General office expenses	71,427,992	60,531,873
Rental of equipment	7,064,799	6,807,074
	<u>3,261,989,615</u>	<u>2,737,331,954</u>

23. SELLING AND PROMOTION

	2026 \$	2025 \$
Advertising	<u>100,344,971</u>	<u>105,175,216</u>

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



It's All **GOOD** Inside!

FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

24. OPERATING PROFIT

	2026 \$	2025 \$
	<u>657,951,507</u>	<u>776,223,207</u>
Stated after charging the following:		
Directors' remuneration	107,689,584	107,799,039
Auditor's remuneration	<u>8,800,000</u>	<u>8,000,000</u>

25. OTHER INCOME

	2026 \$	2025 \$
Interest income	46,315,742	51,229,273
Other store income and commission	101,235,163	79,904,641
Insurance proceeds	41,857,084	-
Rental income	<u>28,809,703</u>	<u>28,809,703</u>
	<u>218,217,692</u>	<u>159,943,617</u>

26. FINANCE COSTS

	2026 \$	2025 \$
Bank charges and interest	40,449,445	33,910,700
Credit card commission	75,246,977	67,713,945
Gain on foreign exchange	(21,034,317)	(17,609,093)
Loan interest	128,519,087	62,479,684
Fair value gain on short term investments	-	(26)
Interest expense on right of use asset	68,827,834	78,322,192
(Gain) / loss on foreign exchange (IFRS 16 Leases)	<u>(11,118,556)</u>	<u>24,755,905</u>
	<u>280,890,470</u>	<u>249,573,307</u>



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(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, 2026. The Company's listing 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.

Income is computed at 25% of the profit for the year adjusted for tax purposes. 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:

	2026 \$	2025 \$
Current:		
Provision for income tax	68,137,163	88,005,459
Deferred:		
Origination and reversal of temporary differences	19,344,209	15,496,269
	<u>87,481,372</u>	<u>103,501,728</u>

- (b) Reconciliation of effective tax rate and charge:

	2026 \$		2025 \$	
Profit before taxation	595,278,729		686,593,517	
Computed tax charge	148,819,682	25%	171,648,379	25%
Taxation differences between profit for financial statements and tax reporting purposes on:				
Depreciation/amortisation and capital allowances	13,469,151	2%	8,358,740	1%
Disallowed expenses	(3,890,659)	-1%	5,311,092	1%
Foreign exchange gain	(2,779,639)	0%	6,188,976	1%
Remission of income taxes	(68,137,163)	-11%	(88,005,459)	-13%
Actual tax rate and charge	<u>87,481,372</u>	15%	<u>103,501,728</u>	15%



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

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.

	2026 \$	2025 \$
Net profit attributable to shareholders	507,797,357	583,091,789 *
Weighted average number of shares in issue	1,249,374,825	1,249,374,825
Basic earnings per stock unit	0.41	0.47

29. PROFIT BEFORE INTEREST AND TAXATION

	2026 \$	2025 \$
Net profit for the year	507,797,357	583,091,789 *
Current period taxation	87,481,372	103,501,728
Profit before taxation	595,278,729	686,593,517 *
Loan interest expense	128,519,087	62,479,684
Profit before interest and taxation	723,797,816	749,073,201

30. RELATED PARTIES

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

	2026 \$	2025 \$
Due from directors (see note 10)	13,770,333	5,506,075
Related companies (see note 9)	3,645,776	5,888,260
Due to related parties (see note 19)	6,052,234	-

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

	2026 \$	2025 \$
(b) Rental expense - Fontana Properties Limited	203,791,391	141,626,125
Transactions with key management personnel:		
- Directors' remuneration	107,689,584	107,799,039

*Restated - see Note 35



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

31. STAFF COSTS

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

	2026	2025
Permanent	<u>615</u>	<u>612</u>

The aggregate payroll costs for these persons were as follows:

	2026	2025
	\$	\$
Salaries and profit related pay	1,395,844,268	1,231,161,454
Statutory payroll contributions	<u>172,534,235</u>	<u>149,926,833</u>
	<u>1,568,378,503</u>	<u>1,381,088,287</u>

32. DIVIDENDS

The Company, at a special board of directors' meeting held on May 12, 2026, declared total dividend of \$312,343,706 (2025: \$624,687,413), payable on June 12, 2026, to shareholders on record as at May 28, 2026.

33. BUSINESS COMBINATION

The Company acquired the operations of the Monarch Chain of Pharmacies on March 18, 2025. During the year ended June 30, 2026, the Company finalised the purchase price allocation on February 20, 2026, within the measurement period permitted under IFRS 3 Business Combinations. Accordingly, the provisional amounts recognised as at June 30, 2025 have been retrospectively adjusted to reflect the final fair values of the identifiable assets and liabilities assumed.

Details of the 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
Brand	89,028,000
Customer relationships	46,788,000
Non-compete agreement	20,137,000
Deferred tax liability on acquired intangible assets (customer relationships and non-compete agreement) *	<u>(16,731,250)</u>



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

33. BUSINESS COMBINATION (CONT'D)

(iii) Goodwill on acquisition

	\$
Purchase consideration	854,473,550
Less: Total identifiable assets	<u>(321,632,059)</u>
Goodwill on acquisition (note 7)	<u>532,841,491</u>

- * Deferred tax liability arising on the fair value adjustments recognised in the business combination are measured in accordance with IAS 12 based on the differences between the accounting carrying amounts of the acquired assets and the corresponding tax bases. The resulting deferred tax is included in determining goodwill at the acquisition date.

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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd)

(i) Credit risk (cont'd):

Trade receivables (cont'd)

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.

	2026		
Aging	Gross Carrying Amount	Weighted Average Loss Rate	Lifetime ECL Allowance
Current	39,468,087	7%	2,666,295
31-60 days	32,458,053	36%	11,548,965
61-90 days	2,686,993	44%	1,188,225
91 days and over	61,957,493	8%	4,873,895
Total	<u>136,570,626</u>		<u>20,277,380</u>



FONTANA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (cont'd):

Trade receivables (cont'd)

	2025		
Aging	Gross Carrying Amount	Weighted Average Loss Rate	Lifetime ECL Allowance
Current	39,492,508	6%	2,385,312
31-60 days	11,623,627	20%	2,277,948
61-90 days	5,297,967	42%	2,244,580
91 days and over	49,761,947	19%	9,339,300
Total	<u>106,176,049</u>		<u>16,247,140</u>

Amounts due from related parties and directors

Amounts due from related parties and directors are subject to the expected credit loss requirements of IFRS 9. Management's assessment indicated that any resulting impairment allowance would not be material to the financial statements.

(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 table outlines contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (cont'd)

	Carrying amount \$	Contractual cash flow \$	Less than 1 year \$	More than 1 year \$
June 30, 2026:				
Lease liabilities	884,312,147	893,942,013	161,061,137	732,880,876
Trade and other payables	1,196,538,102	1,196,538,102	1,196,538,102	-
Due to related parties	6,052,234	6,052,234	6,052,234	-
Bond payable	1,329,202,742	1,681,551,027	618,706,250	1,062,844,777
Bank loans payable	35,404,282	38,685,716	21,744,899	16,940,817
	<u>3,451,509,507</u>	<u>3,816,769,092</u>	<u>2,004,102,622</u>	<u>1,812,666,470</u>
June 30, 2025:				
Lease liabilities	1,039,392,423	1,045,857,444	151,915,431	893,942,013
Trade and other payables	1,388,161,470	1,388,161,470	1,388,161,470	-
Note payable	350,000,000	350,000,000	350,000,000	-
Bond payable	1,110,745,116	1,496,456,250	90,206,250	1,406,250,000
Bank loans payable	44,433,819	60,840,658	22,154,942	38,685,716
	<u>3,932,732,828</u>	<u>4,341,315,822</u>	<u>2,002,438,093</u>	<u>2,338,877,729</u> *

(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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (cont'd):

The Company primarily contracts material financial liabilities at fixed interest rates for the duration of the term. However, the J\$500 million corporate bond is subject to a variable interest rate during years four and five of its term.

Interest rate sensitivity:

At June 30, 2026, the Company was exposed to interest rate risk on its J\$500 million variable-rate corporate bond. If Jamaican dollar interest rates had increased by 25 basis points (2025: 25 basis points), with all other variables held constant, profit before taxation would have decreased by approximately \$1.25 million (2025: \$1.25 million). If interest rates had decreased by 25 basis points (2025: 100 basis points), profit before taxation would have increased by approximately \$1.25 million (2025: \$5 million).

When utilized, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender.

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.



FONTANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (cont'd):

	2026			2025		
	US\$	CND\$	GBP\$	US\$	CND\$	GBP\$
Cash and cash equivalents	2,787,049	9,945	15,209	2,843,635	8,369	11,380
Trade and other receivables	16,520	-	-	9,755	-	-
Lease liabilities	(4,981,841)	-	-	(6,455,436)	-	-
Trade and other payables	(1,011,841)	(77,101)	-	(1,481,813)	(85,925)	-
Net exposure	(3,190,113)	(67,156)	15,209	(5,083,859)	(77,556)	11,380

Sensitivity analysis:

A strengthening of 1% (2025: 1%) of the Jamaica dollar against the currencies indicated above at June 30 would have increased the Company's profit by \$5,060,932 (2025: \$8,182,640).

A weakening of 2.5% (2025: 3.5%) of the Jamaica dollar against the currencies indicated above at June 30 would have decreased the Company's profit by \$12,652,329 (2025: \$28,639,241).

This analysis assumes that all other variables, in particular interest rates, remain constant.

(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 a 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2026

(Expressed in Jamaican dollars unless otherwise stated)

35. RESTATEMENT OF COMPARATIVE INFORMATION

During the year ended June 30, 2026, the Company finalised the purchase price allocation relating to the acquisition of the Monarch Chain of Pharmacies on March 18, 2025.

In accordance with IFRS 3 Business Combinations, the provisional amounts recognised as at June 30, 2025 have been retrospectively adjusted to reflect the final fair values of the identifiable assets and liabilities existing as at the acquisition date.

The adjustments arising from the finalisation of the purchase price allocation were:

- Recognition of brand intangible asset of \$89,028,000;
- Recognition of customer relationships intangible asset of \$46,788,000;
- Recognition of non-compete agreement intangible asset of \$20,137,000;
- Reduction of provisional goodwill by approximately \$139,221,750;
- Recognition of amortisation expense of \$8,468,716 for the period March 18, 2025 to June 30, 2025.

The effect of the restatement on the comparative financial statements is summarised below:

	Previously Reported	Adjustment	Restated
	\$	\$	\$
Intangible assets	864,917,438	8,262,534	873,179,972
Deferred tax liability	53,667,839	16,731,250	70,399,089
Accumulated surplus	2,621,069,821	(8,468,716)	2,612,601,105
Net profit	591,560,505	(8,468,716)	583,091,789



eNotes

101



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FORM OF PROXY

I/We _____ of _____
in the Parish of _____ being Member/members of the above named
company hereby appoint _____ of _____ or
failing him/he _____ 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.

102

RESOLUTIONS		FOR	AGAINST
Resolution No. 1	Adoption of Directors' and Auditors Report, Financial Statement for the year ending June 30, 2026		
Resolution No. 2	Directors retiring by rotation be re-elected by a Single Resolution		
Resolution No. 3	Re-election of Directors Raymond Therrien, Anne Chang and Larren Peart, who are retiring by rotation		
Resolution No. 4	Ratify Interim Dividends paid on June 12, 2026		
Resolution No. 5	Remuneration of Directors		
Resolution No. 6	To appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors		

Signed this _____ day of _____

Signature _____

PLACE STAMP HERE.
J\$100

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.

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