Fontana PHARMACY

UNAUDITED FINANCIAL STATEMENTS

FOR FIRST QUARTER ENDED SEPTEMBER 30, 2026

2026



Prepared For
Fontana Limited

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FONTANA LIMITED
DIRECTORS' REPORT TO SHAREHOLDERS
First Quarter Ended September 30, 2026

The Board of Directors of Fontana Limited is pleased to present the Company's unaudited financial results for the first quarter ended September 30, 2026. These financial statements have been prepared in accordance with IFRS Accounting Standards.

The quarter marks a strong start to the 2026/27 financial year and represents a significant turnaround in profitability. Revenue growth, stronger gross margins and the progress made in managing expenses relative to sales growth have driven the increase in operating and net profit.

Following a period of significant investment in expanding our retail network, including the acquisition and integration of four Monarch Pharmacy locations and the ongoing development of our Ora by Fontana beauty concept store, management has intensified its focus on operating efficiency, productivity and disciplined cost management.

These first quarter results continue to demonstrate the effectiveness of our strategy which is beginning to deliver measurable benefits, with revenue growth significantly outpacing the increase in operating expenses.

Financial Performance

Revenue for the quarter increased by 9.9%, to J$2.74 billion, compared with J$2.49 billion in the corresponding period last year.

Gross profit increased by 12.2% to J$1.03 billion, compared with J$921.6 million in the prior-year quarter. Gross profit margin improved to 37.7% from 37.0%, reflecting continued attention to merchandising, procurement efficiencies and margin management.

Of particular significance was the Company's improved operating leverage. While revenue increased by 9.9%, operating expenses grew by only 1.9%, from J$836.2 million to J$852.2 million.

As a result, operating expenses as a percentage of sales declined from 33.5% to 31.1%, an improvement of approximately 2.4 percentage points. This represents meaningful progress in our efforts to strengthen operating leverage across the expanded Fontana network.

Operating profit increased by 113.2% to J$182.1 million, compared with J$85.4 million in the corresponding quarter last year. Operating profit margin almost doubled, increasing from 3.4% to 6.6%.

Finance costs declined by 6.2% to J$80.6 million, while other income increased by 18.1% to J$43.6 million.

Profit before taxation increased to J$145.1 million, compared with J$36.4 million in the prior-year period.

After accounting for taxation, net profit increased by approximately 311% from J$30.0 million in the corresponding quarter last year to J$123.5 million. Earnings per share improved to approximately J$0.10, compared with J$0.02 in the corresponding quarter of the previous year.

These significantly improved results across the Company's key profitability measures reflect the combined positive impact of disciplined expense management, stronger gross margins and increased operating efficiency. We are encouraged by the turnaround and the clear indicators that our strategic focus on operational priorities is producing the intended results.

Continued Monarch Integration and Improved Productivity

The continued integration and optimization of the four acquired Monarch Pharmacy locations remain important management priorities.

Since the acquisition, management has focused on aligning these locations with Fontana's operating standards, strengthening inventory management, improving procurement efficiencies and building a more productive cost structure.

We are encouraged by the continued improvement in the relationship between sales and operating expenses at these locations as integration progresses.

Management has focused on growing sales while ensuring that the associated operating expenses are carefully and effectively managed. This disciplined approach is central to improving the contribution of the acquired locations to the Company's overall profitability.

The integration of Monarch has expanded Fontana's presence in the Kingston and St. Andrew geographic area and increased the Company's opportunities to leverage established supplier relationships, purchasing scale and operational expertise across a wider network.

As these locations continue to mature within the Fontana network, we expect further opportunities to improve productivity, operating efficiency and their contribution to overall earnings.

Operating Efficiency and Expense Management

A central objective for the current financial year is to ensure that the Company's expanded revenue base translates into stronger and more sustainable profitability.

During the quarter, management maintained a disciplined approach to expenditure while continuing to support the customer service standards and operating requirements of our retail network.

The improvement in our operating expense-to-sales ratio is particularly encouraging and reflects the importance of managing costs alongside revenue growth.

Ongoing initiatives include optimizing staff scheduling, improving inventory productivity, leveraging purchasing efficiencies and standardizing operating practices across all locations.

Management recognizes that sustained earnings growth requires more than increasing sales. It also requires the efficient utilization of resources and a consistent focus on profitability at the individual store level.

The progress achieved during the quarter reinforces our confidence in the direction of the Company's operational strategy, and the capacity to generate improved returns from the expanded platform.

Balance Sheet and Financial Position

At September 30, 2026, total assets stood at J$6.67 billion, while cash and cash equivalents amounted to J$1.50 billion. Shareholders' equity increased to J$3.18 billion, compared with J$2.90 billion at September 30, 2025.

The Company's financial position continues to provide a foundation for its operating requirements and ongoing strategic initiatives.

Management remains committed to prudent financial management, working-capital efficiency and maintaining the financial flexibility necessary to support long-term growth.

Outlook

As we move forward through the 2026/27 financial year, management's focus remains firmly on sustaining revenue growth while improving profitability across the expanded Fontana network.

Having invested in expanding our retail footprint, management's priority is now to maximize the value of these investments through improved store-level productivity, stronger operating margins and consistent execution.

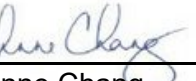
As we progress, management's commitment to operational efficiency, excellent customer service and disciplined financial management remains unchanged, and the full integration of the Monarch stores will remain a priority.

While the Board is mindful of the broader economic environment, it is encouraged by the strength of the results achieved during the quarter. The Board remains confident in Fontana's ability to build on its expanded operating platform to deliver sustainable earnings growth and long-term shareholder value.

On behalf of the Board, we extend our sincere appreciation to our dedicated team members, our loyal customers, our suppliers and business partners, and our shareholders for their continued support and confidence in Fontana Limited.



Kevin O'Brien Chang
Director/Chairman



Anne Chang
Director/CEO

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FONTANA LIMITED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Note	First Quarter Ended September 30		Audited June 30, 2026
		2026 $	2025 $	2026 $
Revenues		2,740,484,534	2,492,652,926	10,700,066,309
Cost of Sales		(1,706,260,235)	(1,571,036,519)	(6,679,780,216)
Gross Profit		1,034,224,299	921,616,407	4,020,286,093
Administrative and Other Expenses		(831,107,995)	(813,086,152)*	(3,261,989,615)
Selling and Promotion		(21,047,802)	(23,149,439)	(100,344,971)
		(852,155,797)	(836,235,590)	(3,362,334,586)
Operating Profit		182,068,502	85,380,816	657,951,507
Other Income		43,614,328	36,935,425	218,217,692
		225,682,830	122,316,241	876,169,199
Finance Costs	8	(80,591,552)	(85,877,504)	(280,890,470)
Profit before taxation		145,091,278	36,438,738	595,278,729
Taxation Charge		(21,599,200)	(6,423,408)	(87,481,372)
Net Profit for the period/year		123,492,078	30,015,329	507,797,357
EARNINGS PER SHARE	11	**0.10**	**0.02**	**0.41**

Restated- See Note 10

FONTANA LIMITED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT SEPTEMBER 30, 2026

	Note	Unaudited		Audited
Assets		Sep 2026	Sep 2025	June 2026
Non-Current Assets				
Property, Plant & Equipment		1,355,196,454	1,372,854,699	1,370,546,694
Right of use asset		602,338,255	735,152,085	635,541,713
Intangible asset	9	782,770,548	870,735,628 *	805,453,481
		2,740,305,257	2,978,742,412 *	2,811,541,888
Current Assets				
Due from Related Parties		2,727,932	6,250,308	3,645,776
Due from Directors		7,633,554	5,305,354	13,770,333
Trade and other Receivables	3	226,958,171	238,967,322	295,881,863
Inventories		2,201,279,139	2,333,356,144	2,018,863,592
Cash & Cash Equivalents		1,495,785,400	1,287,924,568	1,465,340,344
		3,934,384,195	3,871,803,695	3,797,501,908
Total Assets		**6,674,689,452**	**6,850,546,107 ***	**6,609,043,796**
Equity & Liabilities				
Equity				
Issued Share Capital		252,589,301	252,589,301	252,589,301
Accumulated Surplus		2,931,546,834	2,651,085,151 *	2,808,054,756
		3,184,136,135	2,903,674,452 *	3,060,644,057
Non-Current Liabilities				
Bond Payable	6	807,320,889	1,395,984,522	829,960,222
Deferred Tax Liability		89,743,298	70,399,089 *	89,743,298
Non Current Portion of Lease Liability		704,803,257	863,104,968	729,002,627
Bank Loans Payable	4	22,271,305	30,647,842	15,769,725
		1,624,138,748	2,360,136,422 *	1,664,475,872
Current Liabilities				
Current portion of lease liability		148,593,703	148,658,836	155,309,520
Current portion of bond payable		499,621,260	-	499,242,520
Bank loans payable - Current portion	4	20,421,779	20,873,180	19,634,557
Taxation payable		11,194,233	11,574,562	7,146,934
Notes Payable		-	100,000,000	
Due to related parties		9,497,314	-	6,052,234
Trade and other payables	7	1,177,086,281	1,305,628,656	1,196,538,102
		1,866,414,569	1,586,735,234	1,883,923,867
Total Equity and Liabilities		**6,674,689,452**	**6,850,546,107 ***	**6,609,043,796**

*** Restated - see Note 10**

Kevin O'Brien Chang
Director/Chairman

Anne Chang
Director/CEO

FONTANA LIMITED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FIRST QUARTER ENDED SEPTEMBER 30, 2026

	No. of Shares $	Share Capital $	Accumulated Surplus $	Total $
Audited Balance as at June 30, 2025	1,249,374,825	252,589,301	2,621,069,821	2,873,659,122
Net Profit for the period	-	-	30,015,329	30,015,329
Balance at Setember 30, 2025	**1,249,374,825**	**252,589,301**	**2,651,085,150**	**2,903,674,451**
Audited Balance as at June 30, 2026	1,249,374,825	252,589,301	2,808,054,756	3,060,644,057
Net Profit for the period	-	-	123,492,078	123,492,078
Balance at September 30, 2026	**1,249,374,825**	**252,589,301**	**2,931,546,834**	**3,184,136,135**

FONTANA LIMITED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Unaudited		Audited
	30-Sep-26 $	30-Sep-25 $	30-June-26 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	145,091,278	36,438,738 *	595,278,729
Adjustment for items not affecting cash resources:			
Depreciation on property, plant and equipment	37,421,295	34,235,697	143,101,505
Depreciation expense - Lease Related	33,203,458	33,203,458	132,813,830
Amortization Expense - Monarch Acquisition	18,113,583	14,589,600 *	58,358,401
Lease interest expense	15,538,861	18,343,966	68,827,834
Interest expense	32,348,186	32,821,585	128,519,087
Amortization of bond issuance cost	1,489,407	1,489,407	5,957,627
	283,206,068	171,122,450	1,132,857,013
(Increase)/decrease in operating assets:			
Inventories	(182,415,547)	(291,486,741)	23,005,811
Due from related parties	917,844	(362,048)	2,242,484
Trade and other receivables	68,923,692	(9,168,354)	(66,082,895)
Increase/(decrease) in operating liabilities:			
Trade and other payables	(19,452,222)	(82,532,814)	(191,623,369)
Taxation recoverable	(2,243,124)	(1,714,397)	-
Due to related parties	3,445,080	-	6,052,234
Cash flows provided by (used in) operating activities	**152,381,791**	**(214,141,903)**	**906,451,278**
Taxation paid	(15,308,777)	(6,000,000)	(73,855,781)
Net cash provided by/ (used in) operating activities	**137,073,014**	**(220,141,903)**	**832,595,497**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible asset	-	(7,867,544)	(8,676,047)
Acquisition of property, plant and equipment	(17,501,304)	(84,409,448)	(140,086,340)
Cost of work in progress	-	37,027,777	-
Net cash used in investing activities	**(17,501,304)**	**(55,249,214)**	**(148,762,387)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	-	-	(312,343,706)
Proceeds from loans	12,552,480	11,795,000	11,795,000
Repayment of loans	(5,263,679)	(4,707,796)	(20,824,537)
Proceeds from bonds	-	300,000,000	300,000,000
Repayment of bonds	(23,750,000)	(16,250,000)	(87,500,000)
Repayment of notes payable	-	(250,000,000)	(350,000,000)
ROU lease liability, net	(46,454,048)	(45,972,586)	(223,908,109)
Director's loans, net	6,136,779	200,721	(8,264,258)
Interest paid	(32,348,186)	(32,821,585)	(128,519,087)
Net cash used in financing activities	**(89,126,654)**	**(37,756,246)**	**(819,564,697)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**30,445,056**	**(313,147,363)**	**(135,731,587)**
CASH AND CASH EQUIVALENTS - Beginning of the period/year	1,465,340,344	1,601,071,931	1,601,071,931
CASH AND CASH EQUIVALENTS - End of the period/year	**1,495,785,400**	**1,287,924,568**	**1,465,340,344**
REPRESENTED BY:			
Short term investment	723,010,931	769,350,092	712,952,962
Cash and bank deposits	772,774,468	518,574,476	752,387,382
* Restated - see Note 10	**1,495,785,400**	**1,287,924,568**	**1,465,340,344**

FONTANA LIMITED - NOTES TO THE FINANCIAL STATEMENTS FIRST QUARTER ENDED 30TH SEPTEMBER 2026 (UNAUDITED)

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Fontana Limited (the "Company") is incorporated and domiciled in Jamaica and its registered office is situated at Fairview Shopping Centre, Montego Bay, St. James, Jamaica.

The Company is publicly listed on the Junior Market of the Jamaica Stock Exchange with an effective date of January 8, 2019.

The principal activity of the Company is the operation of a pharmacy business in each of its eleven locations dispersed over Jamaica as well as the retailing of consumer goods such as cosmetics, household essentials, school supplies and more.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These unaudited interim financial statements for the 3 months ended September 30, 2026 have been prepared in accordance with IAS 34, "Interim financial reporting". These interim financial statements should be read in conjunction with the accounting policies as set out in **Note 2 & 3** of the audited financial statements for the year ended 30 June 2026 which have been prepared in accordance with IFRS Accounting Standards.

3. TRADE AND OTHER RECEIVABLES

	30-Sep	
	2026	**2025**
	$	**$**
Trade receivables	77,105,054	65,870,703
Other receivables	37,195,620	39,285,870
Pre-payments	38,261,208	56,644,761
Interest Receivables	10,242,912	14,539,805
Security deposits	64,153,376	62,626,184
	226,958,171	238,967,322

4. BANK LOANS PAYABLE (LONG TERM)

	30-Sep	
	2026	**2025**
	$	**$**
a. BNS Motor Vehicle Loan	1,981,875	5,379,375
b. BNS Motor Vehicle Loan	6,847,533	10,582,552
c. BNS VAN LOAN	-	-
d. BNS M/Vehicle Loan	-	864,505
e. BNS VAN LOAN	1,134,266	2,646,674
f. BNS M/Vehicle Line of Credit	931,250	2,793,750
g. BNS Vehicle Line of Credit	3,802,500	7,605,000
h. BNS FTR Truck Loan	7,104,168	9,854,167
i. BNS VAN LOAN EV	8,600,521	11,795,000
j. BNS Truck Loan	12,290,970	-
Total Loans	42,693,083	51,521,022
Less: Current Portion	(20,421,779)	(20,873,180)
Long Term Portion	**22,271,305**	**30,647,842**

5. NOTES PAYABLE

	30-Sep	
	2026	**2025**
	$	**$**
Amount payable to GERK Ltd. for the Monarch acquisition January 2026	-	100,000,000
	-	**100,000,000**

6. SENIOR UNSECURED BONDS

	30-Sep 2026 $	2025 $
6% Bond due December 14, 2026	500,000,000	500,000,000
Unamortized bond fees (Legal and arranger fees)	(378,740)	(1,893,700)
9.5% Unsecured Bond Tranche A, due February 28, 2030	552,500,000	617,500,000
9.5% Unsecured Bond Tranche B, due February 28, 2030	270,000,000	300,000,000
Unamortized bond fees (Legal and arranger fees)	(15,179,111)	(19,621,778)
Total Bonds	**1,306,942,149**	**1,395,984,522**
Less: Current Portion	**(499,621,260)**	**-**
Long Term Portion	**807,320,889**	**1,395,984,522**

In December 2021, the Company launched a private placement of Bonds to raise J$500,000,000. The placement was successfully taken up in total by Scotia Investments Jamaica Limited. Interest is payable quarterly at 6% per annum for the first 3 years and at WATBY+ 300 basis points thereafter. This bond is due for repayment in December 2026.

In February 2025, the company launched a second private placement of Bonds to raise J$650,000,000 (tranche A). Tranche B was issued in July 2025 and raised J$300,000,000. The placements were successfully taken up by a few institutional stakeholders. Interest as well as principal paydown is done quarterly at 9.5%.

7. TRADE AND OTHER PAYABLES

	30-Sep 2026 $	2025 $
Trade payables	858,055,209	1,011,922,697
Statutory liabilities	32,927,588	30,341,194
GCT payable	28,645,624	15,162,618
Salary accruals	24,323,474	29,113,357
Credit cards payable	81,448,486	89,428,961
Other payables and accruals	142,768,904	116,416,522
Accrued Interest	8,916,997	13,243,307
	1,177,086,281	**1,305,628,656**

8. FINANCE COSTS

	30-Sep 2026 $	2025 $
Bank service charges	4,387,900	4,526,634
Finance charges	7,227,147	6,111,156
Credit Card Commission	19,539,926	17,638,517
Loan interest	32,348,186	32,821,585
Lease interest expense (IFRS 16)	15,538,861	18,343,966
Foreign exchange loss (Revaluation of Lease liability - IFRS 16)	6,856,570	6,953,169
Foreign exchange gain	(5,307,039)	(517,524)
	80,591,552	**85,877,504**

FONTANA LIMITED - NOTES TO THE FINANCIAL STATEMENTS FIRST QUARTER ENDED 30TH SEPTEMBER 2026 (UNAUDITED)

9. INTANGIBLE ASSETS

	30-Sep	
	2026	**2025**
	$	**$**
Goodwill and Other Intangibles	769,314,936	839,666,036
Software	13,455,612	31,069,592
	782,770,548	**870,735,628**

Software is amortized over 4 years. Goodwill and other intangibles are assessed for impairment on an annual basis. The intangibles acquired in the Monarch purchase are amortized over time.

10. Due to the retrospective adjustment to the June 30, 2025 audited financials to take account of the Monarch purchase in accordance with IFRS 3 Business Combinations, the results for Q1 2025 (July to Sept) have also been restated to account for amortization of intangibles.

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

	Previously Reported	**Adjustment**	**Restated**
	$	**$**	**$**
Intangible assets	868,593,978	2,141,650	870,735,628
Deferred tax liability	53,667,839	16,731,250	70,399,089
Accumulated surplus	2,665,674,751	(14,589,600)	2,651,085,151
Net profit	44,604,929	(14,589,600)	30,015,329

11. EARNINGS PER SHARE

	30-Sep	
	2026	**2025**
	$	**$**
Profit attributable to shareholders	123,492,078	30,015,329
Weighted average number of shares in issue	1,249,374,825	1,249,374,825
Earnings per share	0.10	0.02

FONTANA LIMITED

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

Name of Shareholder	Units
• Burbank Holdings Limited	961,298,275
• Astronomical Holdings Limited	12,931,000
• Sagicor Select Fund Limited – (‘Class C’ Shares) Manufacturing & Distribution	10,028,143
• SJIML A/C 3119	9,606,875
• St. Elizabeth International Limited	9,230,953
• JCSD Trustee Services Ltd. A/C #76579-02	9,103,727
• Jacqueline Sharp/Jason Sharp	7,094,000
• GraceKennedy Pension Fund Custodian Ltd. for GraceKennedy Pension Scheme	5,594,424
• St. Elizabeth Holdings Limited	5,319,000
• Victory Island Limited	5,319,000

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

Directors	Shareholdings	Connected Parties	Shareholdings
Raymond Therrien	---	Burbank Holdings Limited	961,298,275
Kevin O’Brien Chang	---	Burbank Holdings Limited	961,298,275
		Nicole Watson-Chang	745,850
Shinque (Bobby) Chang	---	Burbank Holdings Limited	961,298,275
Anne Chang	---	Burbank Holdings Limited	961,298,275
Jacqueline Sharp	7,094,000	Jason Sharp (Joint Holder)	
Heather Goldson	2,211,000	David L. Goldson (Joint Holder)	
Larren Peart	56,844	---	

SHAREHOLDINGS OF OFFICERS AND CONNECTED PARTIES AS AT SEPTEMBER 30, 2026

Senior Executives	Shareholdings	Connected Parties
Denise Douglas	25,352	Ryan McCalla (Joint Holder)
Judale Samuels-Smith	613,506	Daniel Smith (Joint Holder)

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