

FONTANA LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THIRD QUARTER ENDED MARCH 31, 2021



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DIRECTORS' REPORT TO SHAREHOLDERS - Q3 2020/21

Fontana Limited is pleased to present our unaudited financial statements for the third quarter ended March 31, 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Despite the ongoing challenges of the past year's Covid-19 environment, our results continue to improve over the prior financial year.

Revenues for the quarter were \$1.22 billion, representing a 4.2% increase over the \$1.17 billion achieved in the corresponding quarter of the previous year. Gross profit also increased to \$416.4 million, 3% higher than the \$404.1 million recorded in the prior year. While the revenue on some of our higher margin products declined slightly, we saw increases in lower margin product sales which drove the top line.

Our continued focus on cost control measures resulted in decreases in operating expenses of \$17.9 million moving from \$347 million to \$329.1 million for the period. This represents a 5.2% reduction in operating costs. We congratulate our team for their continued success in controlling internal and external expenses during these stressful times. Finance costs were impacted primarily by the foreign exchange losses recorded in relation to the revaluation of the lease liability (IFRS 16) which resulted in an additional cost of \$12.4 million for the period.

Net profit for the quarter was \$72.9 million, a 337.7% improvement from the \$21.6 million recorded in the prior year. For the nine months ended March 2021, net profit was of \$366 million or \$0.29 per share, representing a 56% increase over the \$234 million or \$0.19 per share for the previous financial year.

Total assets at the end of the quarter stood at \$3.45 billion, up from \$3.21 billion in the comparative prior period, reflecting an increase of 7.5%. Cash on hand rose from \$557 million to \$809 million, an increase of 52%. Shareholder's Equity grew to \$1.76 billion, up from \$1.45 billion or 21% over prior year.

Our balance sheet and significant cash on hand will bolster us through the continued challenges of the current pandemic while allowing us to explore acquisitions and consider expansion of the brand.

Though we had restrictions with our physical movements, we safely hosted our annual New year's treat for the Barbican community, where donations of food and school supplies were made to over 200 recipients. We also contributed the cash and prizes for the Fontana Jamaica Day Creative Competition involving all primary and secondary schools in the island, in a private/public partnership with the Ministry of Education and the Ministry of Culture.

Our diligent team continues to outperform expectations in these trying times. We thank our customers for their continued goodwill and loyalty. We remain committed to Jamaica and optimistic about the future.

Kevin Chang
Director/Chairman

Anne Chang Director/CEO

FONTANA LIMITED STATEMENT OF COMPREHENSIVE INCOME (unaudited) THIRD QUARTER ENDED MARCH 31, 2021

	Note	Third Quarter ended March 31		9 months ended March 31		Audited Year ended
		2021	2020	2021	2020	30-Jun-20
		\$	\$	\$	\$	
Revenues		1,223,145,232	1,174,370,892	3,879,085,819	3,493,225,259	4,509,856,155
Cost of sales		806,786,566	770,197,963	2,445,894,608	2,188,722,854	2,811,516,338
Gross profit		416,358,666	404,172,928	1,433,191,211	1,304,502,404	1,698,339,817
Adminstrative and other expense	S	308,903,528	324,693,027	926,266,014	943,833,216	1,231,444,037
Selling and promotion		20,225,980	22,309,360	68,240,469	79,386,518	99,280,875
		329,129,508	347,002,387	994,506,483	1,023,219,734	1,330,724,912
Operating profit		87,229,158	57,170,541	438,684,729	281,282,671	367,614,905
Other income		17,756,513	(10,617,080)	46,173,947	16,969,181	51,650,408
		104,985,671	46,553,462	484,858,675	298,251,852	419,265,313
Finance costs	6_	32,074,563	24,959,572	118,159,144	63,615,492	155,373,613
Profit before taxation		72,911,107	21,593,890	366,699,532	234,636,360	263,891,700
Taxation credit		-	-	-	-	(12,616,396)
Net profit for the period/year	_	72,911,107	21,593,890	366,699,532	234,636,360	276,508,096
EARNINGS PER SHARE	7	0.06	0.02	0.29	0.19	0.22

FONTANA LIMITED STATEMENT OF FINANCIAL POSITION (unaudited) AS AT MARCH 31, 2021

	Note	UNAUDITED		AUDITED
		Mar-21	Mar-20	Jun-20
ASSETS				
Non-Current Assets				
Property, plant and equipment		733,132,459	776,889,715	769,835,263
Right of use asset		771,904,958	862,922,230	839,764,477
Intangible asset		165,461,145	165,461,145	165,461,145
Deferred tax asset		14,086,711	1,470,314	14,086,711
		1,684,585,274	1,806,743,405	1,789,147,596
Current Assets				
Due from related parties		7,741,281	9,022,531	9,058,886
Due from directors		4,297,460	5,101,691	6,062,887
Trade and other receivables	3	130,698,707	99,569,948 *	94,309,180
Taxation recoverable		828,705	290,470	345,008
Inventories		808,963,740	751,077,223	650,602,515
Cash and cash equivalents		809,388,277	533,394,291	599,256,692
		1,761,918,170	1,398,456,154	1,359,635,168
TOTAL ASSETS	_	3,446,503,444	3,205,199,559	3,148,782,764
EQUITY & LIABILITIES Equity Issued share capital		252,589,301	252,589,301	252,589,301
Accumulated surplus		1,506,967,795	1,198,346,513	1,240,218,249
Non-Current Liabilities		1,759,557,096	1,450,935,814	1,492,807,550
Shareholder's loan		-	13,044	_
Lease Liability - ROU Asset		809,854,107	739,697,838	836,705,219
Bank loans payable	4	152,238,905	168,857,608	177,057,318
. ,		962,093,012	908,568,490	1,013,762,537
Current Liabilities				
Due to related parties		-	-	312,061
Lease Liability - ROU Asset		92,848,304	139,151,234	83,508,196
Bank loans payable - Current portion	4	45,542,839	51,790,018	45,669,181
Trade and other payables	5	586,462,193	654,754,002	512,723,239
		724,853,337	845,695,254	642,212,677
TOTAL EQUITY AND LIABILITIES	_	3,446,503,444	3,205,199,559	3,148,782,764

 $^{^{*}}$ Deposit on asset for 2020 has been reclassified to trade and other receivables to conform to current year presenation.

Kevin Chang Director/Chairman Anne Chang Director/CEO

FONTANA LIMITED STATEMENT OF CHANGES IN EQUITY (unaudited) THIRD QUARTER ENDED MARCH 31, 2021

		ACCUMULATED		
	No of SHARES	SHARE CAPITAL	SURPLUS	TOTAL
		\$	\$	\$
Audited Balance as at June 30, 2019	1,249,374,825	252,589,301	1,013,685,146	1,266,274,447
Dividend payment	-	-	(49,974,993)	(49,974,993)
Net profit for the period	-	-	234,636,360	234,636,360
Balance at March 31, 2020	1,249,374,825	252,589,301	1,198,346,513	1,450,935,814
Audited Balance as at June 30, 2020	1,249,374,825	252,589,301	1,240,218,249	1,492,807,550
Dividend payment (see note 8)	-	-	(99,949,986)	(99,949,986)
Net profit for the period	-	-	366,699,532	366,699,532
Balance at March 31, 2021	1,249,374,825	252,589,301	1,506,967,795	1,759,557,096

FONTANA LIMITED STATEMENT OF CASH FLOWS (unaudited) As at March 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES 5 \$ Profit before taxation 366,099,532 234,636,300 263,891,700 Adjustment for items not affecting cash resources: (500,000) 56,737,174 Calis on disposal of property, plant and equipment 46,431,391 38,742,399 56,737,174 Depreciation on property, plant and equipment 46,431,391 38,742,399 56,737,174 Depreciation on property, plant and equipment 46,500,477 44,561,195 60,337,801 Lease interest expense 10,966,767 75,623,382 11,287,977 Reclassification of work in progress 541,457,685 386,835,410 481,319,887 Increase//decrease in operating assets: 11317,695 4,036,993 4,754,224 Trade and other receivables 1313,7695 4,036,993 4,754,224 Trade and other receivables in operating isibilities: 73,738,554 194,463,827 52,433,063 Total cand other payables 73,738,554 194,463,827 52,333,063 Due to related parties 73,738,554 194,463,827 52,433,063 Total and other payables 73,738,5		Unaudited 31-Mar-21	Unaudited 31-Mar-20	Audited 30-Jun-20
Profit before baxalion 366,899,532 234,636,600 263,891,700 Adjustment for thems not affecting cash resources: Sign on disposal of property, plant and equipment — 5(00,000) Depreciation on property, plant and equipment 46,431,391 38,742,399 88,858,565 Loase interest expense 45,900,477 44,501,195 60,837,894 Interest expense 10,966,767 7,502,382 11,287,997 Reclassification of work in progress 541,457,685 386,683,410 481,319,877 Reclassification of work in progress 541,457,685 386,683,410 481,319,877 Reclassification of work in progress 541,457,685 386,683,410 481,319,877 Increase//decrease in operating assess: (158,361,225) (180,087,392) 79,612,684 Use from related parties (33,389,527) (25,77,349) 26,731,657,573 Increase//decrease in operating liabilities: 73,789,984 194,643,827 52,433,068 Object to related parties 73,789,984 194,463,827 52,433,068 Object for sold parties and other payobles 73,789,944 194,463,827 32,4		\$	\$	\$
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Depreciation on property, plant and equipment 4,643,1391 38,742,399 56,271,174 Depreciation or property, plant and equipment 46,813,9519 61,833,075 88,885,565 Lease interest expense 49,500,477 44,561,195 60,837,804 Interest expense 10,966,767 7,562,382 11,287,927 Reclassification of work in progress 54,476,685 36,635,410 481,319,887 Inventories (158,361,225) (180,087,392) (180,087,392) Use from related parties 1,317,605 46,036,993 4,545,4294 Trade and other receivables 1,317,605 4,603,693 4,545,4294 Trade and other receivables 73,738,954 194,463,827 52,433,686 Use to related parties 313,2661 194,463,827 31,2661 Cash flows provided by operating labilities: 73,738,954 194,463,827 31,2661 Cash flows provided by operating activities 421,451,431 375,238,196 431,690,051 Taxiation paid (483,697) (19,041,595) (19,184,989) Net cash provided by operating activities 420,967,733 354,196,600 412,505,062 CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from sale of property, plant and equipment 9,728,587) (114,34,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from loans (9,944,755) (314,34,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES Dividends paid (99,44,755) (314,34,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES Dividends paid (99,44,755) (314,34,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES CASH FLOWS FROM FINANCING ACTIVITIES Dividends paid (99,44,755) (314,34,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES CASH FLOWS FROM FINANCING ACT	Adjustment for items not affecting cash resources:			
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Trade and other payables 73,738,954 194,463,827 52,433,068 Due to related parties (312,061) - 312,061 Cash flows provided by operating activities 421,451,431 373,238,196 431,690,051 Taxation paid (483,697) (19,041,595) (19,184,989) Net cash provided by operating activities 420,967,733 354,196,600 412,505,062 CASH FLOWS FROM INVESTING ACTIVITIES 500,000 - - Proceeds from sale of property, plant and equipment 9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES (99,949,986) (49,974,993) (49,974,993) Proceeds from loans (24,944,755) (231,448,202) (237,569,332) Repayment of loans (24,944,755) (231,448,202) (237,569,332) ROU Lease liability, net (67,011,481) (90,467,427) (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,603 Net cash used in financing activities <	Increase/(decrease) in operating liabilities:			
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Cash flows provided by operating activities 421,451,431 373,238,196 431,690,051 Taxation paid (483,697) (19,041,595) (19,184,989) Net cash provided by operating activities 420,967,733 354,196,600 412,505,062 CASH FLOWS FROM INVESTING ACTIVITIES 500,000 - Proceeds from sale of property, plant and equipment - 500,000 - Acquisition of property, plant and equipment (9,728,587) (114,334,801) (125,392,988) Net cash used in investing activities (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITES Used to see the second of th	• •		-	· ·
Taxation paid (483,697) (19,041,595) (19,184,989) Net cash provided by operating activities 420,967,733 354,196,600 412,505,062 CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from sale of property, plant and equipment 500,000 - Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (99,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACIVITIES Sepatement of loans (49,974,993) (49,974,993) Proceeds from loans 9,949,986 (49,974,993) (49,974,993) Proceeds from loans 2,24,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) NET INCREASE IN CASH AND CASH EQUIVALENTS 20,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - En	·	, ,		· · · · · · · · · · · · · · · · · · ·
Net cash provided by operating activities 420,967,733 354,196,600 412,505,062 CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from sale of property, plant and equipment - 500,000 - Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (99,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACIVITIES Use of the property, plant and equipment (99,949,986) (49,974,993) (49,974,998) Proceeds from loans and property, plant and equipment and equipment of loans and plant and plant and equipment and plant and equipment and plant and equipment a	Cash flows provided by operating activities	421,451,431	373,238,196	431,690,051
CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from sale of property, plant and equipment 500,000 4. Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACIVITIES Dividends paid (99,949,986) (49,974,993) (49,974,993) (49,974,993) (70,974,994,994) (70,974,994	Taxation paid	(483,697)	(19,041,595)	(19,184,989)
CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from sale of property, plant and equipment 500,000 - Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACIVITIES Use of the period of the period/year Dividends paid (99,949,986) (49,974,993) (49,974,993) Proceeds from loans 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427)* (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - End of the period/year 599,256,692 375,863,833 375,863,833			_	
Proceeds from sale of property, plant and equipment - 500,000 - Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACIVITIES Dividends paid (99,949,986) (49,974,993) (49,974,993) Proceeds from loans - 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) * (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 899,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year <td>Net cash provided by operating activities</td> <td>420,967,733</td> <td>354,196,600</td> <td>412,505,062</td>	Net cash provided by operating activities	420,967,733	354,196,600	412,505,062
Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACIVITIES Use of the period/year (99,949,986) (49,974,993) (49,974,993) Proceeds from loans - 294,653,405 302,653,405 302,653,405 302,653,405 302,653,405 221,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) * (69,247,431) (69,247,431) (99,469,427) * (69,247,431) (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and	CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment (9,728,587) (114,834,801) (125,392,988) Net cash used in investing activities (9,728,587) (114,334,801) (125,392,988) CASH FLOWS FROM FINANCING ACTIVITIES Dividends paid (99,949,986) (49,974,993) (49,974,993) Proceeds from loans - 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 <	Proceeds from sale of property, plant and equipment	-	500,000	-
CASH FLOWS FROM FINANCING ACIVITIES Dividends paid (99,949,986) (49,974,993) (49,974,993) Proceeds from loans - 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) * (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057		(9,728,587)	(114,834,801)	(125,392,988)
CASH FLOWS FROM FINANCING ACIVITIES Dividends paid (99,949,986) (49,974,993) (49,974,993) Proceeds from loans - 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) * (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057				
Dividends paid (99,949,986) (49,974,993) (49,974,993) Proceeds from loans - 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	Net cash used in investing activities	(9,728,587)	(114,334,801)	(125,392,988)
Proceeds from loans - 294,653,405 302,653,405 Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427) * (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: 50,000 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	CASH FLOWS FROM FINANCING ACIVITIES			
Repayment of loans (24,944,755) (231,448,202) (237,369,332) ROU Lease liability, net (67,011,481) (90,467,427)* (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: 500,000,000 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	Dividends paid	(99,949,986)	(49,974,993)	(49,974,993)
ROU Lease liability, net (67,011,481) (90,467,427) * (69,247,431) Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: 590,256,692 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	Proceeds from loans	-	294,653,405	302,653,405
Director's loans, net 1,765,427 2,468,258 1,507,063 Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	Repayment of loans	(24,944,755)	(231,448,202)	(237,369,332)
Interest paid (10,966,767) (7,562,382) (11,287,927) Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	ROU Lease liability, net	(67,011,481)	(90,467,427) *	(69,247,431)
Net cash used in financing activities (201,107,561) (82,331,341) (63,719,215) NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: 500,000 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	Director's loans, net	1,765,427	2,468,258	1,507,063
NET INCREASE IN CASH AND CASH EQUIVALENTS 210,131,585 157,530,458 223,392,859 CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: 599,256,692 41,577,635 41,577,635 450,645,229 557,679,057	Interest paid	(10,966,767)	(7,562,382)	(11,287,927)
CASH AND CASH EQUIVALENTS - Beginning of the period/year 599,256,692 375,863,833 375,863,833 CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	Net cash used in financing activities	(201,107,561)	(82,331,341)	(63,719,215)
CASH AND CASH EQUIVALENTS - End of the period/year 809,388,277 533,394,291 599,256,692 REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	NET INCREASE IN CASH AND CASH EQUIVALENTS	210,131,585	157,530,458	223,392,859
REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	CASH AND CASH EQUIVALENTS - Beginning of the period/year	599,256,692	375,863,833	375,863,833
REPRESENTED BY: Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	-			
Short term investment 191,239,400 82,749,062 41,577,635 Cash and bank deposits 618,148,877 450,645,229 557,679,057	CASH AND CASH EQUIVALENTS - End of the period/year	809,388,277	533,394,291	599,256,692
Cash and bank deposits 618,148,877 450,645,229 557,679,057	REPRESENTED BY:			
	Short term investment	191,239,400	82,749,062	41,577,635
809,388,277 533,394,291 599,256,692	Cash and bank deposits	618,148,877	450,645,229	557,679,057
	<u>-</u>	809,388,277	533,394,291	599,256,692

^{*} Reclassified to conform to curent period presentation

FONTANA LIMITED - NOTES TO THE FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2021 (unaudited)

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Fontana Limited (the "Company") is incorporated and domiciled in Jamaica and its registered office is situated at Manchester Shopping Centre, Mandeville, 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 six 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

5.

These unaudited interim financial statements for the 9 months ended March 31, 2021 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 2020 wich have been prepared in accordance with International Financial Reporting Standards (IFRS).

3.	TRADE AND OTHER RECEIVABLES	31-Mar	
		2021	2020
		\$	\$
	Trade receivables	17,749,523	29,583,541
	Other receivables	15,091,007	10,778,359
	Pre-payments	88,778,435	48,869,331
	Deferred GCT	-	1,007,376
	Security deposits	9,079,742	9,331,342
		130,698,707	99,569,948
4.	BANK LOANS PAYABLE (LONG TERM)	31-Mar	
		2021	2020
		\$	\$
	a. BNS Motor Vehicle Loan	1,527,424	2,443,852
	b. BNS Energy Loan 2018 (FV)	8,333,819	11,933,243
	c. BNS - INSURANCE PREMIUM FINANCING	-	7,541,746
	d. BNS M/VEHICLE LOAN	6,120,504	7,062,120
	e. BNS WATERLOO CAPEX	174,999,998	191,666,666
	f. BNS Van Loan	6,800,000	-
		197,781,744	220,647,626
	Less: Current Portion	(45,542,839)	(51,790,018)
		152,238,905	168,857,608

All loans are existing loans as at the year end, and are detailed in *Note #15* of the audited financial statements for year ended June 30, 2020.

TRADE AND OTHER PAYABLES	31-Ma i	r
	2021	2020
	\$	\$
Trade payables	502,319,646	536,280,125
Statutory liabilities	12,769,469	13,019,074
GCT payable	93,240	13,900,161
Salary accruals	2,843,574	2,752,399
Credit cards payable	60,347,564	58,207,463
Other payables and accruals	8,088,701	30,594,781
	586,462,193	654,754,002

FONTANA LIMITED - NOTES TO THE FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2021 (unaudited)

	31-Mar	31-Mar		
6. FINANCE COSTS	2021	2020		
	\$	\$		
Bank service charges	2,404,329	2,920,425		
Finance charges	1,821,455	2,548,249		
Loan interest	3,475,859	2,970,316		
Lease interest expense (IFRS 16)	16,211,002	16,848,133		
Foreign exchange loss (Revaluation of Lease liability - IFRS 16)	12,443,645	76,703		
Foreign exchange gain	(4,281,727)	(404,253)		
	32,074,563	24,959,572		

7.	EARNINGS PER SHARE	31-Mar	
		2021 2020	
		\$	\$
	Profit attributable to shareholders	366,699,532	234,636,360
	Weighted average number of shares in issue	1,249,374,825	1,249,374,825
	Earnings per share	0.29	0.19

Fontana Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT MARCH 31, 2021

Sh	areholder	Units
1.	Burbank Holdings Limited	989,172,831
2.	Sagicor Select Fund Limited – ('Class C' Shares) Manufacturing & Distribution	10,028,143
3.	St. Elizabeth International Limited	9,230,953
4.	JCSD Trustee Services Ltd. A/C#76579-02	7,725,794
5.	Jacqueline Sharp/Jason Sharp	7,094,000
6.	QWI Investments Limited	5,362,040
0.	QWI Investments Limited	5,302,040
7.	St. Elizabeth Holdings Limited	5,319,000
8.	Victory Island Limited	5,319,000
9.	SJIML A/C 3119	4,711,169
10	. Fontana Employee Share Trust	4,676,124

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT MARCH 31, 2021

Director	Shareholdings	Connected Parties	Shareholdings
Raymond Therrien		Burbank Holdings Limited	989,172,831
Kevin O'Brien Chang		Burbank Holdings Limited Nicole Watson-Chang	989,172,831 1,547,290
Shinque (Bobby) Chang		Burbank Holdings Limited	989,172,831
Anne Chang		Burbank Holdings Limited	989,172,831
Jacqueline Sharp	7,094,000	Jason Sharp (joint holder)	
Heather Goldson	2,070,000	David L. Goldson (joint holder)	

SHAREHOLDINGS OF OFFICERS AND CONNECTED PARTIES AS AT MARCH 31, 2021

Denise Douglas	25,352	Ryan McCalla (joint holder)
Judale Samuels-Smith	504,923	