**Scotia Investments Jamaica arranges J$500 million in capital raise for Fontana Limited**

Scotia Investments Jamaica Limited acted as Lead Arranger and Broker to successfully raise J$500 Million of debt capital by way of a private placement of bonds for Fontana Limited.

The proceeds of the offer will support Fontana’s continued growth which includes plans to develop a warehouse and distribution center in Kingston, as well, as a new store in Portmore.

According to its Annual Report, 2021 has been Fontana’s most successful year to date. Revenues were up $5.2 billion, a 14.2% increase over the $4.5 billion of the previous year (2020) with sales growth outpacing that of the overall Jamaican retail sector.

Commenting on the deal, Sarah Cumming, Director and Head of Capital Markets said, “The team at Fontana has demonstrated their capacity to navigate the business during these unprecedented times. Having grown its profits by 85% year over year, we were confident in the Company’s ability to secure the debt capital required to seize the opportunities for expansion in Portmore and Kingston. Scotia has enjoyed a long-standing relationship with Fontana. We acted as Lead Arranger and Broker for their IPO listing on the Junior Market and we’ve supported them with commercial loans when they expanded to their Waterloo location. We are committed to our role as a financial partner and collaborated across internal team to deliver a seamless execution. ”

The transaction was executed at a time when BOJ policy rates were increased for the first time in 13 years. The Ministry of Finance and Planning had also recently reopened Government of Jamaica long-term bonds that were taken up at yields that indicated that the long-term rates in the Jamaican Dollar debt space were increasing. Stanley Thompson, Senior Manager Capital Markets said, “In light of the changing market conditions, we pursued a fixed to variable rate bond structure. This financing strategy provided Fontana with the most competitive rate in the short term with the potential for a lower rate in the future if market rates reduce in the longer term.”

Raymond Therrien, COO at Fontana, noted that the company is pleased to have worked with Scotia on this meaningful transaction.

“Fontana is firmly capitalized for our expansion plans for Portmore in 2022 and continued growth in the various markets we serve across Jamaica. We continue to explore acquisition opportunities as we grow the Fontana brand. Timing and certainty of execution were important to us. When we approved this transaction, our expectation was to have it closed before the calendar year end. The team at Scotia delivered on its commitments and executed on a process that was efficient and transparent.”

The success of this deal further highlights Scotia’s commitment to put its clients first and deliver capital solutions that will create capacity for reinvestment and future growth.