



FOUNTAIN ASSET CORP. ANNOUNCES FINANCIAL RESULTS FOR THE THIRD QUARTER 2019

November 26, 2019

Toronto, Canada – Fountain Asset Corp. (TSXV:FA) (“Fountain” or the “Company”) is pleased to announce financial results for the third quarter ended September 30, 2019 (“**Q3/19**”).

“The Company posted a decline in Adjusted Net Asset Value quarter over quarter during Q3/19. The decline was driven by Sweet Natural Trading, Green Growth Brands, and Consortium,” said Andrew Parks, CEO of Fountain.

Highlights from the three months ended September 30, 2019:

- Adjusted net asset value (“**ANAV**”) of \$26.80 million (\$0.45 per share) at September 30, 2019 compared with \$37.56 (\$0.63 per share) at June 30, 2019, representing a 28.5% decrease quarter over quarter on a per-share basis. ANAV reflects the net asset value plus the amount of available tax loss pools available;
- Net comprehensive loss of \$10.93 million compared to income of \$4.99 million for three months ended September 30, 2018 (“**Q3/18**”);
- Total losses from investment activity was \$10.62 million compared to revenue of \$7.77 million for Q3/18;
- Net realized losses on the sale of portfolio investments of \$1.88 million compared to net realized gains of \$5.75 million for Q3/18;
- Net unrealized losses on portfolio investments of \$8.75 million compared to net unrealized gains of \$1.87 million for Q3/18;
- Total expenses of \$0.32 million, including stock-based compensation of \$0.07 million, compared to \$2.50 million, including stock-based compensation of \$0.03 million, and annual incentive plan expense of \$2.14 million for Q3/18; and
- Operating expenses of \$0.25 million compared to \$0.33 million for Q3/18.

Highlights from the nine months ended September 30, 2019:

- ANAV of \$26.80 million (\$0.45 per share) at September 30, 2019 compared to \$36.77 million (\$0.63 per share) at December 31, 2018, representing a decrease of 28.5% year to date on a per share basis;
- Net comprehensive loss of \$10.04 million compared to income of \$7.56 million for the nine months ended September 30, 2018;



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- Total losses from investment activity was \$9.02 million compared to revenue of \$10.95 million for Q3/18;
- Net realized losses on the sale of portfolio investments of \$0.30 million compared to net realized gains of \$12.24 million for the nine months ended September 30, 2018;
- Net unrealized losses on portfolio investments of \$9.76 million compared to net unrealized losses of \$1.70 million for the nine months ended September 30, 2018;
- Total expenses of \$1.02 million, including stock-based compensation of \$0.27 million, compared to \$3.11 million, including stock-based compensation of \$0.16 million, and annual incentive plan expense of \$2.14 million for the nine months ended September 30, 2018; and
- Operating expenses of \$0.75 million compared to \$0.81 million for the nine months ended September 30, 2018.

A full set of Q3/19 unaudited financial statements and the management discussion & analysis are available on SEDAR.

About Fountain Asset Corp.

Fountain Asset Corp. is a merchant bank which provides equity financing, bridge loan services (asset back/collateralized financing) and strategic financial consulting services to companies across many industries such as marijuana, oil & gas, mining, real estate, manufacturing, retail, financial services, and biotechnology.

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