Fountain Asset Corp. Announces Its Financial Results for the Quarter Ended September 30, 2021 and Management Change

TORONTO, Nov. 29, 2021 (GLOBE NEWSWIRE) -- **Fountain Asset Corp**. (TSXV:FA) ("Fountain" or the "Company") would like to announce its financial results for the three months ended September 30, 2021 ("**Q3/21**").

Highlights from the three months ended September 30, 2021:

- Adjusted net asset value ("**ANAV**") of $27.80 million ($0.45 per share) at September 30, 2021 compared to $28.69 million ($0.46 per share) at June 30, 2021, representing a 3.1% decrease quarter over quarter. ANAV reflects the net asset value plus the amount of available tax loss pools available;
- Net comprehensive loss of $0.91 million compared to net comprehensive loss of $0.25 million for three months ended September 30, 2020 ("**Q3/20**");
- Total revenue loss from investment activity was $0.59 million compared to total revenue of $0.06 million for Q3/20;
- Net realized gains on the sale of portfolio investments of $0.49 million compared to net realized gains of $0.09 million for Q3/20;
- Net unrealized losses on portfolio investments of $1.12 million compared to net unrealized losses of $0.03 million for Q3/20;
- Total expenses of $0.33 million, which includes stock-based compensation of $0.03 million, compared to $0.31 million, which includes stock-based compensation of $0.08 million, for Q3/20; and
- Operating expenses of $0.30 million compared to $0.23 million for Q3/20.

Highlights from the nine months ended September 30, 2021:

- ANAV of $27.80 million ($0.45 per share) at September 30, 2021 compared to $23.46 million ($0.40 per share) at December 31, 2020, representing an 18.5% increase year to date;
- Net comprehensive income of $4.41 million compared to net comprehensive loss of $1.96 million for the nine months ended September 30, 2020;
- Total revenue from investment activity was $5.42 million compared to total revenue loss of $1.25 million for the nine months ended September 30, 2020;
- Net realized gains on the sale of portfolio investments of $2.13 million compared to net realized losses of $3.71 million for the nine months ended September 30, 2020;
- Net unrealized gains on portfolio investments of $3.17 million compared to net unrealized gains of $1.64 million for the nine months ended September 30, 2020;
- Total expenses of $1.01 million, including stock-based compensation of $0.13 million, compared to $0.72 million, including stock-based compensation of $0.13 million, for the nine months ended September 30, 2020; and
- Operating expenses of $0.87 million compared to $0.58 million for the nine months ended September 30, 2020.

During Q3/21, the company saw a decrease from its portfolio of publicly traded companies which included a decrease from Cover Technologies Inc. The declines were offset by increases in Reliq Health Technologies and Kwesst Micro Systems. "The Company posted a small decline on Shareholders' Equity quarter over quarter during Q3/21 as the small cap space continued to soften." said Andrew Parks, CEO of Fountain.

The operating expenses were up slightly to $0.30 million for Q3/21 compared to $0.23 million in the comparative quarter.

The Company saw net comprehensive loss of $0.91 million for Q3/21 compared to net comprehensive loss of $0.25 million for Q3/20. As at September 30, 2021, the Company's adjusted net assets were valued at $27.80 million or $0.45 per share compared to $23.46 million or $0.40 per share at December 31, 2020.

A full set of the Q3/21 unaudited financial statements and the management discussion & analysis are available on SEDAR.

Management Change

Fountain would like to announce a change to its management team. The Company announces that Michael Leskovec, the

Chief Financial Officer of the Company, has tendered his resignation. “I wanted to thank Michael for his contribution to the Company and wish him the best of luck in his future endeavours” said Andrew Parks CEO of Fountain.

Matthew Davis has been appointed Chief Financial Officer of the Company. Mr. Davis is a Chartered Professional Accountant of Canada (Alberta). He graduated with honours from the University of Calgary with a Bachelor of Commerce in Accounting and started his career with PricewaterhouseCoopers, where he worked as an auditor of both public and private companies. Mr. Davis has experience being a Controller of several companies in a variety of industries. He currently serves as a director at Lancaster Capital Advisory Corp., where he provides accounting and advisory services to a number of publicly-listed issuers.

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 healthcare.

Forward-Looking Statements

Certain information contained in this press release constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of the Company, which are based on assumptions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information in this press release includes, but is not limited to, growing Fountain’s capital base and a strong pipeline going forward. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the level of bridge loans and equity investments completed, the nature and credit quality of the collateral security and the nature and quality of equity investments, and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated August 30, 2019 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

For further information: please contact Andrew Parks at (647) 344-4429 or visit Fountain Asset Corp.'s website at www.fountainassetcorp.com.