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FOUNTAIN ASSET CORP. ANNOUNCES ITS FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023

November 27, 2023

Toronto, Canada – Fountain Asset Corp. (TSXV:FA) (“Fountain” or the “Company”) would like to announce its financial results for the three months ended September 30, 2023 (“**Q3/23**”).

Highlights from three months ended September 30, 2023:

- Net asset value (“**NAV**”) of \$10.27 million (\$0.17 per share) at September 30, 2023 compared to \$11.00 million (\$0.18 per share) at June 30, 2023, representing a decrease of 5.6% quarter over quarter on a per share basis. NAV is calculated as the value of total assets less the value of total liabilities;
- Net comprehensive loss of \$0.75 million for the three months ended September 30, 2023, compared to net comprehensive income of \$0.11 million for three months ended September 30, 2022 (“**Q3/22**”);
- Total loss from investment activity was \$0.59 million compared to total income of \$0.26 million for Q3/22;
- Net realized losses on the sale of portfolio investments of \$0.43 million compared to net realized losses of \$0.12 million for Q3/22;
- Net unrealized losses on portfolio investments of \$0.17 million compared to net unrealized gains of \$0.38 million for Q3/22;
- Total expenses of \$0.16 million, which included \$0.02 million of stock-based compensation, compared to \$0.15 million for Q3/22 which included \$0.01 of stock-based compensation; and
- Operating expenses of \$0.15 million compared to \$0.20 million for Q3/22.

Highlights from nine months ended September 30, 2023:

- NAV of \$10.27 million (\$0.17 per share) at September 30, 2023 compared to \$11.84 million (\$0.19 per share) at December 31, 2022, representing a 10.5% decrease year to date on a per share basis. NAV is calculated as the value of total assets less the value of total liabilities;
- Net comprehensive loss of \$1.63 million for the nine months ended September 30, 2023, compared to net comprehensive loss of \$6.94 million for the nine months ended September 30, 2022;
- Total loss from investment activity was \$1.08 million compared to total loss of \$6.24 million for the nine months ended September 30, 2022;
- Net realized losses on the sale of portfolio investments of \$1.90 million compared to net realized losses of \$2.17 million for the nine months ended September 30, 2022;
- Net unrealized gains on portfolio investments of \$0.80 million compared to net unrealized losses of \$4.09 million for the nine months ended September 30, 2022;
- Total expenses of \$0.55 million, which included \$0.07 million of stock-based compensation, compared to \$0.71 million for the nine months ended September 30, 2022 which included \$0.06 of stock-based compensation; and
- Operating expenses of \$0.53 million compared to \$0.57 million for the nine months ended September 30, 2022.

During Q3/23, the company saw a decrease in its portfolio of publicly traded companies, as a result of continued volatility and uncertainty surrounding global markets. The Company also continued to dispose of non-core investment holdings that have been struggling in recent years and intends to use the proceeds from these dispositions to enter into new opportunistic investments that the Company believes will ultimately yield greater long term economic benefits.

The Company continued to maintain low operating expenses in Q3/23, which helped reduce the net comprehensive loss of the Company. As at September 30, 2023, the Company's net assets were valued at \$10.27 million or \$0.17 per share compared to \$11.84 million or \$0.19 per share at December 31, 2022.

“In Q3/23, Fountain continued to look for ways to exit non-core portfolio investments and utilized the proceeds received to strengthen its position in industry sectors it believes will benefit the Company and contribute to achieving its growth-oriented goals. Although this



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quarter that resulted in the Company continuing to realize losses on the sale of some of its investments, we are optimistic about the new recent investments made by Fountain as the Company continues to build its portfolio.” said Andrew Parks, CEO of Fountain.

A full set of the Q3/23 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.

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 17, 2022 filed on SEDAR at www.sedarplus.ca. 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



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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.

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For further information: please contact Andrew Parks at (416) 456-7019 or visit Fountain Asset Corp.'s website at www.fountainassetcorp.com.