



Captor Capital Announces Third Quarter Financial Results

TORONTO, March 04, 2019 -- **Captor Capital Corp. (“Captor” or the “Company”)** (CSE: CPTR; FRANKFURT: NMV; STUTTGART: NMVA; USOTC: CPTRF), a cannabis-focused investment company, is pleased to announce the results comprised of its wholly owned subsidiary Captor Acquisition Corp (“CAC”), for the quarterly period ending December 31, 2018, which have been filed on SEDAR. The objective of the Company is to provide its shareholders with long-term capital growth by investing in a portfolio of cannabis focused companies. Captor’s investments are accounted for at fair value.

The nine months ended December 31, 2018 financial results include:

- Revenue generated by CAC’s subsidiaries of US\$16.1 million, excluding any revenues generated from the MedMen branded dispensaries that were owned by CAC from September to December of 2018.
- CAC’s subsidiaries had a positive Adjusted EBITDA (Non-IFRS) of US\$4.4 million, excluding any EBITDA generated from the MedMen branded dispensaries that were owned by Captor from September to December 2018.

The nine months ended December 2018 highlights include:

- Completion of the sale of its West Hollywood and Santa Ana MedMen branded retail cannabis dispensaries
- Completion of the Higher Level - Castroville Dispensary and rebranding to ‘Chai Castroville’
- Additions to the USA management team to support future growth

Expected calendar year 2019 operational highlights include:

- Launch of CAC’s new E-Commerce delivery business which starts in March 2019.
- Imminent launch of Mellow Extracts extraction and distribution facility in Costa Mesa.
- Establishment of the Chai retail brand across all retail stores and the delivery business.
- Opening of the Goleta, Santa Barbara retail dispensary, subject to regulatory confirmation.
- Opening of the Chai distribution business in Santa Cruz, subject to regulatory confirmation.
- CAC’s launch of its self-manufactured and branded cannabis product lines.
- Additional acquisitions in retail and manufacturing to supplement CAC’s existing operations both in California and potentially in other States which have legalised recreational cannabis.

CAC’s wholly owned subsidiaries through its investments in four currently operating retail outlets, is very pleased to disclose the performance of its dispensaries - gross revenue of US\$16,135,838 (excluding MedMen associated revenues for Sep-Dec 2018) and a positive adjusted EBITDA (Non-IFRS) of US\$4,438,454 (excluding associated MedMen EBITDA for Sep-Dec 2018) for the nine-month period ended December 31, 2018.

“The 2018 calendar year was a great success for Captor. During the year we successfully realigned our company to the cannabis industry, which is expected to be a major growth area for many years to come. Within six months we have established a solid retail and manufacturing base which we can build upon,” said Captor Capital CEO, John Zorbas.

“In the last quarter we successfully concluded the sale of the Medmen stores which enhanced our balance sheet and allows us to pursue new strategies. With our substantial cash resources, we expect to further expand the Chai retail brand and launch a new cannabis product brand via our Mellow Extracts manufacturing operation. By continuing to increase our retail holdings we ensure a commercial outlet for our manufacturing business. Our retail footprint will also provide a wide base for our delivery business which will launch in March 2019.

Financial Summary:

Captor Acquisition Corp Financial Summary

Revenue:	Notes	Apr-Jun	Jul-Sep	Oct-Dec	Total
MedMen SA	1,2	1,616,163	956,019	-	2,572,182
MedMen WeHo	1,2	5,558,667	2,763,782	-	8,322,449
Chai Santa Cruz		1,733,633	1,613,739	1,575,386	4,922,758
Chai Castroville	3	-	-	318,449	318,449
Mellow Extracts	4	-	-	-	-
Total		8,908,463	5,333,540	1,893,835	16,135,838

EBITDA Summary:

Net income/(loss)	1,2,3	(2,770,150)	(775,778)	629,440	(2,916,488)
Depreciation & Amortisation	1,2,3	161,743	52,656	-	214,399
Interest Expense	1,2,3	43,233	-	-	43,233
EBITDA		<u>(2,565,173)</u>	<u>(723,122)</u>	<u>629,440</u>	<u>(3,174,120)</u>
MedMen management fees	1,2,3	1,148,112	188,064	-	1,336,176
Central costs	1,2,3	769,586	570,161	-	1,339,748
Inventory write-off	1,2,3	242,357	-	-	242,357
Taxes and other	1,2,3	383,612	522,157	614,404	1,520,173
Adjusted EBITDA (non-IFRS)		<u>(21,506)</u>	<u>557,261</u>	<u>1,243,844</u>	<u>4,438,454</u>

Notes:

1- Due to contractual obligations the Jul-Sep 18 revenue results exclude the September 2018 Medmen information

2- Due to contractual obligations the Oct-Dec 18 revenue results exclude the Medmen information

3- Captor assumed operations of Chai Castroville (formerly Higher Level of Care) on 14 December 2018 therefore Captor is only presenting financial results of the operation subsequent to this date

4- Management have elected to delay the launch of Mellow Extracts operations to allow for the upgrade and installation of extraction equipment which will materially enhance production capabilities and revenue generation

About Captor Capital

Captor Capital Corp. is a Canadian firm focused on the cannabis sector listed on the Canadian Securities Exchange, the OTC, and the Frankfurt and Stuttgart stock exchanges. A vertically integrated cannabis company, Captor provides recreational and medical marijuana based products to consumers via its leading brands and dispensary locations. Listed on the Canadian Securities Exchange, the OTCUSA, the Stuttgart Stock Exchange and the Frankfurt Stock Exchange, Captor owns and operates advanced growing facilities which produce consistent high quality contaminant free marijuana for its customers, as well as other high demand cannabis based goods for consumption. The Company follows a strategy of acquiring cash flowing established companies and organizations with growth potential that require capital to scale. Captor currently has a number of revenue generating cannabis investments including the CHAI Cannabis Co. dispensaries in Santa Cruz and Monterey. The Company also owns Mellow Extracts, a highly regarded producer of cannabis extracts based in Costa Mesa, CA. Captor Capital is currently looking at additional revenue generating investments in the cannabis space and will be updating the market in due course.

Contact

Gavin Davidson, Communications Captor Capital Corp. 647.524.5479 gavin@captorcapital.com

Non-IFRS Financial and Performance Measures

Captor presents in the public announcement certain non-IFRS financial measures such as Adjusted EBITDA, being Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) less certain non-cash equity compensation expense, including one-time transaction fees and all other non-cash items. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers.

Forward-Looking Statements

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release contains or refers to forward-looking information and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to availability of investment opportunities, economic circumstances, market fluctuations and uncertainties, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, and the other risks involved in the investment industry and junior capital markets. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.