



Captor Capital Announces Filing of its Audited Annual Financial Statements for the Year Ended March 31, 2019 and its Unaudited Interim Financial Statements for the Three Months Ended June 30, 2019

- \$5.9 million in revenues for dispensaries in average 5-month operating period
- Gross revenue equates to \$0.15 per share
- Company completes transition to consolidated reporting company
- Company reports loss of approximately \$7 million, after the elimination of one-time charges
- As of March 31, 2019, the Company had a consolidated cash balance of \$32.7 million compared to \$21.3 million as of March 31, 2018.

TORONTO, Nov. 05, 2019 -- **Captor Capital Corp. (CSE: CPTR; FRANKFURT: NMV; STUTTGART: NMVA; USOTC: CPTRF), ("Captor" or the "Company")**, an integrated cannabis company, today released its consolidated audited annual financial statements and MD&A for the year ended March 31, 2019. The Company has also filed its interim financial statements and quarterly MD&A for the three months ended June 30, 2019. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

The Company was a cannabis focused investment and merchant banking company which accounted for its investments at fair value. As approved by shareholders at the annual general meeting held on August 3rd 2018 and consistent with the company's listing statement to the CSE. However, in late July of 2019, just days before the Company's audited financial statements were required to be filed the company was informed by its auditors that, for accounting purposes, the Company should be treated as an operating company instead of an investment company. Accordingly, commencing with the audited annual financial statements for the year ended March 31, 2019, Captor will account as an operating cannabis company.

The objective of the Company is to provide its shareholders with long-term capital growth by improving the operating efficiencies, profits and market share of its current operations through and the acquisition of additional revenue generating cannabis assets.

Financial Highlights For The Year Ended March 31, 2019

For the year ended March 31, 2019, the Company's net loss was \$46.7 million (\$1.24 per share), compared to net income of \$3.8 million (\$0.33 per share) for the year ended March 31, 2018. The loss was approximately \$7 million after the elimination of one-time charges. Included in the reasons for the net loss are the following:

- During the year ended March 31, 2019, the Company recorded a gross profit of \$1.6 million from the sale of cannabis at its retail dispensaries compared to \$nil in the 2018 comparative year when the company was an investment and merchant banking company.
- During the year ended March 31, 2019, the Company recorded a loss of \$26.2 million from the sale of a wholly-owned subsidiary, ICH California Holdings Ltd., which held two MedMen dispensaries in California
- Unrealized loss on investment at fair value increased to \$4.3 million for the year ended March 31, 2019 from a gain of \$2.6 million for the year ended March 31, 2018 due to changes in the fair value of the Company's investments;
- General and administrative expenses increased from \$1.4 million for the year ended March 31, 2018 to \$18.3 million for the year ended March 31, 2019. The primary reasons for the increase of \$16.9 million was the payment of business advisory fees of \$4.7 million for the closing of the acquisition of I-5 Holding (MedMen dispensaries), share based compensation of \$2.0 million from the grant of 1,825,000 stock options, and \$5.0 million for professional fees for services required to support execution of its one-time business strategy (capital markets and disinvestments of assets).

Retail and Manufacturing Highlights:

The Company is a cannabis operating company with licences for manufacturing, distribution and retail in the State of California, the largest cannabis consumer market in the USA. Currently, the Company has two cannabis dispensaries, which operate under the proprietary name Chai Cannabis ("Chai"), located in Santa Cruz and Castroville, California respectively. The Chai stores are known for having a diverse set of competitively priced high quality product brands and an excellent bud tender led customer service. Supplementing the bricks and mortar retail presence is the Company's direct to consumer delivery business, which also operates under the Chai branded name.

The Company also wholly owns Mellow Extracts, which is a manufacturing and distribution operation. The Mellow Extracts facility is currently in the final phase of construction and management expects this to be operational in the near term. The Mellow Extracts facility will produce vape pens and cannabis edibles upon commissioning of the facility.

Captor has been able to achieve a base position in the California cannabis industry as a direct result of having sourced prime retail locations for Chai Santa Cruz and Chai Castroville. These stores have at least a multi-year operating history and a stable and consistent customer base. A key driver of the Chai retail model customer loyalty has been consistent strong customer

service, which is led by its well-trained bud tender workforce. The bud tenders guide Captor's customer base through a variety of cannabis product options to help them find the products which best work for them. This customer interaction has helped Chai to maintain consistent market share even as the competition has grown in the respective markets in which the stores operate.

The next step in Captor's retail market strategy will be to expand the floor space available as well as upgrade the design and aesthetics of the Chai brand of dispensaries. The goal of this redesign is to create a standardized experience whilst maintaining a bespoke look tailored to the culture of the local market. Management believes that the upgrades, in particular the floor space expansion, will have a material effect on revenue growth and the profitability of the Chai stores.

The Company will also be providing additional resources and support to expanding and improving its current direct to consumer delivery service. The direct to consumer model allows the Company to leverage its bricks and mortar store to deliver products to a much larger customer base with minimal incremental costs. Having the current geographic cluster of stores allows management to achieve maximum impact under the current delivery manifest rule limitations.

Captor will also seek to develop its own proprietary cannabis products, which it will sell into the market. Certain products that the Company owns will only be sold in Captor owned dispensaries and delivery service. Management believes that having an exclusive set of high quality bespoke products in its retail stores will further protect its current market share and lead to material new customer acquisition.

With the submission of the financial statements Captor Capital will now submit its application to the Ontario Securities Commission for the Cease Trade Order to be lifted.

ADDITIONAL INFORMATION

Additional information relating to the Company's fiscal year 2019 results is available on SEDAR at www.sedar.com and in the Company's Annual Financial Statements and in the Management's Discussion and Analysis for the Year Ended March 31, 2019.

About Captor Capital Corp.

Captor Capital Corp. is a Canadian vertically integrated cannabis company listed on the Canadian Securities Exchange, the OTC, and the Frankfurt and Stuttgart stock exchanges. Captor provides recreational and medical marijuana-based products to consumers and also 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 assets including the CHAI Cannabis Co. dispensaries in Santa Cruz and Monterey, CA. The Company also owns Mellow Extracts, a highly regarded producer of cannabis extracts based in Costa Mesa, CA.

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Forward-Looking Statements

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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.