



Captor Capital Reports Revenues of \$12.5 Million and Gross Profit from Retail Operations of \$3.4 Million in Annual Audited Financial Statements for the Year Ended March 31, 2020

- 2020 annual revenue of \$12.5 million vs. 2019 annual revenue of \$5.9 million
- 2020 Annual gross profit of \$3.4 million vs. 2019 gross profit of \$1.6 million

TORONTO, Sept. 15, 2020 -- **Captor Capital Corp. (CSE: CPTR; FRANKFURT: NMV; STUTTGART: NMVA; USOTC: CPTRF), ("Captor" or the "Company")**, The Company is pleased to announce today the release of its Annual Audited Financial statements and MD&A for the Year Ended March 31, 2020. During the year, revenues at the Company's two Chai Cannabis Co. dispensaries were approximately \$12.5 million. Gross profit during the same period was approximately \$3.4 million.

Management Commentary

In the midst of an unprecedented and extremely challenging retail landscape, the Company has implemented processes to increase focus on profitability and disciplined growth. Over the course of the financial year, Captor made substantial progress in increasing revenues and foot traffic at its Chai Cannabis dispensaries.

Captor also enhanced its retail model to include an increased focus on delivery services and online orders through its updated e-commerce site. Captor attributes much of the year-over-year revenue growth to these improvements and enhancements, which has also allowed Captor to significantly reduce its general and administrative overhead

With a solid base established in California, a streamlined and efficient organizational structure, and increased expertise in the operation of legal recreational cannabis dispensaries, Captor continues to focus on expanding its retail footprint.

Operational Update

It was announced on August 10 that Captor entered into a joint venture (the "**Joint Venture**") with California based Three Habitat Consulting Holdco Inc. ("**Three Habitat**"), which owns and operates a retail chain of dispensaries in California under the brand One Plant®. Captor and Three Habitat have set up a joint venture company called Captor Retail Group Inc. ("CRG"), owned 51 per cent by Captor and 49 per cent by Three Habitat. Under the terms of a contribution agreement entered into between Captor and Three Habitat (the "**Contribution Agreement**"), Captor will contribute \$2mm in cash along with its two Chai branded dispensaries in Santa Cruz and Castroville. Three Habitat will contribute its seven One Plant dispensaries to CRG in exchange for its 49 per cent interest in CRG. Of the seven dispensaries being contributed to the Joint Venture by Three Habitat, the retail dispensaries in Salinas, Atwater, and El Sobrante are licenced and open for business. The locations in Antioch, Goleta, Lompoc, and Palm Springs are currently under construction

Captor and Three Habitat have commenced integration of procedural and operational works to ensure consistent operation among all nine dispensaries. CRG is currently managing all dispensaries. CRG will proceed with the construction process on the One Plant Antioch dispensary, which is scheduled to be the sixth CRG dispensary in operation, subject to regulatory approval, with an estimated construction completion date of October 2020.

Adam Wilks, COO of Three Habitat, has assumed the role of CEO of Captor Retail Group and will manage the day-to-day operations of all operational CRG dispensaries, as well as oversee the transfer of the dispensary licences to CRG and the construction and licencing of the four One Plant dispensaries that are currently under construction.

The Company has engaged California counsel to work on the regulatory, licencing, and transfer of ownership of the dispensary licenses. The transaction will ultimately make Captor Capital one of the largest cannabis retailers in Northern California, with wide access to the area's 15 million inhabitants and an integrated delivery and e-commerce network servicing all the area's CRG dispensaries.

In line with Captor's retail and operations strategy, the Company intends to move Mellow Extracts into a 10,000 sq. ft. location attached to the Antioch One Plant dispensary upon obtaining the required regulatory approval. Captor will retain 100 per cent ownership of Mellow and its ownership will not be transferred to CRG as part of the joint venture. Upon regulatory approval, and upon completing the move from southern California to Northern California, Mellow will be strategically located within a 90-minute drive to the majority of the current and future CRG dispensary locations.

Financial Highlights

- During the year ended March 31, 2020, the Company had sales of cannabis at its retail dispensaries of \$12,494,797 as compared to \$5,865,687 in 2019 – an increase of \$6,629,110.
- During the year ended March 31, 2020, the Company recorded a gross profit of \$3,397,966 from the sale of cannabis at its retail dispensaries as compared to \$1,619,356 in 2019 – an increase of \$1,778,610.

- As of March 31, 2020 cash and cash equivalents totaled approximately \$19.8 million
- During the year ended March 31, 2020, the Company's decreased its net loss by \$13,561, 613 (as compared to the previous financial year) to \$32,874,453.
- During the year ended March 31, 2020, the Company's decreased its general and administrative expenses by approximately \$7.4 million as compared to the 2019 comparative year.
- A decrease in share-based compensation of \$2,040,350 was a result of the Company not granting any stock options granted during 2020. During 2019, the Company granted 1,825,000 stock options to officers, directors, employees and consultants.

Retail Highlights

- Prime retail locations at Chai Santa Cruz and Chai Castroville with a year of operating history and a stable and consistent customer base.
- Subsequent to March 31, 2020, Captor continued to grow its retail presence to include the Bay Area, Santa Cruz, Monterey and Santa Barbara markets through the Captor Retail Group joint venture with Three Habitat.
- The combined retail footprint consists of five (5) operating dispensaries and an additional four (4) dispensaries licensed and in various stages of development and construction.
- The acquisition is in line with Captor's strategy of building a leading cannabis retail, e-commerce, and delivery hub in the lucrative, but less costly Northern California market.
- The Company has maximized opportunities to expand its e-commerce platform to capitalize on online ordering, delivery, and express pickup

Ancillary Revenue Streams Highlights

- The Company will be investing in additional resources and support to expand and improve its current direct to consumer delivery service, which has tremendous growth potential.
- 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 in its branded dispensaries and beyond although certain products that the Company owns will only be sold in Captor owned dispensaries and through Company 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 substantial new customer acquisition.

ADDITIONAL INFORMATION

Additional information relating to the Company's annual filing 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, 2020.

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 marijuana-based products to consumers, 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, with a launch date to be determined.

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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.