



Quinsam Announces Q2/2021 Results & Renews Issuer Bid

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Toronto, Ontario, August 26, 2021 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) wishes to announce its Q2/2021 results, with a net loss of \$0.8 million (\$0.01 per share basic, \$0.01 fully diluted) versus net income of \$2.4 million (\$0.02 per share basic, \$0.02 fully diluted) in Q1/2020. Investors can access the Company’s full financial statements on [sedar.com](https://www.sedar.com).

“At June 30, 2021, we had net assets of \$0.345 per share, an increase of approximately 10% from our December 31, 2020 level” said Roger Dent, CEO of Quinsam. “Our NAV was down marginally from Q1/2021, with the impact of our Q2/2021 loss being offset in large part by the favourable impact of our normal course issuer bid repurchases of shares at a discount to NAV.”

Q2/2021 Results

After a very strong performance in Q1/2021, the overall tone in the small cap market moderated in Q2/2021.

Quinsam had two issuers with material liquidity events early in Q3/2021: Agriforce Growing Systems and Hemsana. In both cases, we elected to not adjust our Q2/2021 carrying values in light of the liquidity events shortly subsequent to quarter end. We also decided to write off in full our investment in Hemp Hydrate. Because of the overall choppy market performance and our decision to write down Hemp Hydrate, we experienced a loss in the quarter.

“We had hoped for a better result in Q2/2021” said Roger Dent, CEO of Quinsam Capital. “While our NAV did not grow in Q2/2021, we have continued to move into newer investments where we see better appreciation potential.”

“We are looking forward to a listing around the end of Q3/2021 by PMML, which operates the Rivalry e-sports betting platform. This is poised to be one of Quinsam’s most successful investments. In 2016, we purchased \$50,000 of units at C\$0.05 (including a full warrant at C\$0.05) and PMML recently closed a large financing at US\$0.58 per share. Given recent activity in sports betting, including the announced takeover of Score Media, we are hopeful that this will have a strong post-listing performance.”

In Q3/2021, to date Quinsam has seen a continuation of choppy small cap markets. The Company is hopeful that conditions will improve when investors refocus on markets after Labour Day. Quinsam expects listings later this year by INX, Pluribus, PMML, Above Food, Xebra and other investee companies.

Issuer Bid

In Q2/2021, Quinsam acquired 1,500,000 shares pursuant to its issuer bid to acquire up to 5,446,952 shares that commenced on August 28, 2020 and was to terminate on August 27, 2021. As a result of the purchases in Q2/2021, Quinsam acquired 5,446,952 shares of the Company pursuant to this issuer bid. Quinsam has now repurchased and cancelled well over 15 million shares pursuant to its issuer bids, resulting in significant NAV accretion for remaining shareholders.

Quinsam wishes to announce a new issuer bid to purchase up to 5,174,605 of its common shares (the “Bid”). The Company is commencing the Bid because it believes that the current market price of its common shares may not fully reflect the underlying value of the Company’s business and future prospects. The Company believes that the repurchase of its common shares for cancellation is in the best interests of its shareholders because the Bid will increase the respective proportionate shareholdings and equity interests of all remaining shareholders. The Company will commence the Bid on August 31, 2021. The Bid will terminate on August 30, 2022, or on an earlier date in the event that the number of common shares sought in the Bid has been repurchased. The Company reserves the right to terminate the Bid earlier if it feels that it is appropriate to do so. All common shares will be purchased on the open market through the facilities of the Canadian Securities Exchange (“CSE”), and payment for the common shares will be made in accordance with CSE policies. The price paid for the common shares will be the prevailing market price at the time of purchase. Purchases may be suspended at any time, and no purchases will be made other than by means of open market transactions during the term of the Bid. The Company has engaged M Partners to act as the broker through which the Bid will be conducted.

About Quinsam Capital Corporation

Quinsam is a merchant bank with a focus on “small cap” investments which it believes are undervalued. We do not invest on behalf of third parties or offer investment advice.

Generally, Quinsam does not believe that individual investments are material events. Quinsam may choose to announce certain investments once the company has finished buying its position because we feel that this information helps investors understand our decision-making process. Generally, Quinsam does not announce sale of investments.

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This press release may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events, which are inherently uncertain. Forward-looking statements can often, but not always, be identified by forward-looking words such as “anticipate”, “believe”, “continue”, “expect”, “goal”, “plan”, “intend”, “estimate”, “may”, “project”, “predict”, “potential”, “target”, and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

By their nature, forward-looking statements require making assumptions which include, among other things, that (i) Quinsam will have sufficient capital to effect its business strategies, (ii) the business strategies will produce the results intended by Quinsam, and (iii) the markets will react and perform in a manner consistent with the business strategies.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated. Quinsam believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some risks and other factors that could cause actual results to differ materially from those expressed in forward-looking information in this press release include, but are not limited to: cannabis companies Quinsam has invested in obtaining and maintaining regulatory approvals including acquiring and renewing U.S. state, local or other licenses, and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization; market and general economic conditions of the cannabis sector or otherwise, interest rates, regulatory and statutory developments, the nature of the Company’s investments, the available opportunities and competition for investments, the concentration of our investments in certain industries and sectors, reliance on key personnel, risks affecting investments, management of the growth of the Company, and exchange rate fluctuations. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. Although Quinsam has attempted to identify factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be factors that cause events or results to differ from those intended, anticipated or estimated.

The forward-looking information contained herein is provided as at this date, based upon the opinions and estimates of management and information available to management as at this date. Quinsam does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable law. Readers are cautioned not to place undue reliance on forward-looking information contained herein.