



**FOR IMMEDIATE RELEASE**

July 29, 2021

**Captor Capital Reports 30 per cent Increase in Revenues and 56 per cent Increase in Gross Profits in Annual Audited Financial Statements for the Year Ended March 31, 2021**

- *Revenues of \$16,217,410 vs. \$12,494,797 for the previous financial year*
- *Gross Profit of \$5,296,974 vs. \$3,397,966 for the previous financial year*

**Toronto, ON, July 29, 2021 -- Captor Capital Corp. (CSE: CPTR; FRANKFURT: NMVA; STUTTGART: NMVA), ("Captor" or the "Company"),** is pleased to announce today the release of its Audited Annual Financial Statements and MD&A for the year ended March 31, 2021. For the twelve months from April 1, 2020 to March 31, 2021 revenues from the sale of cannabis at the Company's California dispensary network were \$16,217,410, with the Company recording a gross profit of \$5,296,974. Revenues from cannabis sales were up \$3,722,613 (30 per cent) from the previous fiscal year, while gross profit was up \$1,899,008 (56 per cent), in the face of an extremely challenging retail environment,

"We have maintained our focus on growth for the fiscal year even as the world adjusted in the wake of a global pandemic. I am proud of our leadership as we increased our store count in California and continued our path to realize our goal of becoming one of California's premier cannabis retail operators," said Captor Capital CEO John Zorbas. "Growth comes with normal challenges and expenses, but to be able to continue to accomplish this feat with evolving hurdles gives me great confidence that we will continue to grow. While we have achieved significant growth in both revenue and profits this past year, it is our belief that it will be in the first quarter of the 2022 fiscal year and the following quarters that this investment will truly begin to bear significant fruit as we begin to utilize 100 per cent of the resources and capabilities of each of our nine locations."

**Financial Statement Highlights**

- On a quarter-by-quarter basis, revenues continue to increase. During the three months ended March 31, 2021 the Company recorded revenues of \$4,337,656 from the sale of cannabis at its retail dispensaries compared to \$4,203,687 in the previous quarter and \$3,582,787 during the three months ended March 31, 2020. Note that this increase in revenues was achieved even though the Antioch and



Lompoc locations opened during the quarter and the Golatta and Palm Springs locations were not yet operational.

- As of March 31, 2021 the Company has assets of \$60,310,334, including \$17,363,137 in cash and cash equivalents, as compared to assets of \$45,165,429, including cash equivalents of \$19,766,334, on March 31, 2020.
- The Company's net loss decreased from (\$0.84) per share for the fiscal year ended March 31, 2020 to (\$0.18) per share for the fiscal year ended March 31, 2021.

### **Management Commentary**

Captor has committed to increasing profit and has done so successfully through growth and expansion at an extremely challenging time. The Company entered fiscal 2021 with two retail dispensaries and has since successfully added seven new retail locations in the most difficult retail environment in memory. Captor has gone from a staff of 20 to more than 115 full-time and part-time employees and the executive team has proven fit in developing operational talent as the Company focuses on top line revenues and sustainable profitability.

Increasing the retail footprint from two to nine locations and subsequently increasing retail revenue has not come without an investment from the Company. Aggressive expansion and a continued commitment to revenue growth have resulted in a variety of one-time charges for the Company that include, but are not limited to, the cost of acquiring leases, salaries of those involved in expansion, organizational costs of such M&A activity and overall G&A. In addition, the Company endured the ever-present federal regulatory challenges that accompany the cannabis sector. Successfully growing from two to nine retail dispensaries, while managing new store construction, systems integration, and the hiring processes that seemed exacerbated with Covid-19 guidelines, is a testament to the leadership and management team that Captor has developed.

Captor remains confident in the ability of its growth strategy to increase purchasing power, streamline supply chains, and centralize business activities in the long-term. The growth-related expenses will support the development of operational efficiencies and economies of scale.

### **Operational Highlights**



- In August 2020, Captor entered into a joint venture with Three Habitat Consulting Holdco Inc. (“Three Habitat”), which owned and operated a retail chain of dispensaries in California under the brand One Plant®. Captor and Three Habitat formed Captor Retail Group Inc. (CRG), owned 51 per cent by Captor and 49 per cent by Three Habitat.
- CRG subsequently took over operation of a combined five-location California dispensary network consisting of CHAI Cannabis locations in Santa Cruz and Castroville and One Plant locations in Salinas, Atwater, and Contra Costa.
- In January 2021, CRG announced that the 6500 sq. ft. One Plant retail location in Antioch, California had received all operating licenses and was open for business, becoming CRG’s sixth operational dispensary.
- In March 2021, CRG announced the One Plant retail location in Lompoc, California had received all operating licenses and was now open for business, becoming CRG’s seventh operational dispensary.
- In May 2021 CRG announced the One Plant retail location Goleta, California had received all operating licenses and was now open for business, becoming CRG’s eighth operational dispensary.
- Palm Springs is CRG’s ninth operational dispensary and gives the company a foothold in the lucrative Southern California market.

### **Investment Strategy Update**

Considering the changing retail landscape due to COVID-19, Captor maintains a cautionary approach to its growth strategy and a keen focus on maximizing revenues from its current investments. Captor’s retail footprint will support top line revenue expansion, while strict standard operating procedures, centralized business activities, and a comprehensive enterprise mentality will correlate to income statement improvements and stabilize the assets earlier in their life cycle.

Developing retail locations in mature, high-density markets, Captor will continue to benefit from brand awareness and social engagement. Economies of scale will drive down costs and create value as product purchasing power increases. Captor is well positioned for profitability and will continue to draw top talent from the cannabis sector, while engaging a growing client base because of its organized retail strategies that remain in line with the ethos of the California cannabis culture.



## **ADDITIONAL INFORMATION**

Additional information relating to the Company's annual filing is available on SEDAR at [www.sedar.com](http://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, 2021.

### ***About Captor Capital Corp.***

*Captor Capital Corp. is a Canadian vertically integrated cannabis company listed on the Canadian Securities Exchange, and the Frankfurt and Stuttgart stock exchanges. Captor provides recreational cannabis products to consumers, as well as other high demand cannabis-based goods. The Company follows a strategy of acquiring cash flowing established companies and organizations with growth potential that require capital to scale.*

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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



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