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**CAPTOR CAPITAL CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE AND SIX MONTHS ENDED  
SEPTEMBER 30, 2023**

**(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**CAPTOR CAPITAL CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	As at September 30, 2023	As at March 31, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 11,652,861	\$ 15,087,180
Amounts receivable, prepaid expenses and deposits (Note 4)	4,922,967	3,761,718
Inventory	1,482,019	1,440,471
Investments at fair value (Note 8)	4,187,764	3,474,539
	<b>22,245,611</b>	<b>23,763,908</b>
<b>Non-current</b>		
Amounts receivable and prepaid expenses (Note 4)	851,464	848,873
Right-of-use assets (Note 5)	4,362,368	6,138,586
Property and equipment (Note 6)	2,649,564	2,905,531
Goodwill (Note 7)	6,297,963	6,304,019
Intangibles (Note 7)	6,897,557	7,319,491
	<b>\$ 43,304,527</b>	<b>\$ 47,280,408</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 17)	\$ 8,368,114	\$ 9,918,789
Promissory note payable (Note 9(ii))	79,448	79,086
Loans and notes payable (Note 9(i))	70,366	154,954
Lease liabilities (Note 10)	886,988	1,195,247
Income tax payable	4,885,213	4,889,961
	<b>14,290,129</b>	<b>16,238,037</b>
<b>Non-current</b>		
Promissory note payable (Note 9(ii))	-	440
Lease liabilities (Note 10)	4,760,873	6,462,747
Deferred tax liability	1,380,464	1,381,792
Uncertain tax liability	2,201,496	2,201,496
	<b>22,632,962</b>	<b>26,284,512</b>
<b>Shareholders' Equity</b>		
Share capital (Note 11)	116,143,585	116,143,585
Contributed surplus	32,512,168	32,512,168
Accumulated other comprehensive loss	(1,484,496)	(1,477,638)
Deficit	(131,649,450)	(130,455,525)
	<b>15,521,807</b>	<b>16,722,590</b>
Non-controlling interest (Note 3)	5,149,758	4,273,306
	<b>20,671,565</b>	<b>20,995,896</b>
	<b>\$ 43,304,527</b>	<b>\$ 47,280,408</b>

**NATURE OF OPERATIONS** (Note 1)

The accompanying notes are an integral part of these consolidated financial statements.

**CAPTOR CAPITAL CORP.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue	\$ 8,949,309	\$ 10,724,041	\$ 18,193,511	\$ 21,796,850
Cost of sales	4,800,844	6,434,611	9,696,491	13,662,645
<b>Gross profit</b>	<b>4,148,465</b>	<b>4,289,430</b>	<b>8,497,020</b>	<b>8,134,205</b>
<b>Expenses</b>				
General and administrative expenses (Note 15)	3,797,698	4,779,255	7,932,461	9,579,391
Foreign exchange gain	42,174	(2,759,770)	(3,095)	(2,780,882)
Interest income	(45,147)	(33,599)	(90,434)	(49,127)
Amortization of intangible assets (Note 7)	207,956	200,546	416,160	400,316
Total expenses	(4,002,681)	(2,186,432)	(8,255,092)	(7,149,698)
<b>Net loss for the period before other items:</b>	<b>145,784</b>	<b>2,102,998</b>	<b>241,928</b>	<b>984,507</b>
Realized loss on investments at fair value (Note 8)	-	(410,848)	-	(410,848)
Unrealized gain on investments at fair value (Note 8)	(297,042)	529,209	(551,326)	411,466
Loss on abandoned projects	45,264	-	45,264	-
Loss on write-off of property and equipment	(53,339)	-	(53,339)	-
<b>Net income (loss) for the period</b>	<b>(159,333)</b>	<b>2,221,359</b>	<b>(317,473)</b>	<b>985,125</b>
<b>Other comprehensive (loss) income</b>				
<b>Items that may be reclassified subsequently:</b>				
Foreign currency translation adjustment	222,533	(1,197,564)	(6,858)	(604,870)
<b>Comprehensive income (loss) for the period</b>	<b>\$ 63,200</b>	<b>\$ 1,023,795</b>	<b>\$ (324,331)</b>	<b>\$ 380,255</b>
<b>Net loss attributable to:</b>				
Shareholders of the Company	\$ (730,697)	\$ 2,120,873	\$ (1,193,925)	\$ 998,368
Non-controlling interest	571,364	100,486	876,452	(13,243)
	<b>\$ (159,333)</b>	<b>\$ 2,221,359</b>	<b>\$ (317,473)</b>	<b>\$ 985,125</b>
Income (loss) per share - basic and diluted (Note 14)	\$ (0.01)	\$ 0.04	\$ (0.02)	\$ 0.02

The accompanying notes are an integral part of these consolidated financial statements.

# CAPTOR CAPITAL CORP.

## Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) Unaudited

	Six Months Ended September 30,	
	2023	2022
<b>Cash (used in) provided by:</b>		
<b>Operating Activities</b>		
Net income (loss) for the period	\$ (317,473)	\$ 985,125
Unrealized loss (gain) on investments at fair value	551,326	(411,466)
Realized loss on investments at fair value	-	410,848
Foreign exchange loss (gain)	5,075	(2,166,053)
Loss on write-off of property and equipment	53,339	-
Gain on lease modification	(292,437)	-
Depreciation and amortization	1,305,737	1,535,597
Accretion	446,907	585,088
<b>Changes in non-cash working capital items:</b>		
Amounts receivable, prepaid expenses and deposits	(1,163,840)	(5,626,173)
Income tax payable	(4,748)	341,596
Accounts payable and accrued liabilities	(1,550,675)	2,647,361
Inventory	(41,548)	33,685
	<b>(1,008,337)</b>	<b>(1,664,392)</b>
<b>Financing Activities</b>		
Lease payments	(1,053,076)	(1,109,501)
	<b>(1,053,076)</b>	<b>(1,109,501)</b>
<b>Investing Activities</b>		
Purchase of property and equipment	(4,027)	(62,673)
Repayments of loans and notes payable	(83,827)	(259,913)
Purchase of investments at fair value	(1,264,551)	-
Proceeds from sale of investments at fair value	-	6,599
	<b>(1,352,405)</b>	<b>(315,987)</b>
<b>Foreign exchange effect</b>	<b>(20,501)</b>	<b>409,121</b>
<b>Change in cash and cash equivalents</b>	<b>(3,413,818)</b>	<b>(3,089,880)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>15,087,180</b>	<b>20,318,036</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 11,652,861</b>	<b>\$ 17,637,277</b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest received	\$ 90,434	\$ 49,127

The accompanying notes are an integral part of these consolidated financial statements.

**CAPTOR CAPITAL CORP.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****Unaudited**

	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Deficit</b>	<b>Non-controlling Interest</b>	<b>Total</b>
<b>Balance, March 31, 2022</b>	<b>\$ 116,143,585</b>	<b>\$ 32,512,168</b>	<b>\$ (3,319,724)</b>	<b>\$ (117,471,915)</b>	<b>\$ 8,514,424</b>	<b>\$ 36,378,538</b>
Net comprehensive income for the period	-	-	(604,870)	998,368	(13,243)	380,255
<b>Balance, September 30, 2022</b>	<b>\$ 116,143,585</b>	<b>\$ 32,512,168</b>	<b>\$ (3,924,594)</b>	<b>\$ (116,473,547)</b>	<b>\$ 8,501,181</b>	<b>\$ 36,758,793</b>
<b>Balance, March 31, 2023</b>	<b>\$ 116,143,585</b>	<b>\$ 32,512,168</b>	<b>\$ (1,477,638)</b>	<b>\$ (130,455,525)</b>	<b>\$ 4,273,306</b>	<b>\$ 20,995,896</b>
Net comprehensive loss for the period	-	-	(6,858)	(1,193,925)	876,452	(324,331)
<b>Balance, September 30, 2023</b>	<b>\$ 116,143,585</b>	<b>\$ 32,512,168</b>	<b>\$ (1,484,496)</b>	<b>\$ (131,649,450)</b>	<b>\$ 5,149,758</b>	<b>\$ 20,671,565</b>

The accompanying notes are an integral part of these consolidated financial statements.

# **CAPTOR CAPITAL CORP.**

## **Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended September 30, 2023 (Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)**

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### **1. NATURE OF OPERATIONS**

Captor Capital Corp. (the "Company" or "Captor") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated September 26, 2003. On June 2, 2017, the Company changed its name from NWT Uranium Corp. to Captor Capital Corp. The Company also delisted its common shares from the TSX Venture Exchange (the "Exchange") on June 1, 2017. The delisting of the Company's shares from the Exchange was done pursuant to a resolution approved by shareholders that was passed on December 16, 2016. On October 30, 2017, the common shares of Captor commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "CPTR". Currently, trading of the common shares is halted due to the proposed transaction (Note ). The primary office is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6, Canada.

The Company's principal business activity is the retail sale of cannabis products.

The consolidated financial statements were approved by the Board of Directors on November 29, 2023.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 29, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements for the year ended March 31, 2023, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### **(a) Recent accounting pronouncements**

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning on or after January 1, 2023 or later periods.

##### *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place at the end of the reporting period;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment did not have any impact on the unaudited condensed interim consolidated financial statements.

## CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Six Months Ended September 30, 2023  
(Expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

### 3. NON- CONTROLLING INTEREST

The continuity of CRG's non-controlling interest at September 30, 2023 is as follows:

Company's ownership interest 51%

Balance, March 31, 2022	\$ 8,514,424
Share of loss for the year ended March 31, 2023	(4,241,118)
<b>Balance, March 31, 2023</b>	<b>4,273,306</b>
Share of income for the period ended September 30, 2023	876,452
<b>Balance, September 30, 2023</b>	<b>\$ 5,149,758</b>

### 4. AMOUNTS RECEIVABLE, PREPAID EXPENSES AND DEPOSITS

	As at September 30, 2023	As at March 31, 2023
Sales tax receivable - Canada	\$ 411,310	\$ 375,345
Amounts receivable	2,661,723	2,635,736
Other receivables / deposits <sup>(1)</sup>	1,862,119	874,449
Prepaid expenses and deposits	839,279	725,061
	<b>5,774,431</b>	4,610,591
Long-term other receivable	(851,464)	(848,873)
	<b>\$ 4,922,967</b>	<b>\$ 3,761,718</b>

(1) During the year ended March 31, 2023, the Company determined that \$6,055,341 of deposits were uncollectible and wrote down by that amount (Note 19).

### 5. RIGHT-OF-USE ASSETS

<b>Balance - March 31, 2022</b>	<b>\$ 7,178,662</b>
Amortization	(1,599,184)
Impact of foreign exchange	559,108
<b>Balance - March 31, 2023</b>	<b>6,138,586</b>
Amortization	(667,836)
Disposal	(1,089,653)
Impact of foreign exchange	(18,729)
<b>Balance - September 30, 2023</b>	<b>\$ 4,362,368</b>

# CAPTOR CAPITAL CORP.

## Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended September 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

### 6. PROPERTY AND EQUIPMENT

Cost	Computer	Cannabis equipment	Leasehold improvements	Vehicles	Total
<b>At March 31, 2022</b>	\$ 110,383	\$ 357,651	\$ 3,242,499	\$ 138,141	\$ 3,848,674
Additions during the period	7,753	1,806	67,783	-	77,342
Impairment	(9,000)	(37,200)	(34,200)	-	(80,400)
Impact of foreign exchange	9,338	29,721	260,481	11,464	311,004
<b>At March 31, 2023</b>	<b>118,474</b>	<b>351,978</b>	<b>3,536,563</b>	<b>149,605</b>	<b>4,156,620</b>
Additions during the period	-	-	4,027	-	4,027
Disposal	-	-	(59,105)	-	(59,105)
Impact of foreign exchange	987	(937)	1,449	(144)	1,355
<b>At September 30, 2023</b>	<b>\$ 119,461</b>	<b>\$ 351,041</b>	<b>\$ 3,482,934</b>	<b>\$ 149,461</b>	<b>\$ 4,102,897</b>
<b>Accumulated depreciation</b>					
<b>At March 31, 2022</b>	\$ 61,723	\$ 39,618	\$ 444,711	\$ 101,772	\$ 647,824
Depreciation expense	27,268	45,258	426,171	47,833	546,530
Impact of foreign exchange	5,747	4,324	46,664	-	56,735
<b>At March 31, 2023</b>	<b>94,738</b>	<b>89,200</b>	<b>917,546</b>	<b>149,605</b>	<b>1,251,089</b>
Depreciation expense	10,071	21,092	190,578	-	221,741
Disposal	-	-	(19,769)	-	(19,769)
Impact of foreign exchange	(18)	69	365	(144)	272
<b>At September 30, 2023</b>	<b>\$ 104,791</b>	<b>\$ 110,361</b>	<b>\$ 1,088,720</b>	<b>\$ 149,461</b>	<b>\$ 1,453,333</b>
<b>Carrying value</b>					
<b>At March 31, 2023</b>	\$ 23,736	\$ 262,778	\$ 2,619,017	\$ -	\$ 2,905,531
<b>At September 30, 2023</b>	\$ 14,670	\$ 240,680	\$ 2,394,214	\$ -	\$ 2,649,564



## CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended September 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

### 7. GOODWILL AND INTANGIBLES

Cost	Licenses	Customer relationship	Tradename	Total Intangibles	Goodwill
<b>At March 31, 2022</b>	<b>\$ 8,169,681</b>	<b>\$ 970,243</b>	<b>\$ 2,904,263</b>	<b>\$ 12,044,187</b>	<b>\$ 7,574,881</b>
Impairment	(2,341,100)	(54,000)	(84,500)	(2,479,600)	(1,959,937)
Impact of foreign exchange	677,974	80,517	241,015	999,506	689,075
<b>At March 31, 2023</b>	<b>6,506,555</b>	<b>996,760</b>	<b>3,060,778</b>	<b>10,564,093</b>	<b>6,304,019</b>
Impact of foreign exchange	11,832	(2,556)	(15,128)	(5,852)	(6,056)
<b>At September 30, 2023</b>	<b>\$ 6,518,387</b>	<b>\$ 994,204</b>	<b>\$ 3,045,650</b>	<b>\$ 10,558,241</b>	<b>\$ 6,297,963</b>
<b>Accumulated amortization</b>					
<b>At March 31, 2022</b>	<b>\$ -</b>	<b>\$ 690,684</b>	<b>\$ 1,530,395</b>	<b>\$ 2,221,079</b>	<b>\$ -</b>
Amortization	-	205,446	614,967	820,413	-
Impact of foreign exchange	-	62,023	141,087	203,110	-
<b>At March 31, 2023</b>	<b>-</b>	<b>958,153</b>	<b>2,286,449</b>	<b>3,244,602</b>	<b>-</b>
Amortization	-	104,214	311,946	416,160	-
Impact of foreign exchange	-	(160)	82	(78)	-
<b>At September 30, 2023</b>	<b>\$ -</b>	<b>\$ 1,062,207</b>	<b>\$ 2,598,477</b>	<b>\$ 3,660,684</b>	<b>\$ -</b>
<b>Carrying value</b>					
<b>At March 31, 2023</b>	<b>\$ 6,506,555</b>	<b>\$ 38,607</b>	<b>\$ 774,329</b>	<b>\$ 7,319,491</b>	<b>\$ 6,304,019</b>
<b>At September 30, 2023</b>	<b>\$ 6,518,387</b>	<b>\$ (68,003)</b>	<b>\$ 447,173</b>	<b>\$ 6,897,557</b>	<b>\$ 6,297,963</b>

## CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Six Months Ended September 30, 2023  
(Expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

### 8. INVESTMENTS AT FAIR VALUE

Other investments consist of shares held in publicly listed and private companies.

	Level 1	Level 1	Level 3	
	MedMen Enterprises (a)	Other investment (Public)	Other investment (Private)	Total
<b>At March 31, 2022</b>	\$ 133,241	\$ 222,185	\$ 1,844,150	\$ 2,199,576
Additions (disposal)	-	1,414,655	-	1,414,655
Revaluation to fair market value	(119,216)	(173,516)	153,040	(139,692)
<b>At March 31, 2023</b>	<b>14,025</b>	<b>1,463,324</b>	<b>1,997,190</b>	<b>3,474,539</b>
Additions (disposal)	-	1,264,551	-	1,264,551
Revaluation to fair market value	7,013	(556,420)	(1,919)	(551,326)
<b>At September 30, 2023</b>	<b>\$ 21,038</b>	<b>\$ 2,171,455</b>	<b>\$ 1,995,271</b>	<b>\$ 4,187,764</b>

Within Level 3, the Company includes non-public company investments. The key assumptions used in the valuation of these instruments include the value at which a recent financing was done by the investee and company-specific information.

### 9. LOANS AND NOTES PAYABLE

(i) The Company entered into certain auto loans for the purchase of vehicles. The table below is a summary of the continuity of the auto loans:

	Loan payable <sup>(1)</sup>
<b>Balance - March 31, 2022</b>	<b>\$ 299,169</b>
Repayments	(165,257)
Impact of foreign exchange	21,042
<b>Balance - March 31, 2023</b>	<b>154,954</b>
Repayments	(83,827)
Impact of foreign exchange	(761)
<b>Balance - September 30, 2023</b>	<b>\$ 70,366</b>
Current portion	\$ 70,366

(1) The terms of the loan payable are as follows: principal: US\$249,821, no interest shall accrue on the principal, maturity: February 15, 2024 and annual repayment: US\$10,409 in monthly installments.

## CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Six Months Ended September 30, 2023  
(Expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

### 9. LOANS AND NOTES PAYABLE (Continued)

(ii) During the year ended March 31, 2021, the Company issued a promissory note payable to 9311 VDV L.P. in the amount of US\$342,483. The table below is a summary of the continuity of the promissory notes payable:

	<b>9311 VDV L.P.</b>
<b>Balance - March 31, 2022</b>	<b>\$ 246,946</b>
Repayments	(183,706)
Impact of foreign exchange	16,286
<b>Balance - March 31, 2023</b>	<b>79,526</b>
Impact of foreign exchange	(78)
<b>Balance - September 30, 2023</b>	<b>\$ 79,448</b>
Current portion	\$ 79,448

The terms of the note payable to 9311 VDV L.P. are as follows: principal: US\$342,483, no interest shall accrue on the principal, maturity: December 31, 2023 and repayment of the principal as prescribed by the lender.

### 10. LEASE LIABILITIES

At the commencement date of the leases, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 16%, which is the Company's incremental borrowing rate.

The continuity of lease liabilities is presented in the table below:

<b>Balance - March 31, 2022</b>	<b>\$ 8,138,067</b>
Accretion expense	1,159,432
Lease payments	(2,288,986)
Impact of foreign exchange	649,481
<b>Balance - March 31, 2023</b>	<b>7,657,994</b>
Accretion expense	446,907
Lease payments	(1,053,076)
Disposal	(1,382,090)
Impact of foreign exchange	(21,874)
<b>Balance - September 30, 2023</b>	<b>\$ 5,647,861</b>
Current portion	\$ 886,988
Non-current portion	\$ 4,760,873

## CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Six Months Ended September 30, 2023  
(Expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

### 10. LEASE LIABILITIES (Continued)

#### Maturity analysis - contractual undiscounted cash flows

##### As at September 30, 2023

Due less than one year	\$	1,631,952
Due between one and two years		1,487,325
Due between two and three years		1,351,914
Due thereafter		3,757,537
Total undiscounted lease obligations	\$	8,228,728

During the six months ended September 30, 2023, the Company expensed \$30,000 (year ended March 31, 2023 - \$48,000) related to short-term leases.

### 11. SHARE CAPITAL

#### a) Authorized

Unlimited number of common shares with no par value.

#### b) Issued and outstanding

	Number of shares	Amount
Balance, March 31, 2022 and September 30, 2022	52,095,600	\$ 116,143,585
Balance, March 31, 2023 and September 30, 2023	52,095,600	\$ 116,143,585

### 12. WARRANTS

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2022 and September 30, 2022	6,400,431	\$ 1.20
Balance, March 31, 2023	6,400,431	\$ 1.20
Expired	(6,400,431)	1.20
Balance, September 30, 2023	-	\$ -

## CAPTOR CAPITAL CORP.

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### 13. STOCK OPTIONS

The Company has a stock option plan for the purchase of common shares for its directors, officers, employees and other service providers. The aggregate number of common shares reserved for issuance under the stock option plan is 10% of the issued and outstanding common shares of the Company. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The vesting term of the options is fixed by the Board of Directors of the Company at the time of grant and may vary from immediate vesting to up to 24 months.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price
<b>Balance, March 31, 2022</b>	<b>4,733,626</b>	<b>\$ 0.88</b>
Options expired	(75,000)	0.30
<b>Balance, September 30, 2022</b>	<b>4,658,626</b>	<b>\$ 0.89</b>
<b>Balance, March 31, 2023</b>	<b>4,658,626</b>	<b>\$ 0.89</b>
Options cancelled	(4,658,626)	0.89
<b>Balance, September 30, 2023</b>	<b>-</b>	<b>\$ -</b>

### 14. LOSS PER SHARE

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) for the period	\$ (730,697)	\$ 2,120,873	\$ (1,193,925)	\$ 998,368
Net loss per share - basic and diluted	\$ (0.01)	\$ 0.04	\$ (0.02)	\$ 0.02
Weighted average number of shares outstanding - basic and diluted	<b>52,095,600</b>	52,095,600	<b>52,095,600</b>	52,095,600

(i) Diluted loss per share does not include the effect of warrants and stock options as they are anti-dilutive.

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## 15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three Months Ended		Six Months Ended	
	September 30, 2023	2022	September 30, 2023	2022
Management and administrative services (Note 17)	\$ 125,000	\$ 145,000	\$ 240,000	\$ 301,024
Professional fees	375,706	545,966	783,509	997,332
Operational expenses	2,983,297	3,274,571	5,833,377	6,527,120
Travel expenses	4,951	2,623	10,509	7,393
Regulatory fees	13,989	18,772	19,814	24,537
Interest and penalty	602	591	1,205	1,616
Depreciation	109,808	139,197	221,741	286,380
Accretion - lease liability	179,113	291,213	446,907	585,088
Amortization - right-of-use assets	297,669	361,322	667,836	848,901
Gain on lease modification	(292,437)	-	(292,437)	-
	<b>\$ 3,797,698</b>	<b>\$ 4,779,255</b>	<b>\$ 7,932,461</b>	<b>\$ 9,579,391</b>

## 16. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

### Operating segments

As at September 30, 2023	Corporate	Cannabis Operations	Total
Current assets	\$ 16,665,370	\$ 5,580,241	\$ 22,245,611
Property and equipment	-	2,649,564	2,649,564
Other assets	-	18,409,352	18,409,352
<b>Total assets</b>	<b>\$ 16,665,370</b>	<b>\$ 26,639,157</b>	<b>\$ 43,304,527</b>

As at March 31, 2023	Corporate	Cannabis Operations	Total
Current assets	\$ 15,391,587	\$ 8,372,321	\$ 23,763,908
Property and equipment	-	2,905,531	2,905,531
Other assets	-	20,610,969	20,610,969
<b>Total assets</b>	<b>\$ 15,391,587</b>	<b>\$ 31,888,821</b>	<b>\$ 47,280,408</b>

Three Months Ended September 30, 2023	Corporate	Cannabis Operations	Total
Sales, net of excise tax	\$ -	\$ 8,949,309	\$ 8,949,309
Gross profit	-	4,148,465	4,148,465
Net income (loss)	(446,876)	287,543	(159,333)

# CAPTOR CAPITAL CORP.

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## 16. SEGMENTED INFORMATION (Continued)

Three Months Ended September 30, 2022	Corporate	Cannabis Operations	Total
Sales, net of excise tax	\$ -	\$ 10,724,041	\$ 10,724,041
Gross profit	-	4,289,430	4,289,430
Net income (loss)	2,520,176	(298,817)	2,221,359

Six Months Ended September 30, 2023	Corporate	Cannabis Operations	Total
Revenue	\$ -	\$ 18,193,511	\$ 18,193,511
Gross profit	-	8,497,020	8,497,020
Net income (loss)	(752,715)	435,242	(317,473)

Six Months Ended September 30, 2022	Corporate	Cannabis Operations	Total
Revenue	\$ -	\$ 21,796,850	\$ 21,796,850
Gross profit	-	8,134,205	8,134,205
Net income (loss)	2,254,101	(1,268,976)	985,125

### Geographical segments

As at September 30, 2023	Canada	United States	Other	Total
Current assets	\$ 16,214,893	\$ 5,580,242	\$ 450,476	\$ 22,245,611
Property and equipment	-	2,649,564	-	2,649,564
Other assets	-	18,409,352	-	18,409,352
<b>Total assets</b>	<b>\$ 16,214,893</b>	<b>\$ 26,639,158</b>	<b>\$ 450,476</b>	<b>\$ 43,304,527</b>

As at March 31, 2023	Canada	United States	Other	Total
Current assets	\$ 14,941,110	\$ 8,372,320	\$ 450,478	\$ 23,763,908
Property and equipment	-	2,905,531	-	2,905,531
Other assets	-	20,610,969	-	20,610,969
<b>Total assets</b>	<b>\$ 14,941,110</b>	<b>\$ 31,888,820</b>	<b>\$ 450,478</b>	<b>\$ 47,280,408</b>

Three Months Ended September 30, 2023	Canada	United States	Other	Total
Sales, net of excise tax	\$ -	\$ 8,949,309	\$ -	\$ 8,949,309
Gross profit	-	4,148,465	-	4,148,465
Net income (loss)	(1,137,957)	978,624	-	(159,333)

Three Months Ended September 30, 2022	Canada	United States	Other	Total
Sales, net of excise tax	\$ -	\$ 10,724,041	\$ -	\$ 10,724,041
Gross profit	-	4,289,430	-	4,289,430
Net income	-	2,221,359	-	2,221,359

# CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements  
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## 16. SEGMENTED INFORMATION (Continued)

Six Months Ended September 30, 2023	Canada	United States	Other	Total
Revenue	\$ -	\$ 18,193,511	\$ -	\$ 18,193,511
Gross profit	-	8,497,020	-	8,497,020
Net income (loss)	(1,137,957)	820,484	-	(317,473)

  

Six Months Ended September 30, 2022	Canada	United States	Other	Total
Revenue	\$ -	\$ 21,796,850	\$ -	\$ 21,796,850
Gross profit	-	8,134,205	-	8,134,205
Net income (loss)	(326,669)	1,311,794	-	985,125

## 17. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management of the Company was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Directors fees and bonus	\$ 70,000	\$ 90,000	\$ 130,000	\$ 191,024
Alegana Enterprises Ltd. ("Alegana") (i)	55,000	55,000	110,000	110,000
Marrelli Support Services Inc. ("MSSI") (ii)	25,075	58,051	37,741	70,423
	\$ 150,075	\$ 203,051	\$ 277,741	\$ 371,447

(i) Alegana is a company controlled by Mr. John Zorbas, the President and Chief Executive Officer ("CEO") of the Company. The consulting fees paid to Alegana are for the function of the President which include, but are not limited to, managing the capital structure and current investment portfolio of the Company. Included in accounts payable and accrued liabilities at September 30, 2023 is \$12,219 (March 31, 2023 - \$12,219) owing to Alegana.

(ii) Mr. Jing Peng, the Chief Financial Officer ("CFO"), is a senior employee of MSSI. The management fees paid to MSSI relate to CFO function performed by Mr. Peng which includes the reporting of financial information and the safeguard of the Company's assets. Included in accounts payable and accrued liabilities at September 30, 2023 is \$17,325 (March 31, 2023 - \$41,445) owing to MSSI.



# CAPTOR CAPITAL CORP.

Notes to Condensed Interim Consolidated Financial Statements  
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## 18. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measured at fair value on a recurring basis:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate fair value
<b>As at September 30, 2023</b>				
Investments at fair value	\$ 2,192,493	\$ -	\$ 1,995,271	\$ 4,187,764
<b>As at March 31, 2023</b>				
Investments at fair value	\$ 1,477,349	\$ -	\$ 1,997,190	\$ 3,474,539

(b) Fair values of financial assets and liabilities:

	September 30, 2023		March 31, 2023	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
<b>Amortized cost</b>				
Amounts receivable (i)	\$ 4,523,842	\$ 4,523,842	\$ 3,510,185	\$ 3,510,185
<b>FVTPL</b>				
Cash and cash equivalents	\$ 11,652,861	\$ 11,652,861	\$ 15,087,180	\$ 15,087,180
Investments at fair value	4,187,764	4,187,764	3,474,539	3,474,539
	\$ 15,840,625	\$ 15,840,625	\$ 18,561,719	\$ 18,561,719

	September 30, 2023		March 31, 2023	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
<b>Other financial liabilities</b>				
Accounts payable and accrued liabilities (i)	\$ 8,368,114	\$ 8,368,114	\$ 9,918,789	\$ 9,918,789
Promissory note payable (i)	79,448	79,448	79,526	79,526
Loans and notes payable (i)	70,366	70,366	154,954	154,954
	\$ 8,517,928	\$ 8,517,928	\$ 10,153,269	\$ 10,153,269

(i) The carrying amounts of amounts receivable, accounts payable and accrued liabilities, promissory notes and loans and notes payable are reasonable approximation of their fair values due to their short-term nature.

## **CAPTOR CAPITAL CORP.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three and Six Months Ended September 30, 2023**

**(Expressed in Canadian Dollars, unless otherwise indicated)**

**(Unaudited)**

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#### **19. OTHER EVENT**

On July 26, 2023, the Company announced that it is no longer pursuing a business combination with Rimstock Holdings Limited (“Rimstock”) in which the Company would have acquired a majority position of Rimstock in exchange for shares and cash consideration and would have resulted in the reverse takeover of the Company by Rimstock shareholders (the “Rimstock RTO”). Despite the best efforts of the parties, Rimstock and Captor were unable to reach agreement with Rimstock’s secured creditors for the Rimstock RTO to proceed.

Prior to the termination of the Rimstock RTO, the Company advanced an aggregate of \$6,055,341 (US\$4,469,076) in bridge financing to Rimstock pursuant to the terms and subject to the conditions of a senior unsecured convertible debenture in the principal amount of US\$9,500,000 dated July 1, 2023 (the “Debenture”). The aggregate amount advanced to Rimstock under the Debenture is inclusive of the US\$2,500,000 non-refundable deposit the Company advanced to Rimstock on signing the letter of intent in respect of the Rimstock RTO. The financing represented Captor’s sole investment in Rimstock and no further amounts will be advanced to Rimstock under the Debenture. Interest accrues under the Debenture at a rate of 1% above the base rate of Barclays Bank plc, and has a two year maturity period, subject to accelerated maturity in certain circumstances. Subject to the receipt of relevant regulatory approvals, the outstanding principal amount is convertible into ordinary shares in the capital of Rimstock. The proceeds from the Debenture were used by Rimstock for working capital and general operating purposes.

As the Rimstock RTO will not proceed, Rimstock is in discussions with its lenders regarding the restructuring of Rimstock and its liabilities. This has resulted in certain Rimstock group companies being placed into administration pursuant to UK insolvency laws and a write-down of the advances to Rimstock by the Company.