



Quinsam Reports Q2/2023 Results

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Toronto, Ontario, August 24, 2023 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) is announcing its Q2/2023 results, with a net loss of \$0.9 million (\$0.01 per share basic, \$0.01 fully diluted) versus a loss of \$4.6 million (\$0.05 per share basic, \$0.05 fully diluted) in Q2/2022. Investors can access the Company’s full financial statements on [sedarplus.ca](https://www.sedarplus.ca).

“At June 30, 2023, we had net assets of approximately \$0.14 per share outstanding,” said Roger Dent, CEO. “Our shares continue to trade at a very steep discount from NAV.”

After a very difficult year in 2022, 2023 appears to be showing the beginning of a stabilization in small cap markets. While enthusiasm remains muted, the environment appears more constructive than it was in 2022.

Value Creation Strategy

Quinsam shares have traded at a discount to NAV in recent years. In an effort to secure a valuation for our shares that is at NAV or perhaps at a premium to NAV, Quinsam has previously announced that it is pursuing a strategy to attempt to realize our underlying economic value.

In current capital markets, capital is very scarce for small cap companies. If Quinsam is able to convert its portfolio to liquid assets, Quinsam believes that it may be able to secure a valuation in excess of NAV as part of a merger or reverse takeover with a private company.

Accordingly, Quinsam continues efforts to exit its illiquid investments and look for transactions that have the potential to create significant shareholder value. Quinsam believes that it is prudent to exit its illiquid investments in a patient and careful way. Accordingly, this process will likely take in excess of one year. It is a goal to continue to try to grow NAV while this process is underway through investment in liquid vehicles.

In Q2/2023, Quinsam disposed of approximately \$500,000 in legacy investments and increased its cash balance. Efforts to dispose of investments continue in Q3/2023.

Quinsam is also pleased to announce that it has received tax refunds totalling approximately \$758,000 in Q3/2023. This has increased our cash balance but is not expected to impact Q3/2023 NAV.

The search for a value creating transaction has begun. We anticipate that it may take some time to find a suitable, value creating transaction. Further announcements will be made on the status of such steps which are subject to all applicable shareholder and regulatory approvals.

Issuer Bid

In Q2/2023, Quinsam acquired 872,000 shares pursuant to its issuer bid to acquire up to 4,916,605 shares that commenced on September 6, 2022 and will terminate on September 5, 2023. To date, the Company has acquired 1,388,000 shares pursuant to this issuer bid.

Quinsam has repurchased and cancelled over 20 million shares since 2018 pursuant to its issuer bids, resulting in significant NAV per share accretion for remaining shareholders.

Quinsam wishes to announce a new issuer bid to purchase up to 4,800,000 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 September 6, 2023. The Bid will terminate on September 5, 2024, 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 Research Capital to act as the broker through which the Bid will be conducted.

Investor Call

An investor call will be held at 9:00 a.m. Eastern time on Friday, August 24, 2023 by Zoom:

<https://us02web.zoom.us/j/84888011604?pwd=empQY1dBeUY3dHN1NnV2SVgxUHB3UT09>

Meeting ID: 848 8801 1604

Passcode: 086941

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 the 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 and, in the case of the valuation creation strategies, the ability to complete divestitures of illiquid assets on terms which are economic or at all, to identify beneficial business opportunities, to secure or act on the identified business opportunities on terms which are economic or at all, and obtain all necessary shareholder and regulatory approvals. 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.