



Audacious Acquires LOOS, a California Shot Beverage and Edibles Company

Back-End Loaded Transaction Expands Audacious Product Portfolio into THC and CBD Infused Beverage Category

Loos Management Team Has Highly Successful Track Record in California Edibles Market

Rapid Onset Shots Product Line with Rapidly Growing Pre-Sales in California Market

LAS VEGAS, July 14, 2021 /CNW/ - Australis Capital Inc., operating as Audacious (CSE: AUSA) (OTC: AUSAF) ("AUSA", "Audacious", or the "Company"), today announced the Company has entered into a binding terms sheet to acquire all of the issued and outstanding shares of Gary Maverick Inc., operating under the brand name LOOS, a cannabinoid infused shot beverage company, based in Santa Cruz, California.

With LOOS, Audacious is adding an exciting new brand and product line to its portfolio aimed at a generally cannabis savvy and influential target market, which cuts across numerous demographics and reaches both the cannacurious and more experienced consumers.



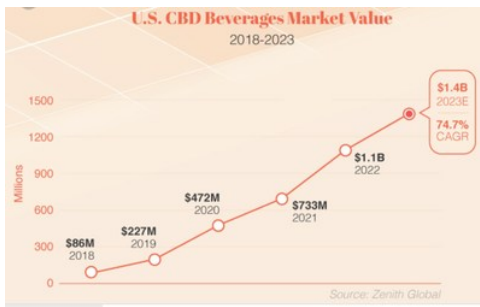
Audacious Acquires LOOS, a California Shot Beverage and Edibles Company (CNW Group/Australis Capital Inc.)

Loos' management team brings over a decade of collective experience in cannabis with brands such as Plus Products, 710 Labs, Loudpack, and Flow Kana. Their first product, a 2oz drink (shot) infused with 100mg of THC, is available in three flavors: Orange Crush Sativa, Green Dream Hybrid, and Lavender Indica. Each flavor features a unique terpene profile and is infused with added nutraceuticals for increased functionality.

The products are based on a unique nano-emulsion technology platform for rapid onset, are all natural, vegan, gluten free and low sugar and low calorie. After entering the market in the 2oz drink category, Loos plans to release a number of other products across several key categories, including CBD infused shots.

Strategic rationale:

- The Global CBD infused drinks market is anticipated to show significant growth in the coming years. Zenith Global estimates that the U.S. CBD-infused drinks market will reach \$1.4 billion by 2023, making it one of the fastest-growing segments in the overall cannabis industry. Market research firm Facts & Factors estimates that the global CBD infused beverages market will reach \$14.6 billion by 2026 (Facts & Factors - CBD-Infused Beverages Market by Product Type, 2021-2026) Large beverage and snack brands such as Coca Cola and Mondelez have done significant research with respect to CBD beverages and edibles.
- Accelerates Audacious's time to market in rapidly growing and new product categories
- The LOOS shot product line has favourable logistics and shelf space footprint compared to general cannabis infused beverages
- Expands the Company's brand portfolio into new target demographics
- LOOS will form the brand foundation for further expansion of AUSA's product lines into ingestibles and edibles in California and other jurisdictions the Company operates in, such as Nevada, Massachusetts, Missouri, Oklahoma, Washington, Australia, Canada and other markets the Company intends entering into
- LOOS' first product line has a compelling margin structure
- Strengthens Audacious through the addition of a commercially savvy team of expert cannabis marketers with a long track record of success in California. LOOS' management team brings to bear decades of collective experience in cannabis with brands such as PLUS Products, 710 Labs, Flow Kana, and Loudpack.
- LOOS team brings proven commission-based sales force to help accelerate revenue growth.
- Existing sales pipeline with California dispensaries
- Back-end loaded earn-out structure ensuring alignment between Audacious shareholders and LOOS at a compelling valuation.
- Technology platform enables the launch of a broad range of CBD infused drinks.



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LOOS Team

Following completion of the transaction, the LOOS founders will join the Audacious Sales team reporting to Dr. Duke Fu, Chief Operation Officer and the Business Development team, reporting to Chief Business Development Officer ("CBDO") Leah S. Bailey.

Anthony Bendana, who has been appointed VP West Coast Sales for Audacious, hails from the legacy days as a cultivator and bulk flower provider. At the start of legalization in 2016, he got his foot in the door with Flow Kana and helped them become one of the first major CPG flower brands in the space. Anthony then went on to build out the sales channel for Plus Products in Northern California as well as Nevada where Plus was the #1 selling product in 2018 & 2019. Prior to getting his start at Flow Kana, Anthony began his professional career as an NFLPA Contract Advisor. He looks forward to seeing the evolution of cannabis as a beneficial health product in the sports industry.

Ben Koppel began his cannabis career with 710 Labs in 2016. He went on to work at Plus Products across sales and marketing, where he successfully expanded the NorCal-based brand into the Southern California market, opening dozens of marquee accounts, and helped lead the brand to become the number one selling edible in California in 2018 and 2019. Prior to his career in cannabis, Ben spent nearly a decade as a screenwriter in the entertainment industry, where he sold and developed numerous projects across film and television and wrote on shows for ABC and TNT.

Origins - Santa Cruz – A Natural Complement to the Audacious Portfolio

LOOS was founded in Santa Cruz. As a center of progressive activism, Santa Cruz became one of the first cities to overwhelmingly approve marijuana for medicinal uses in 1992. Santa Cruz was home to the second above-ground medical marijuana club in the world when the Santa Cruz Cannabis Buyers Club opened its doors in April 1995.

Santa Cruz is not only a destination or place to live but also a lifestyle, an approach to a more natural and healthier way of life – hence the cultural heritage of cannabis stewardship amongst other counter cultural traditions.

Santa Cruz's history of progressive values and open culture nurtured the seed of Cannabis Culture to take root and thrive. Many locals were drafted and served in Vietnam, and upon returning to the U.S. many vets would look to cannabis, among others for medical purposes.

LOOS reflects this culture and is part of the culture, with an irreverent, but holistic approach to bringing new products to market. This approach is also based on a deep understanding of the products, their effects and their consumers. LOOS matches the Audacious brand philosophy and is a natural add on to the Company's brand and product portfolio. Let's get LOOS!

Management commentary

Leah S. Bailey, Audacious CBDO, stated, "With LOOS we are adding a fresh and exciting brand and consumer segment with compelling products that offer a unique user experience. Furthermore, with Ben and Anthony, we are adding two aggressive, highly successful and commercially savvy people to our team, which will help us to build new distribution networks for all Audacious brands and product lines. The deal is structured to ensure full alignment with AUSA shareholder interests, and we anticipate the LOOS transaction to become accretive rapidly."

Terry Booth, CEO, added, "Launching a logistics-light SKU into the beverage market, I have always believed, will make all the difference in accelerating sales in this category. Furthermore, this transaction also signals our intended entry into the CBD infused drinks market, which industry insiders anticipate may become one of the most important product categories in our industry. Acquiring LOOS and the team behind the brand gives us a head start and adds another product and revenue generating line to our portfolio. as well as sees Audacious increasing our presence in California."

He continued, "We at Audacious are excited about other California transactions that are progressing. Navigating the path to profitability in California will be of paramount importance, and other transactions that are in the late negotiation stage will further this objective, as well as position us to generate further shareholder value and confidence. Audacious knows what we are doing. Our Australis reset is complete, and I am super excited about what we have done and what we have on the table. Our goal is to Ignite, Excite and Delight AUSA shareholders. Audacious is primed to deliver on this promise."

LOOS Founders Anthony Bendana and Ben Koppel stated jointly, "As two people who worked their way up from the bottom in this industry, we saw an opportunity to create a brand with quality, effective, and affordable products that specifically caters to the cannabis community we love. The CPG space is filled with brands focusing on new consumers and the canna-curious and we're excited to join them on the shelves and counters to help the entire cannabis community get Loos. We believe this industry should aspire

to the highest ideals of the cannabis pioneers that powered it into existence and want Loos to be an ambassador for the type of radical empathy, compassion, and community we could all use to help us stay loose. We are excited to join forces with Audacious whose philosophy and values closely match ours and whose rapidly expanding footprint will enable us to accelerate our growth into new territories on a global basis."

About AUSA

Audacious is at its roots a community and culture-based cannabis company, originally founded by Steve Dobler and Terry Booth, the founders of Aurora Cannabis Inc. After the completion of a dissident shareholder battle that ended with convincing shareholder approval, Terry Booth, former Aurora CEO, who had to step away from AUSA upon spin off, re-joined AUSA as CEO on March 9, 2021. Since then, the company has reset the direction of AUSA and in just 3 months closed multiple accretive transactions, improved legacy contracts, established a world class Executive Team, and resolved previous executive and board exits.

Also, in the same 3-month time frame, AUSA with its acquisition of ALPS has entered the global Sustainable Controlled Environment Agriculture Industry, a rapidly growing segment of the global horticulture market. ALPS provides customized designs along with multiple services that allow operators to maximize yield and quality while minimizing inputs and resources, including labor. ALPS at present is active in cannabis and traditional horticulture projects across the globe, including the U.S., Canada, Denmark, Finland, Iceland, Germany, Netherlands, Bahrain, United Arab Emirates, Southeast Asia, Australia, as well as other jurisdictions.

Total Capex committed by ALPS' clients since Aurora divested its interest just 12 short months ago during the Covid crisis, stands at approximately \$1 billion, with a rapidly growing business development pipeline approaching \$4 billion in total Capex to be spent by potential clients over the next 24 months.

AUSA's business assets include: a 51% ownership interest in ALPS, a milestone weighted deal with an option to acquire the remaining 49% of ALPS — AUSA and Green Therapeutics, an award-winning MSO, have finalized and agreed to all terms with respect to AUSA's 100% acquisition (subject to regulatory state licensing approvals). AUSA also owns land assets in Bellingham, Washington - as well as the iconic West Coast brand Mr. Natural and the ingestibles brand LOOS with a footprint in the California market.

AUSA also has a supply partnership with Belle Fleur, founded by the team behind Rapper Weed and the discoverer of Machine Gun Kelly, who stated: "I just bought \$1,000 worth of Rapper Weed at Cookies in Maywood. These guys have the best flower in the game." AUSA and Belle Fleur are working towards a broader arrangement to include brand partnerships in Massachusetts and other jurisdictions the companies intend entering into.

AUSA furthermore has investments in Body and Mind Inc., a U.S. MSO, Quality Green, a Canadian licensed producer and Cocoon, a company changing the dispensary customer user experience through self-service kiosks. The Company also has executed a term sheet for a JV partnership with U.S. and Canada based 3 Rivers Biotech for plant tissue culture, genetics clean-up and micro propagation.

AUSA cannabis assets and ALPS projects are presently located in Massachusetts, Arizona, Nevada, Washington, Michigan, Missouri, Oklahoma, and California with many other deals in other states presently being evaluated and negotiated.

The Company's common shares trade on the CSE under the symbol "AUSA" and on the OTCQB under the symbol "AUSAF".

"Terry Booth"

Terry Booth
Chief Executive Officer

Forward-Looking Statement

This press release contains "forward-looking information" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein is forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to: the ability of ALPS to convert its pipeline into contracts; the impact of the changes to U.S. federal and state statutory developments with respect to the cannabis industry and the opportunities this may present for the Company; and the Company's current liquidity. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include but are not limited to the ability of the Company to successfully satisfy the conditions to closing the proposed transaction; the ability of the Company to successfully execute on its plans for the Company and GT; legal changes relating to the cannabis industry proceeding as anticipated.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals.

A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information,

there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accept responsibility for the adequacy or accuracy of this release.



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