



Audacious Reports Fiscal Q2 2022 Financial Results

**Q2 Revenue Increased 2,068% Year-over-Year to \$2.3 Million
Pro Forma 2,702% YoY Growth (vs Reported)**

**Solidifies Entry into New Markets, including California and Massachusetts
Working towards Operationalizing Missouri Asset**

Expands Brand Portfolio – Continued Growth Initiatives in Nevada

**ALPS Continues to Expand with Cannabis and Non-Cannabis Contracts Strengthens Leadership in
Environment, Sustainability and Governance Driven Horticulture Projects**

Earnings Conference Call Tuesday 23 November 2021 at 11am EST

LAS VEGAS, Nov. 22, 2021 /CNW/ - Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) ("AUSA", "AUDACIOUS", or the "Company"), today announced that the Company has filed its financials and management discussion and analysis for its fiscal second quarter of fiscal 2022 (the year ending March 31, 2022), the period ending September 30, 2021. The Company's results are filled on www.sedar.com.

Terry Booth, CEO of Australis, commented, "In the second quarter of fiscal 2022, the AUDACIOUS team continued to execute. On a pro forma basis, we continue to record stellar growth with revenues increasing 2,700% year-over-year, and further strengthened our gross margins through the successful integration of our ALPS subsidiary. Our financial results are a direct result of the strength of our unique and differentiated business model, which centers on partnering with leading cannabis brands and building our portfolio of integrated cannabis operations to strategically expand our US and global footprint. Our ability to form synergies across cannabis operations under the leadership of an experience C-suite, supported by a team of seasoned cannabis and CPG executives, crop consultants, engineers and genetics experts, continues to drive our success and we are well positioned to explore opportunities that will further our position as a leading multi-state operator. We remain focused on our capital-light business model and following a proven path to success by scaling our operations and streamlining costs while entering new high-growth cannabis markets."

Income Statement	3 months ended 30-Sep-21	3 months ended 30-Jun-21	Change (sequential)	3 months ended 30-Sep-20
	\$	\$	%	\$
Revenue	2,271,830	1,728,363	31.4%	104,800
Gross profit (loss)	1,233,766	1,064,539	15.9%	-116,120
Operating expenses	5,637,907	4,479,937	25.8%	2,645,516
Loss from operations	-4,404,141	-3,415,398	28.9%	-2,761,636

Financial Highlights Q2 Fiscal 2022

Outlook

Going forward, the Company anticipates continued strong growth with anticipated Q3 revenues north of \$3 million. In the months ahead, AUDACIOUS will continue to execute on its strategy with further growth in its current markets and anticipates entering into new jurisdictions, including New York state, New Jersey and others, as well as further expansion of its product line portfolio. Additionally, the Company will be pursuing multiple initiatives to increase production volume, further driving growth.

2Q 2022 Financial Highlights

- Total revenues of \$2.3 million, an increase of 2,068% year over year from \$104,800 in the second fiscal quarter of 2021 and increased 31% from \$1.73 million in the first fiscal quarter of 2021. Revenue for the six-month period ended September 30, 2021 increased 2,287% to \$4.0 million from \$167,602 in the comparable period of 2021. Fiscal year 2022 includes revenue from ALPS and management fees related to Green Therapeutics, which were both key drivers of the Company's revenue growth for both the three months and six months ended September 30, 2021.
- Gross profit for the fiscal second quarter of 2022 was \$1.23 million compared to a gross profit loss of \$(116,120) in the comparable period of 2021 and increased 16% from gross profit of \$1,064,539 in the first fiscal quarter of 2022. Gross profit for the six-month period was \$2.3 million compared to \$(60,506) in the comparable period of fiscal 2021. The increase in gross profit for both periods is predominantly from the Company's high-margin ALPS business and management fees from Green Therapeutics, which was offset by slightly lower utilization rates on projects.
- The Company reported a net loss of \$(4.32) million, or \$(0.02) per share, compared to a net loss of \$(5.82) million, or \$(0.03) per share, in the second quarter of 2021, and a net loss of \$(9.67) million, or \$(0.04) per share in the first quarter of 2022. The prior year net loss was higher due to settlement costs and the net loss for the first fiscal quarter of 2022 was higher due to a decline in investment values.
- Working capital as of September 30, 2021 was \$7.40 million as compared to \$16.42 million as at March 31, 2021. The Company believes it will have sufficient cash and resources to fund its business objectives for the next twelve months.

Pro-Forma Results – Continued Stellar Growth

The table below provides an overview of the Company's pro-forma results (had the Green Therapeutics ("GT") business been fully consolidated).

Pro-forma statement	Quarter ended		
	30-Sep-21	30-Sep-20	Change
	\$	\$	%
Company without ALPS	231,567	104,800	121.0%
ALPS	1,740,263	398,083	337.2%
Green Therapeutics	964,137	905,960	6.4%
Pro-Forma Revenues	2,935,967	1,408,843	108.4%
Pro-Forma vs Reported			2,701.5%

Pro-Forma Statements

Corporate Operational Update, Q2 Highlights and Subsequent Events

ALPS - New Contracts and Business Opportunities Drive Audacious Geographic Expansion, Product Expansion & High-Margin Revenue Growth

- **ALPS signs facility contract with Little Leaf Farms, North America's largest grower of baby leaves**, for an approximately 450,000 sq. ft. facility in Pennsylvania for the cultivation of baby leaves. This new facility is expected to set the industry standard for output per square foot, while delivering the highest quality produce at low operational costs per unit produced.
 - The Company anticipates collaborating with Little Leaf Farms on multiple future projects currently being conceived.
- **ALPS completed comprehensive paid-for feasibility study** for a large investment fund in the United Arab Emirates for the establishment of a 20 hectare (50 acre) greenhouse facility, to be operated by Pure Harvest. Pure Harvest is a leading technology innovator and operator in the horticulture space in the Middle East, Northern African and Asian regions. The Company anticipates the investment decision to be made shortly.
- **ALPS partners with Priva to jointly market its APIS solution**, ALPS' advanced compliance and maintenance service solution, across the global horticulture industry. Priva is a leading technology company in the development and sales of hardware, software and data-services in the field of climate control, energy saving and optimal reuse of water with over 12,500 existing projects globally.
- **ALPS signs contract with Pure Harvest Smart Farms to drive expansion in the Middle East** through the development of a 1 million+ square foot, high-tech, fully-integrated facility to achieve year-round cultivation of high-quality, fresh fruits and vegetables in Kuwait.
- **ALPS launches GROWQUICK and ACHIEVE series of facility offerings**, a new service offering, powered by ALPS, for cannabis companies looking to build new facilities or expand existing ones. Standardized customized design across the series facilitates a quick-to-market approach that enables

clients to start generating revenue through the sale of high-quality, high-margin product well ahead of any fully customized project.

Green Therapeutics – Expands Provisions cannabis brand with edibles line – Successful Launch of Provisions products in California

- AUSA's wholly owned business subsidiary, Green Therapeutics, is rapidly growing its Provisions cannabis brand, which is well-known for its premium distillate cartridges and cutting-edge sublingual sprays. The Company is focused on releasing its new edibles product line under its Provision brand, which was launched in Nevada in November 2021 with other markets in which the Company operates to follow. A curated selection of Provision products is now available in California on the EAZE menu. EAZE is the largest legal cannabis delivery service in the U.S. with nearly 8 million cannabis deliveries to date and 2 million registered customers. In addition, the Company is close to securing additional manufacturing space in Nevada to expand its extraction capacity in order to produce its new line of edibles, among other new product categories, and to develop its solventless line. These new lines are anticipated further to accelerate revenue growth upon transfer of the GT licenses.
- Provisions successfully introduced its 1-gram disposable cartridges in California through the EAZE delivery menu. The first production run in Nevada (2,000 units) sold out in short order. The Company is working on scaling up production.
- Green Therapeutics is working on further growth initiatives in Nevada to further accelerate growth. The Company is also working on operationalizing its asset in Missouri.

LOOS – Successful Launch of Cannabinoid-infused Shot Beverage Brand across California

- LOOS currently is available in 17 retailers. With the LOOS products also available on the EAZE menu in San Jose and throughout California, the 5,000 units of the first limited production run were sold despite limited promotion. Since commencing production, each EAZE Hub has re-ordered at least four times, with some locations as many as nine 9 times to replenish inventory, with purchase orders increasing month over month. Within the first weeks on EAZE, LOOS became one of the best-selling beverages on the EAZE menu.
- Despite limited promotional activities and a relatively small first production run, the LOOS products continue to increase market share, trending higher week after week, currently ranking in the top five of the most successful beverage products in California.
- Based on the successful launch and growing demand for the LOOS products, the Company is now working with its partners to scale up production through licensing agreements.

Belle Fleur - AUSA Signs LOI to Acquire 51% Stake in Belle Fleur manufacturing facility Belle Fleur production facility construction progressing according to timeline

- AUSA is expanding its partnership (subject to appropriate regulatory approvals) with Belle Fleur by entering into an LOI to acquire a 51% stake in Belle Fleur's planned manufacturing facility in Massachusetts. Belle Fleur, founded by the team behind the iconic Rapper Weed brand, are well-known music industry entrepreneurs with strong resonance with the culture. Belle Fleur holds a Tier 11 license in Massachusetts, allowing for up to 100,000 sq ft of canopy space, and has been working with AUDACIOUS's majority owned subsidiary ALPS to deliver a high-tech indoor cultivation facility to produce high-quality cannabis at exceptional low cost. As part of the proposed transaction, the companies have agreed to expand the existing supply agreement, now for a total of 12.5% of Belle Fleur's canopy, including all of their trim, at low cost. The expanded strategic relationship with Belle Fleur facilitates the launch of Audacious products in the Massachusetts market.
- Construction of the Belle Fleur facility in Massachusetts is progressing according to plan. All groundwork has materially been completed with erection of the walls commencing shortly.

Expansion into the Asia-Pacific CBD market

- AUSA entered into a term sheet for the formation of a strategic partnership with Golden Triangle Health (GTH), a subsidiary of NR Instant Produce Public Company Limited ("NRF"), NRF is a publicly traded company that is listed on the Thai Stock Exchange (SET: NRF). NRF is a leading southeast Asian food manufacturer and distributor based in Thailand, producing its own signature brands private label products and co-packaging lines. With over 2,000 SKUs, 30 years of history and activities in over 25 countries, NRF is well positioned to support GTH with the distribution of its products.

Launch of Audacious/PBR (Professional Bull Riders) CBD Line

- Signed a multi-year agreement for Audacious to be the "Official CBD of Professional Bull Riders," marking the most expansive CBD manufacturing and distribution partnership to date between a CBD brand and a major professional sports association. Through the partnership with the world's leading bull riding organization, Audacious has launched its full PBR-endorsed line of topical CBD products, which includes pain relief and recovery products, which will be available through the Company's soon to launch eCommerce channel, as well as are expected to be available in large retail chains.

Launch of new Audacious website

- The Company has launched its new AUDACIOUS consumer-focused website on www.audacious.net, with an updated investor-focused site at www.ausa-corp.com.

Conference Call Details

Management will host a conference call discussing its fiscal second quarter 2022 results and the go forward business on Tuesday, November 23, 2021, at 11 AM EST. The call can be accessed via telephone or via webcast per the details provided below.

Live Call: 1-800-437-2398 (U.S. Toll-Free) or 1-647-792-1240 (Toronto)
Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1514559&ip_key=c7a1e42c17

For interested individuals unable to join the conference call, a dial-in replay of the call will be available until November 29, 2021 and can be accessed by dialing 1-888-203-1112 (U.S. Toll Free) or 1-647-436-0148 (Toronto) and entering replay pin number: 1857967.

About AUDACIOUS

AUDACIOUS is at its roots a community and culture-based cannabis company. 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 8 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 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, Bahrein, United Arab Emirates, Southeast Asia, Australia, as well as other jurisdictions.

Total Capex committed by ALPS' clients since Aurora divested its interest just 17 short months ago during the Covid crisis, stands at approximately \$1 billion, with a rapidly growing business development pipeline with over \$4 billion in total Capex planned to be spent by potential clients.

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. AUSA also owns the iconic West Coast brand Mr. Natural and the ingestibles brand LOOS with a footprint in the California market. The Company is in the process of completing the acquisition of a retail facility in San Jose, which comes with the ability to cultivate and manufacture, as well as a state-wide partnership with EAZE, the largest legal delivery services in the U.S. AUDACIOUS also has a partnership with the PBR, the (Professional Bull Riders group). Under the partnership, the Company is launching a PBR endorsed line of topical CBD products under the Wreck-Relief brand. Expected to launch with the PBR Event "Release the Beast" in early November 2021.

AUSA also has a supply partnership with Belle Fleur, founded by the team behind Rapper Weed. AUSA and Belle Fleur are working towards a broader arrangement to include brand partnerships in Massachusetts and other jurisdictions the companies intend entering into. The Belle Fleur project in Massachusetts is well underway with ALPS being awarded the engineering and design contract.

In San Jose, CA, the Company is completing the acquisition of the Herbs dispensary, which comes with a distribution partnership with EAZE, the largest legal cannabis delivery service in North America.

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 entered into a sponsorship agreement with Endeavour owned Professional Bull Riders, as well as executed a term sheet for a JV partnership with 3 Rivers Biotech for plant tissue culture, genetics clean-up and micro propagation.

AUSA and ALPS have secured contracts or are in late-stage negotiations in the following jurisdictions: Australia, UAE, Bahrain, Canada, Finland, Germany, Iceland, Jordan, Kuwait, Netherlands, Saudi Arabia, Denmark, Massachusetts, Arizona, Nevada, Washington, Michigan, Missouri, Oklahoma, Colorado, Florida, Illinois, Maine, Maryland, New Mexico, Pennsylvania, Wyoming, and California, with other deals in other states presently being evaluated and negotiated. Audacious are laser focused on New York and New Jersey as well.

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; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions that could limit the Company's ability to obtain external financing.

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.

AUSTRALIS CAPITAL INC.

Condensed Interim Consolidated Statements of Financial Position (Unaudited – in Canadian Dollars)

	Notes	September 30, 2021	March 31, 2021
		\$	\$
Assets			
Current			
Cash and cash equivalents		992,449	3,531,357
Accounts receivable	4	3,970,370	1,696,656
Inventory		16,831	473,185
Prepaid expenses		259,018	470,479
Current portion of deposits		823,100	649,464
Current portion of annuity receivable - SubTerra		59,576	66,070
Loans receivable	18	1,581,808	-
Marketable securities held for sale	5	3,508,300	12,803,638
Land held for sale	6	1,911,150	4,151,551
		13,122,602	23,842,400
Non-current			
Investment in ALPS technology solution APIS	8	2,385,245	1,130,233
Property, plant, and equipment	9	1,703,279	298,258
Right-of-use assets	9	876,029	1,097,361
Intangible assets	11	13,561,665	14,227,461
Goodwill	11	15,057,796	15,057,796
Derivative financial instrument – NCI call option	8	7,320,630	7,320,630
Annuity receivable – SubTerra		679,492	672,998
Long-term deposits	10	3,450,130	4,130,168
Other assets – acquisition deposit	7	14,871,431	14,677,674
TOTAL ASSETS		73,028,299	82,454,979
Liabilities			
Current			
Accounts payable and accrued liabilities	16	4,813,495	5,915,674
Deferred revenue		8,902	17,813
Current portion of lease liability	12	494,034	459,895
Subscription deposits		400,000	-
Provisions	10	-	1,029,014
		5,716,431	7,422,396
Non-current			
Contingent consideration payable	8	3,698,980	3,698,980
Lease liability	12	436,391	686,191
Loan payable	15	-	747,115
Deferred tax liability		3,205,244	3,205,244
TOTAL LIABILITIES		13,057,046	15,759,926
Shareholders' equity			
Share capital	13	109,705,099	104,617,900
Treasury shares	7,13	(11,367,770)	(11,367,770)
Exchangeable shares reserve	13	10,383,426	11,114,175
Reserves	13	12,282,588	9,640,106
Accumulated other comprehensive income		498,763	234,035
Accumulated deficit		(66,588,691)	(52,937,270)
Equity attributable to owners of the Company		54,913,415	61,301,176
Non-controlling interest	8	5,057,838	5,393,877
TOTAL SHAREHOLDERS' EQUITY		59,971,253	66,695,053


AUSTRALIS CAPITAL INC.Condensed Interim Consolidated Statements of Financial Position
(Unaudited – in Canadian Dollars)

	Notes	Three months ended September 30,		Six months ended September 30,	
		2021	2020	2021	2020
Revenue		\$	\$	\$	\$
Revenue-Services		1,740,263	20,207	3,143,876	34,672
Revenue-Kiosks		216,996	36,329	221,265	36,329
Revenue-Consulting		314,571	48,264	635,052	96,601
		2,271,830	104,800	4,000,193	167,602
Cost of goods sold		(1,038,064)	(220,920)	(1,701,888)	(228,108)
Gross profit (loss)		1,233,766	(116,120)	2,298,305	(60,506)
Operating expenses					
Wages and benefits		1,693,710	708,731	2,641,739	1,645,501
Share-based payments	13	1,290,951	732,982	2,661,796	1,654,633
Selling, general and administrative	14	2,239,208	1,032,553	3,939,297	1,579,776
Depreciation and amortization	9,11	414,038	171,250	875,012	344,014
		5,637,907	2,645,516	10,117,844	5,223,924
Loss from operations		(4,404,141)	(2,761,636)	(7,819,539)	(5,284,430)
Other income (expense)					
Gain on asset disposal		(36)	56	(36)	56
Loss on investment in associate		-	(303,662)	-	(854,712)
Gain (loss) on sale of marketable securities		85	-	(38,663)	-
Loss on settlements		(11,138)	(1,025,477)	(237,338)	(1,025,477)
Loss on true-up provision		-	(1,615,835)	-	(1,615,835)
Net change on investment at fair value through profit or loss	5	(62,442)	-	(5,927,376)	(196,555)
Other income		-	344	-	413
Other expense – merger and acquisition costs		-	(82,207)	-	(168,535)
Foreign exchange gain (loss)		26,586	(14,912)	(108,690)	1,797
Interest expense		102,362	(6,573)	90,163	(44,288)
Interest expense - leases		(29,054)	(64,939)	(29,054)	
Interest income		61,188	59,660	83,073	59,660
		87,551	(3,053,545)	(6,167,921)	(3,843,476)
Net loss		(4,316,590)	(5,815,181)	(13,987,460)	(9,127,906)
Other comprehensive income (loss)					
Foreign currency translation		420,374	(73,620)	264,728	(253,163)
Share of OCI from investments in associates		-	(50,708)	-	(196,417)
Total comprehensive loss		(3,896,216)	(5,939,509)	(13,722,732)	(9,577,486)
Net loss attributable to:					
Shareholders of the Company		(4,191,503)	(5,815,181)	(13,651,421)	(9,127,906)
Non-controlling interest		(125,087)	-	(336,039)	-
Net loss		(4,316,590)	(5,815,181)	(13,987,460)	(9,127,906)
Total comprehensive loss attributable to:					
Shareholders of the Company		(3,771,129)	(5,939,509)	(13,386,693)	(9,577,486)
Non-controlling interest		(125,087)	-	(336,039)	-
Total comprehensive loss		(3,896,216)	(5,939,509)	(13,722,732)	(9,577,486)
Net loss per share attributable to shareholders of the Company					
Basic and diluted		(0.02)	(0.03)	(0.06)	(0.05)
Weighted average number of shares outstanding					
Basic and diluted		240,292,763	171,619,984	236,165,897	171,088,535

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