



AUDACIOUS REPORTS UNAUDITED FISCAL 2022 RESULTS

Record Revenues and Gross Margins

August 2, 2022, LAS VEGAS, Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA”) (“AUDACIOUS” or the “Company”), announces its unaudited results for its fiscal year ended March 31, 2022. The accompanying unaudited condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), expressed in Canadian dollars (\$CAD). The Company’s independent auditors are auditing these statements, and the Company anticipates filing audited statement within the next 30 days. The Company’s unaudited financial statements can be accessed at <https://ausa-corp.com/investor-information/financials/>

Fiscal Year 2022 Financial Highlights (April 1, 2021, to March 31, 2022)

- Revenues increased by over 1,200% to nearly \$9.5 million, driven predominantly by a full year of ALPS revenue consolidated (51% of ALPS acquired on March 8, 2021), as well as growth in the ALPS business throughout the year, along with management fee income starting in Fiscal '22 related to the Green Therapeutics (“GT”) business.
- Gross margins turned positive at nearly \$5.9 million, due predominantly to results at ALPS, along with the GT-related management fee income.
- Operating loss increased 38% to \$19.4 million due to higher personnel and administrative costs related to the ALPS business, as well as investments in new product lines and initiatives related to expansion into other states.
- The Company raised \$5.8 million in equity and debt financings during FY 2022.
- Total Assets stood at \$63.3 million at the end of FY 2022, down from \$82.4 million at the end of FY 2021, due to the sale and drop in value of the marketable securities owned (totally sold as of FY 2022) and the sale of land.
- Total Liabilities increased 12% to \$17.7 million.
- Total Equity stood at \$45.6 million as at March 31, 2022.

Operational highlights & Management Commentary

During the year ended March 31, 2022, the Company made significant progress through its expansion into multiple states, as well as internationally. The Company focused on driving sales

in its core business (ALPS & GT), as well as launched new brands and product lines (LOOS, Mr. Natural, and Wreck Relief).

During the year under review, AUDACIOUS successfully entered into partnerships in Thailand (Green Triangle Holdings) and New York State (First Americans LLC, Hempire Inc.). Consequently, the Company is now present in New York with two projects, both aimed at the adult use market, that are able to operationalize and start selling well in advance of the introduction of general regulations and licensing, due to exemptions granted to licensed operations on first nations land and those related to hemp licensees. Furthermore, AUDACIOUS successfully applied for licenses in New Jersey.

Consequently, the Company is well positioned to drive further growth in Fiscal 2023.

Terry Booth, CEO, commented, “We have been able to develop a number of unique assets, from our award-winning GT brands, through our unique LOOS, Mr. Natural and Wreck Relief product lines, as well as our early mover initiatives in Thailand (revenue generating) and New York State. With our recently granted provisional license in New Jersey, where we are progressing towards conversion into a full adult use license, we believe we have assembled a portfolio of assets, the value of which is well in excess of what the market currently values us at. With our recently announced credit line and further capitalization initiatives under way, we believe AUDACIOUS is positioned exceptionally well to benefit from the strong anticipated growth on the U.S. East Coast, as well as internationally.”

Subsequent Events since March 31, 2022

Thailand

- The Company announced considerable progress at its partnership in Thailand with Golden Triangle Holdings (“GTH”). Following the successful harvest of a trial crop, GTH has now commenced cultivation at commercial scale. Furthermore, the Company announced it had secured major distribution channels in the region, including 7eleven Pharmacies, Loxley, King Power International and others. The Company’s first cannabis clinic in Thailand, Herbidus, has proven to be a hit with many hundreds of visitors monthly.
- In April the Company issued 17,369,317 shares in Australis for the initial investment, in a swap for 3,600,000 shares in GTH.
- In July the Company issued 38,878,435 shares in Australis for the second and final tranche to GTH.

New Jersey

- The Company announced it had received a provisional license in New Jersey for the cultivation, processing, and manufacturing of cannabis products. The Company is progressing towards meeting the requirements for conversion into a full adult use license.

New York

- AUDACIOUS announced a partnership with Hempire, recipient of an adult use cultivation license.
- The Company, through its partnership with First Americans LLC of the Saint Regis Mohawk tribe, was able to secure commence preparations for operations on the territory. The Company's planned dispensary is currently being constructed (immediately opposite the casino resort with 2.4MM visitors annually), while groundwork for cultivation has commenced.
- Hempire: licensee through the NYS hemp program for cultivation, manufacturing, and distribution into the adult use market in New York State. Land secured, first outdoor planting to happen shortly.
- The Company also announced it is working with Bertha Lewis and The Black Institute on its social equity initiatives in New York.

Mr. Natural

- The Company launched its first product in Nevada under the Mr. Naturals brand: Full Spectrum Hash RSO. The powerful medicinal oil – rich in major and minor medicinal cannabinoids including THC, CBD, and CBN – is known for its therapeutic benefits and potential to provide relief for people suffering from post-traumatic stress disorder (PTSD), chronic illness and pain.

Credit Facility

- AUDACIOUS secured a \$2.5 million credit facility from Lola Ventures, an entity controlled by CEO Terry Booth. Funds will go towards general working capital purposes, as well as growth initiatives.

Board

- On July 5, 2022, the Company announced the election of Jill Swainson, former Chief Legal Officer at Aurora Cannabis, to the board, who replaced Avi Geller, who resigned for personal reasons.

AUSTRALIS CAPITAL
Balance Sheet (Unaudited):

	CAD\$	Fiscal Year Ended	
		March 31, 2022	March 31, 2021
Assets			
Cash		727,694	3,531,357
Accounts Receivable		4,442,198	1,696,656
Inventory		626,673	473,185
Other Current Assets		1,496,505	1,186,013
Marketable Securities			12,803,638
Land Held for Sale			4,151,551
Current Assets		7,293,070	23,842,400
Fixed Assets		6,421,514	2,525,852
Intangibles & Goodwill		33,838,855	29,285,257
Derivative Financial Instrument		-	7,320,630
Other Non-Current Assets		15,768,552	19,480,840
Total Assets		63,321,991	82,454,979
Liabilities			
Accounts Payable		10,169,211	5,915,674
Other Current Liabilities		464,120	1,506,722
Current Liabilities		10,633,331	7,422,396
Contingent Consideration		1,249,600	3,698,980
Loans & Leases		2,447,856	1,433,306
Deferred Taxes		3,396,145	3,205,244
Total Liabilities		17,726,932	15,759,926
Shareholders Equity Attributable to Company		26,207,399	61,301,176
Non-Controlling Interest		19,387,660	5,393,877
Total Equity		45,595,059	66,695,053
Total Liabilities & Equity		63,321,991	82,454,979

AUSTRALIS CAPITAL
Income Statement (Unaudited):

	CAD\$	Fiscal Year Ended	
		March 31, 2022	March 31, 2021
Revenues		9,474,528	717,151
Cost of Sales		3,605,300	920,042
Gross Profit		5,869,228	(202,891)
Depreciation and amortization		1,702,956	595,886
Selling, general and administrative		12,025,864	5,947,983
Share-based payments		4,836,273	1,390,158
Wages and benefits		6,686,250	5,898,508
Loss from Operations		(19,382,115)	(14,035,426)
Other Income (expense) net		(31,782,679)	(11,502,039)
Tax recovery (expense)		(309,615)	78,154
Other Comprehensive Income (expense)		(12,468)	(293,939)
Net Loss		(51,486,877)	(25,753,250)
Attributable to Company		(50,101,460)	(25,554,829)
Non-Controlling Interest		(1,385,417)	(198,421)
Net Loss per Share Attributable to Company		(0.20)	(0.14)
Weighted Average Shares Outstanding		247,486,896	177,116,372

AUSTRALIS CAPITAL**Cash Flow (Unaudited):**

	CADS	Fiscal Year Ended	
		March 31, 2022	March 31, 2021
Cash Provided (Used) in Operations		(14,168,117)	(9,465,836)
Cash Provided (Used) in Investment Operations		5,156,445	(2,915,233)
Cash Provided (Used) in Financing Activities		5,756,469	(304,971)
Foreign Exchange Effect		451,540	(115,103)
Decrease in Cash		(2,803,663)	(12,801,143)
Cash, Beginning		3,531,357	16,332,500
Cash, Ending		727,694	3,531,357

About AUDACIOUS

AUDACIOUS is a next-generation MSO growing the cannabis industry of tomorrow from the ground up, led by industry pioneer Terry Booth and an accomplished management team with proven industry track records. With operations that range from providing industry-leading sustainable cultivation design and optimization to retail storefronts, growing flower in-house, and manufacturing award-winning brands, AUDACIOUS has products and solutions for everyone. Quickly expanding through innovative partnerships and collaborations, AUDACIOUS is forging the inclusive cannabis community of tomorrow, today. Learn more about AUDACIOUS [here](#).

AUDACIOUS common shares trade on the CSE under the symbol “AUSA” and on the OTCQB under the symbol “AUSAF.”

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Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this news release.

FORWARD-LOOKING STATEMENTS:

This press release includes forward-looking statements, which may involve, but are not limited to: statements with respect to our business objectives, prospects, and guidance in respect of various financial and industry metrics, including, goals, strategies, capabilities, market position, competitive strengths, prospects, plans, expectations, anticipations, estimates and intentions; business and economic, industry trends; customer demand for products; the regulatory environment and legal proceedings; strength of our balance sheet, creditworthiness, capital resources, anticipated financial requirements; compliance with debt covenants; and the impact of the COVID-19 pandemic on the foregoing; expectations regarding gradual market and economic recovery in the aftermath of the COVID-19 pandemic.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may”, “will”, “shall”, “can”, “expect”, “estimate”, “intend”, “anticipate”, “plan”,

“foresee”, “believe”, “continue”, “maintain” or “align”, the negative of these terms, variations of them or similar terminology.

Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations, outlook, and plans, and to obtain an understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements require management and the Board to make assumptions and are subject to and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements and in this press release. While management and the Board consider these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this press release in relation to the five-year forecast include the following material assumptions: the award and fulfilment of customer contracts that the Company does not currently have in its backlog, the continuation of existing customer programs and anticipated labour costs associated with our operations for the periods covered in the forecast. Additional information, including with respect to other assumptions and risk factors underlying the forward-looking statements made in this press release, refer to the risk factors in both our MD&A for the quarter ended December 31, 2021.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with overall global and domestic economic conditions, risks associated with our business environment (such as risks associated with the financial condition of our customers; competition; force majeure events), operational risks such as the award of new business; the execution of customer orders; cash flows and capital expenditures; productivity enhancements, operational efficiencies, cost reduction initiatives; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain partners, contracts and suppliers; supply chain risks; human resources; reliance on information systems; adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; debt covenants), market risks (such as foreign currency fluctuations; changing interest rates; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in our MD&A for the quarter ended December 31, 2021.

For further information about AUDACIOUS. please visit our website.

The forward-looking statements present certain non-IFRS financial measures to assist readers in understanding the Company’s forecasted performance. Non-IFRS financial measures are measures

that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles (“GAAP”). Reference is made to EBITDA (defined as net income before interest, income taxes, depreciation, and amortization), which the Company considers to be an indicative measure of operating performance and a metric to evaluate profitability. As there is no standardized method of calculating this measure, the Corporation’s EBITDA may not be directly comparable with similarly titled measures used by other companies. In addition, reference is made to revenue in the long-term forecast, which assumes recognition of all revenue at the point in time of shipment, excluding the recognition of revenue overtime. Similarly, this is a non-IFRS financial measure the company considers to be indicative of operating performance, and is not directly comparable with similarly titled measures used by other companies.

The foregoing list of factors that may affect future results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. The forward-looking statements set forth herein reflect management’s expectations as at the date of this press release and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.