

# Australis Capital Inc

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## Australis Capital reaches settlement with Passport Technology, reveals departure of executive chairman Scott Dowty

Australis Capital Inc (CSE:AUSA) (OTCMKTS:AUSAF) announced that it has reached a settlement agreement with Passport Technology Inc regarding the termination of its previously announced acquisition agreement.

Las Vegas-based Australis Capital also revealed that the company's executive chairman Scott Dowty would be stepping down from the board.

**READ:** Australis Capital announces the termination by Passport Technology of pending acquisition agreement

Australis first announced on June 25 that it planned to acquire Passport Technology, which partners with casino operators to deliver funds to the casino floor through cash and cashless payment portals. Passport is in 72 casinos with 124 unattended kiosks in five countries.

The acquisition would have complemented Australis' existing fintech assets - Cocoon Technology and Paytron - to leverage purpose-built technology for highly regulated industries with a need for unattended kiosk solutions, but it was terminated on August 4.

Australis said the two companies had been able to hammer out a successful settlement agreement. All obligations, including "all claims of any kind" relating to the share purchase agreement or its termination are "fully and finally settled," noted the company.

Australis will retain all fees generated from its customers, which were partially shared with Passport, and these fees will remain solely within its subsidiary Cocoon Technology LLC, while Passport acquires the company's full interest in Paytron LLC. The license agreement between Australis and Passport and its deliverables relating to Cocoon remains in place. No cash payments, including the break fee, will be exchanged resulting from the termination of the proposed acquisition.

Separately, under the mutually agreed terms of his departure, Australis said Dowty has agreed to forgo all cash severance and to surrender his unvested stock options. He will retain his previously awarded restricted share units and Australis will issue 4.25 million common shares of the company to him.

"We are pleased to have reached an amicable settlement agreement with both Passport and Mr Dowty," said Australis Capital Cleve Tzung in a statement. "This settlement represents a fair and reasonable resolution between Australis and Passport, and an equitable separation between the company and Scott."

As earlier announced, Australis is in the process of reviewing its strategic focus, the composition of its board and executive management and expects to announce further changes before the company's annual general meeting.

**Price:** 0.205

**Market Cap:** \$34.15 m

### 1 Year Share Price Graph



### Share Information

**Code:** AUSA

**Listing:** CSE

**52 week High Low**  
0.49 0.1

**Sector:** Cannabis

**Website:** [www.ausacap.com](http://www.ausacap.com)

### Company Synopsis:

*AUSA operates and builds transformative, differentiated cannabis companies predominantly in the United States, a highly-regulated, fragmented, and rapidly expanding industry. AUSA adheres to stringent evaluation and operating criteria focusing on high-quality opportunities while maintaining a steadfast commitment to governance and community.*

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"With today's settlement, the company is making a clean break with its recent past and getting back to its roots in US cannabis," said the company.

Australis Capital invests in, operates and builds companies operating in highly regulated industries. The company already has nine assets in the cannabis industry, six of which it wholly owns. The company's assets include Cocoon Technology, a cloud-based, self-service point of sale kiosk designed for cannabis dispensaries and other highly regulated industries.

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