

Nutritional High Signs Definitive Agreement to Acquire OutCo Labs

Toronto, Ontario--(Newsfile Corp. - June 21, 2021) - Nutritional High International Inc. (CSE: EAT) ("Nutritional High" or the "Company") is pleased to announce that today it has entered into a definitive agreement (the "Agreement") to acquire the business of OutCo Labs Inc. ("OutCo") previously announced on January 29, 2021 ("Agreement").

Based in San Diego, California, OutCo is a leader in the cannabis industry, specializing in manufacturing and retailing premium quality cannabis flower, high margin extract products, award-winning vape cartridges, tinctures, topicals, capsules and flower products. OutCo's unique extraction methods have consistently produced the highest quality oils found in the space. OutCo has also recently developed a water-soluble technology that promises a new series of product offerings for all its in-house brands.

OutCo operates two licensed dispensaries located in unincorporated San Diego County California as well as a 15,000 sq. ft. vertically-integrated cultivation, extraction and product manufacturing facility situated in El Cajon, California. OutCo also owns and operates an outdoor cultivation operation and clone nursery in Mendocino County.

Pursuant to the terms of the Agreement and subject to the closing of the transaction, Lincoln Fish, OutCo's CEO, will join the Board of the Company and continue to lead the OutCo team.

Mr. Fish commented, "We couldn't be more excited to join the next generation of Nutritional High. The management team shares OutCo's philosophy of relentless commitment to innovation and quality. By combining OutCo's California business with Nutritional High assets in Colorado and Oregon, we expect to extend our brand, strengthen our management team and provide a platform for product development. OutCo has always been a leader in its own corner of the world. This merger allows us to be part of something much larger. Today is a new beginning for OutCo and a new opportunity to put a much larger stamp on the cannabis community."

John Durfy, CEO of Nutritional High, commented, "I'm excited to finally enter into the definitive Agreement and welcome the OutCo team aboard. We see big opportunities in the Southern California market and with expected regulatory changes that could allow recreational sales and edibles manufacturing. Additionally, upcoming changes in Mendocino County are expected to allow for expansion of the cultivation licence being acquired as part of the transaction."

Mr. Durfy continued, "The OutCo acquisition, combined with the recent purchase of Palo Verde in Colorado, and the re-start of our operation in La Pine Oregon, represents Nutritional High's successful evolution from restructuring to growth. We expect further growth through acquisition opportunities in Northern California and Colorado. At our upcoming shareholder meeting, we will be seeking approval to change our name to better reflect what our new company represents. Finally, we will be launching a new high-end brand in Oregon and Colorado for both vape cartridges and edibles that we expect will hit the market this summer."

Terms of the Acquisition

Nutritional High will acquire the business of OutCo through the purchase of substantially all the assets of OutCo and its subsidiaries including, control and management of all licenced entities, intellectual property, equipment, land, and buildings.

Consideration for the purchase shall be as follows:

1. 77,266,667 special warrants (subject to adjustment based on working capital, assumed debt,

pending litigation and payroll tax adjustment provisions). Each special warrant will entitle the holder to acquire, for no additional consideration, one (1) multiple voting share (a "Multiple Voting Share") of the Company provided that the holders common shares of the Company approve the creation of the Multiple Voting Shares on or before September 1, 2021 (the "MVS Approval Date") and otherwise ten (10) common shares in the capital of the Company ("Common Shares"), with such Special Warrants to be automatically converted forthwith after the earlier of (i) the date of the meeting of holders of Common Shares called to approve, among other things, the creation of the Multiple Voting Shares and (ii) September 1, 2021.

2. 40,666,667 Class A Common Share purchase warrants ("Class A Warrants") each entitling the holder to acquire one Common Share at any time on or before the 24 month anniversary of the closing of the Transaction at an exercise price of Cdn\$0.03. The exercise of the Class A Warrants shall be subject to the Company completing a share consolidation whereby the warrant exercise price will be, in effect, over Cdn\$0.03 per Class A Warrant.
3. 24,400,000 Class B Common Share purchase warrants ("Class B Warrants") each entitling the holder to acquire one Common Share at any time on or before the 24 month anniversary of the closing of the Transaction at an exercise price of Cdn\$0.05 (pre-consolidation).
4. Assumption of approximately US\$3 million in debt.
5. Up to US\$3 million earnout based on both of OutCo's retail facilities obtaining recreational marijuana licenses within 18 months of closing with such amount to be satisfied through the issuance of Special Warrants. Multiple Voting Shares or Common Shares depending on when such securities become issuable.

Closing of the transaction is subject to a number of conditions including without limitation, settlement of the debt to be assumed in the transaction in item 4 above. The final amount of debt assumed at closing as well as the post-closing working capital adjustment may affect the number of securities issued and percentage ownership of the parties. The Company expects closing will take place in July.

About Nutritional High International Inc.

Nutritional High is focused on developing and manufacturing branded products in the cannabis industry, with a specific focus on edibles and oil extracts for medical and adult recreational use. The Company works exclusively in jurisdictions where such activity is permitted and regulated by state law. Nutritional High has brought its flagship FLİ™ edibles and vape product lines from production to market in various markets including Colorado where its award winning FLİ™ products are manufactured by Palo Verde, LLC, which was recently purchased by the Company.

With the closing of the OutCo acquisition, Nutritional High will become a leader in the cannabis space with vertically-integrated cultivation, extraction, manufacturing and retail of in-house brands across three states.

The Company also owns Psychedelic Science which is working with Rangsit University in Thailand to consider the medical benefits of various psychedelic cacti.

For updates on the Company's activities and highlights of the Company's press releases and other media coverage, please follow Nutritional High on [Facebook](#), [Twitter](#) and [Instagram](#) or visit www.nutritionalhigh.com.

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Caution Regarding Forward-Looking Information:

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR OTC MARKETS GROUP INC., NOR THEIR REGULATIONS SERVICES PROVIDERS HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release may contain forward-looking statements and information based on current expectations. These statements include statements regarding: the completion of the acquisition of OutCo and the timing thereof; the development of the Company's and OutCo's business following completion of the Transaction, potential changes to the regulatory landscape, new product offerings, future growth opportunities, opportunities in the Southern California market and the timing of the launch of a new high-end brand in Oregon and Colorado for both vape cartridges and edibles. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. 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 acquisition of OutCo, the ability of the Company to successfully execute its business plans; legal changes relating to the cannabis industry proceeding as anticipated; and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.

*The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.*

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. 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; obtaining and maintaining regulatory approvals including acquiring and renewing U.S. state, local or other licenses, 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; 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 including a possible national or global recession; and a deterioration of financial markets 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.



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