

# Nutritional High to Be Renamed High Fusion; Provides Corporate Update on U.S. Cannabis Operations

Toronto, Ontario--(Newsfile Corp. - September 9, 2021) - Nutritional High International Inc. (**CSE: EAT**) ("**Nutritional High**" or the "**Company**") is pleased to provide a corporate update, including the acquisition of a revenue producing cannabis business in California and related potential significant revenue opportunities over the next 12-24 months, new brand launches in Colorado and Oregon, Company name change to High Fusion, talent recruitment, and future acquisition strategy.

"When I became CEO of Nutritional High in March 2020, the board and management team made a decision to establish a stable financial platform before expanding operations," stated Nutritional High CEO John Durfy. "That work has now been largely completed as we have reduced \$24 million in debt, restructured a number of our corporate liabilities, sold or discontinued non-performing assets and secured the repayment of \$2.7 million in investments to recapitalize our balance sheet. All this hard work and tough love allowed us to move to our next phase focused on growth. And as a first step, as previously announced, we acquired the business of OutCo Labs Inc. ("**OutCo**")."

## Acquisition of OutCo Labs

Based in San Diego California, the OutCo business acquired by the Company comprise a fully integrated operation (including two medical dispensary locations, indoor cultivation, extraction, product manufacturing and an outdoor grow in Mendocino, California) which achieved revenues of US\$8 million in 2020. Nutritional High is preparing audited financial reporting for OutCo and, once complete, the company will report on all relevant metrics such as costs, net income and margins. There is no assurance or expectation on the Company's behalf, that after completing the audit, that OutCo will have positive net profit.

As the company integrates the OutCo business into Nutritional High over the coming 12 months, Nutritional High plans to undertake an expansion of the cultivation capacity associated with the assets, extend their product reach beyond the current 75 retail dispensaries, and accelerate marketing efforts of OutCo branded products. The company also expects to take steps to re-brand OutCo's popular Thrive products targeting the seniors' market.

Two significant catalysts that Nutritional High anticipates for the OutCo business on the regulatory front are: (i) the expected upcoming ordinance change in October 2021 for the unincorporated county of San Diego which will allow OutCo's two dispensaries to convert from medical only to adult use, as well as manufacture and sell edibles and expand their indoor grow capacity, and (ii) an expected change of land use ordinance in Mendocino county anticipated in the next 3 months, to allow for a significant expansion of the outdoor cultivation associated with the OutCo business.

The above expansion of cultivation is expected to increase OutCo's indoor capacity by 100% within 12 months and, assuming a favourable land use ordinance in Mendocino, increase its outdoor capacity from ¼ acre to 2 acres over the next 24 months and to 6 acres in the subsequent 12 months. Further, with the expected introduction of recreational sales in unincorporated San Diego, the foot traffic in OutCo's two retail locations is expected to drive materially higher volumes. The above expected growth in cultivation, the addition of new brands and edible products, broader distribution and the opening of recreational sales could provide for a significant increase in revenues over the next 12-18 months.

## Colorado & Oregon Operations

With the acquisition of the Palo Verde license in Colorado earlier this year, Nutritional High is re-focusing on its award winning FLI™ brand with the addition of edibles to it's vape cart and an infused

pre-roll line-up. Nutritional High also expects to add a premium "High Fusion" line of organic edibles, full spectrum carts, and a unique Kosher gummy product.

With the relaunch of our LaPine, Oregon, operation this month, Nutritional High will be introducing "Red Octopus", a new brand specific offering for Oregon containing a full spectrum vape cart and edibles, a premium "High Fusion" line-up of organic edibles as well as a Kosher gummy under the Dubbi Bros. brand.

## **Psychedelic Science Corporation**

Our subsidiary Psychedelic Science Corporation ("PSC") is taking steps to investigate the medical benefits of various psychedelic cacti, some of which are used in spiritual rituals by the Native American Church (Peyotism). Ultimately, PSC plans to work toward securing approval from applicable drug regulatory agencies for the treatment of diseases with high unmet medical needs through filing of Investigational New Drug and/or New Drug Applications. No applications have been made to date and the timing of any applications is not yet known.

Focused on data and evidence generation, PSC is undertaking a compilation study of psychedelic cacti, which Nutritional High expects will further define PSC's path toward generating valuable and effective intellectual property focused on high value and effective treatments.

## **Cash Flow and Balance Sheet Improvements**

The current management team has discontinued or sold unprofitable operations and restructured the Company's balance sheet with a reduction in debt of approximately \$24 million including: the sale of Calyx Brands, reduction of liabilities by \$11.8 million, conversion of the Company's unsecured convertible debentures into 14,835,284 post-consolidation common shares (as announced on October 30, 2020) and the settlement and conversion of \$1.2 million of accounts payable into 2,212,679 post-consolidation units (as announced on August 4, 2020).

In March, 2021, management negotiated the repayment of an investment in Nevada and received securities valued, at that time, of approximately \$2.7 million which is being used to fund Company activities as needed.

## **Future Acquisitions**

Additional growth through acquisitions will remain a focus especially in Northern California for brands and manufacturing, and in Colorado for cultivation.

## **Name and Symbol Change**

With new assets and a new management team, conditional on securing shareholder approval at the upcoming meeting of the shareholders, the Company will change its name to High Fusion, trading under the symbol FUZN on the Canadian Securities Exchange and HIGHF on the OTC. The name and symbol changes are expected to be implemented before the end of September 2021.

## **Successful Talent Recruitment**

Over the past four months, the Company has successfully recruited a Chief Marketing Officer, Vice President of Manufacturing and Operations and a Corporate Controller. The Company's Chief Marketing Officer, Joe Sequenzia, will be responsible for the rebranding of the Company, relaunching our FLI™ brand in Colorado and a new "Red Octopus", premium brand in Oregon, Colorado and California. Joe's most recent roles were as Chief Marketing Officer for Caliva and CEO/Founder of Milk, a Connecticut based advertising agency.

Nutritional High has also appointed Simon Berdugo as Vice President of Manufacturing and Operations responsible for systemizing and centralizing operations with immediate focus on edibles. Simon has

considerable domestic and international expertise in manufacturing and product development.

The Company also hired Edward Abella, CPA as corporate controller who will work with the CFO to develop and integrate the Company's accounting systems and practices. Edward previously worked at Dundee Precious Metals.

### **Closing Statement**

"I want to thank all shareholders for their continued support of Nutritional High during this long and difficult restructuring," commented CEO John Durfy. "With many hard decisions and sacrifices, we are now excited to relaunch with a new name, a tighter capital structure, and a strong and expanding base of operations. This is just the beginning."

Adam Szweras, Chairman of the Board added: "I want to acknowledge the hard work of CEO John Durfy and CFO Rob Wilson and the rest of the Company's management team in bringing Nutritional High to this important point of rebirth. With a special thanks to our new partners in California, and a new and growing team in Oregon and Colorado, our full board is excited to see a new bright future ahead."

### **About Nutritional High International Inc.**

Nutritional High, to be rebranded High Fusion, 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 manufacturing, retail and grow operations in California through its acquisition of the business of OutCo, and owns and operates oil extraction and edible manufacturing facilities in Colorado and Oregon. The Company's brand portfolio includes its award winning FLI™ edibles and vape product, along with a number of new brands, including Red Octopus, planned for launch in the coming months.

The Company also owns Psychedelic Science which is taking steps to investigate the medical benefits of various psychedelic cacti. This division is working toward developing intellectual property for the treatment of diseases with high unmet medical needs.

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](http://www.nutritionalhigh.com).

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*This news release may contain forward-looking statements and information based on current expectations. These statements include statements regarding: the plans for the Company's business including the assets acquired from OutCo, the potential catalysts for the OutCo assets, the Company's plans for the Colorado and Oregon operations, developments within PSC, the possibility of future acquisitions and the timing of the proposed name and symbol change. 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 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; cultivation yields; changes in legislation affecting the Company; obtaining and maintaining regulatory approvals including expected changes in unincorporated San Diego and Mendocino county approvals, 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](http://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*

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