



NUTRITIONAL HIGH ANNOUNCES FINANCIAL RESULTS FOR THE FIRST QUARTER ENDING OCTOBER 31, 2020

Toronto, Ontario – February 23, 2021 – Nutritional High International Inc. ("**Nutritional High**" or the "**Company**") (CSE: EAT) is pleased to announce its financial results for the first quarter ended October 31, 2020.

Business Highlights: Q1 and Subsequent Events

During the first quarter of fiscal 2021 and to the date hereof, the Company has completed the final steps of its strategic review and reorganization and has made significant advancements in growing the business through acquisitions as follows:

Strategic Review and Reorganization

- On August 5, 2020 the Company entered into settlement agreements with trade creditors and related parties representing \$1,106,340 to convert such amounts owed into 44,253,581 units at a deemed price of \$0.025 per unit.
- On October 8, 2020, the holders of the March 2018 convertible debentures agreed to amend the terms of such debentures to allow for a forced conversion and on October 28, 2020, the Company exercised its forced conversion right. The total conversions (both voluntary and forced conversions) resulted in a reduction of liabilities in the amount of \$6,279,820.
- On November 5, 2020 the Company completed the sale of 100% of its interest in NH Distribution California Inc. and Calyx Brands Inc. (the "Calyx Sale"). With the completion of the Calyx Sale, the Company has eliminated over \$12 million in liabilities from its balance sheet.
- On November 18, 2020 the holders of the August 2018 10% secured convertible debentures ("August 2018 Debentures") adopted a waiver and consent which included an extension of the maturity by one year to August 3, 2022.
- On January 6, 2021 the Company announced that it has terminated its agreement to acquire Green Therapeutics ("**GT**" or "**Green Therapeutics**") and has an agreement for the repayment of its US\$1,050,000 debt in the form of shares of Australis Capital Inc. ("**Australis**") priced at a deemed price of \$0.20 per share, as part of the sale of GT to Australis.

Growth and Acquisitions

- On August 17, 2020, the Company completed the acquisition of Psychedelic Science Corp. ("**PSC**") (formally Kruzo LLC) a company developing products and conducting research in the emerging area of psychoactive and non-psychoactive therapy and wellness. Further, on February 9, 2021, PSC entered into a research services agreement with KGK Science Inc. ("**KGK**") pursuant to which KGK will provide PSC with research and development services in relation to mescaline and various types of psychedelic cacti.
- On January 28, 2021, the Company announced that the Colorado Marijuana Enforcement Division ("**MED**") has provided its conditional approval for the Company to complete the acquisition of Palo Verde LLC. Palo Verde is a Colorado based processor and manufacturer of cannabis vape

and edible products with approximately US\$2 million in annual revenues. Upon completion of the Palo Verde acquisition the Company is anticipated to have the ability to fund working capital requirements thereby allowing for growth in this business.

- On January 29, 2021, the Company announced that it has signed a binding letter of intent to acquire 100% of California-based OutCo Labs Inc. which specializes in manufacturing and retailing premium quality cannabis flower and high margin extract products with annual run rate revenues of approximately USD \$8.0 million.

First Quarter Financial Highlights

Summary Income Statement

	3 Months ended October 31, 2020	3 Months ended October 31, 2019
	\$	\$
Total sales	1,382,594	6,693,842
Cost of goods sold (“COGS”)	(1,180,193)	(5,121,846)
Gross Profit	202,401	1,571,996
Interest income	49,904	47,342
Operating Expenses	2,125,700	4,841,932
Other Items	(8,028)	103,996
Pre-Tax Income	(1,865,367)	(3,326,590)
Net comprehensive Income	(1,877,154)	(3,280,813)
Loss per share (basic)	(0.002)	(0.009)
Loss per share (diluted)	(0.002)	(0.009)

- During the three months ended October 31, 2020 the Company revenues were \$1.3 million compared with \$6.7 million in the corresponding quarter of the prior year. This reduction was due to the reduced level of activity at Calyx Brands Inc. (“Calyx”).
- The reduced level of sales as well as reduced margins at Calyx resulted in a decline in gross profit to \$202,401 during the first quarter ended October 31, 2020 compared with \$1.6 million in the first quarter of the previous year.
- Operating expenses declined to \$2.1 million during the quarter ended October 31, 2020 compared with \$4.8 million during the corresponding period of the prior year.

Summary Balance Sheet

	October 31, 2020	July 31, 2020
	\$	\$
Current Assets	5,394,932	3,101,291
Total Assets	11,764,653	6,681,656
Total Liabilities	23,408,992	28,581,059
Shareholder’s Equity	(11,644,339)	(21,899,403)

The most significant changes to the balance sheet during the first quarter were as follows:

- The elimination of over \$7 million in liabilities through settlement of payables for common shares and conversion of \$6.3 million of convertible debentures; and
- The addition of approximately \$700,000 in cash, \$1.4 million in investments and \$3 million in goodwill associated with the acquisition of PSC.

Significant strengthening of the balance sheet took place after the end of the first quarter including the following:

- The Calyx Sale which eliminated over \$12 million in liabilities including \$5.3 million in various taxes payable; and
- Completion of an agreement with the owners of GT for the repayment of loans due to the Company upon closing of the sale of GT to Australis Capital Inc. (“Australis”). If the sale of GT is completed, the repayment of the loans currently outstanding, after recent note sales, will be in the form of Australis common shares at a valuation of \$0.20 per share. At the current market price for Australis shares, the value of the shares to be received by the Company represents almost \$5 million.

“After considerable work in the assessment and reorganization of the Company and its business units, we are very pleased to have succeeded in these initiatives. While there are some remaining renegotiations and settlements, our balance sheet has materially improved relative to a year earlier” stated Robert Wilson, CFO of Nutritional High. “We would like to thank all of our debenture holders and other creditors for their cooperation, patience and assistance in this process.”

Update on Management Cease Trade Order

As a result of the change of management, strategic review and a corporate reorganization the Company experienced a delay in the completion of its audit of the annual financial statements for the year ended July 31, 2020 and, by extension, completion of the first quarter statement for the period ending October 31, 2020.

With the completion and filing of both the annual audited, and first quarter financial statements, the Company has met the deadline under the Management Cease Trade Order by the Ontario Securities Commission (“MCTO”). As such, the Company expects that the MCTO will be revoked on February 25, 2021.

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 FLI™ edibles and vape product lines from production to market in various markets including Colorado where its award winning FLI™ products are manufactured by Palo Verde, LLC, an independent licensed producer. The Company signed a purchase agreement for Palo Verde and on January 28, 2021, received conditional regulatory approval to close the acquisition.

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.

For further information, please contact:

Robert Wilson
Chief Financial Officer
Nutritional High International Inc.
416-666-4005
Email: rwilson@nutritionalhigh.com

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 acquisition of PSC enabling the Company to broaden its focus; the completion of the acquisition of Palo Verde LLC; the completion of the acquisition of OutCo; the lifting of the management cease trade order; and the potential for additional synergistic acquisitions. 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 acquisitions of Palo Verde and 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.