



NUTRITIONAL HIGH ANNOUNCES FINANCIAL RESULTS FOR THE SECOND QUARTER ENDING JANUARY 31, 2021

Toronto, Ontario – April 1, 2021 – Nutritional High International Inc. ("**Nutritional High**" or the "**Company**") (CSE: **EAT**) is pleased to announce its financial results for the second quarter ended January 31, 2021.

Business Highlights: Q1 and Subsequent Events

During the second quarter of fiscal 2021 and to the date hereof, the Company has completed the following key developments:

- 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.

Given that Calyx has been the sole source of revenues for the Company and given that the Calyx Sale took place very early in the second quarter, revenues were negligible during the three months ended January 31, 2021.

- On January 6, 2021 the Company announced that it has signed an agreement for the repayment of debt due from Green Therapeutics LLC ("**GT**"). In accordance with the terms of the sale of GT to Australis Capital Inc. ("**Australis**"), the first portion of which closed on March 23, 2021, the debt due to the Company has been repaid in the form of securities exchangeable into common shares of Australis. As part of the agreement Australis received securities convertible into an aggregate of 9,267,341 common shares of Australis of which 1,492,725 are subject to a 6 month conversion restriction and all of which are subject to volume restrictions when the Company elects to sell. Based on the trading price of Australis common shares, as of the date hereof, the value of the Australis shares currently held by the Company is approximately \$3.7 million.
- On January 28, 2021, the Company announced that the Colorado Marijuana Enforcement Division ("**MED**") had provided its conditional approval for the Company to complete the acquisition of Palo Verde LLC. In early March, final approvals from the county of Pueblo were received, the license was transferred and the acquisition of Palo Verde was closed on March 12, 2021. Palo Verde is a Colorado based processor and manufacturer of cannabis vape and edible products with approximately US\$2 million in annual revenues. With completion of the Palo Verde acquisition the Company will have the ability to fund working capital requirements thereby allowing for growth in this business.
- On January 29, 2021, the Company announced that it had signed a binding letter of intent to acquire 100% of California-based OutCo Labs Inc., a company that 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

	c\$	3 Months ended January 31, 2021	3 Months ended January 31, 2020
		\$	\$
Total sales		(4,881)	3,107,852
Cost of goods sold (“COGS”)		<u>21,965</u>	<u>(2,291,879)</u>
Gross Profit		17,084	815,973
Interest income		46,651	1,982
Operating Expenses		410,739	4,539,408
Other Items		<u>2,169,688</u>	<u>877,789</u>
Pre-Tax Income		(2,516,672)	(4,599,242)
Net comprehensive Income		(2,516,587)	(4,681,356)
Loss per share (basic)		(0.003)	(0.013)
Loss per share (diluted)		(0.003)	(0.013)

- During the three months ended January 31, 2021 the Company revenues were negligible compared with \$3.1 million in the corresponding quarter of the prior year. This reduction was due to the sale of Calyx Brands Inc. (“Calyx”) which took place at the beginning on the quarter.
- 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 \$410,739 during the quarter ended January 31, 2021 compared with \$4.5 million during the corresponding period of the prior year.
- Net loss during the three months ended January 31, 2021 was \$2.5 million which was primarily made up of other items including a \$1.2 million foreign exchange loss and \$1.1 million of finance costs.

Summary Balance Sheet

	January 31, 2021	July 31, 2020
	\$	\$
Current Assets	4,005,877	3,101,291
Total Assets	9,998,752	6,681,656
Total Liabilities	9,950,473	28,581,059
Shareholder’s Equity	48,279	(21,899,403)

The most significant changes to the January 31, 2021 balance sheet compared to the July 31, 2020 year end are as follows:

- The elimination of over \$7 million in liabilities in the first quarter through settlement of payables for common shares and conversion of \$6.3 million of convertible debentures;
- The sale of Calyx in the second quarter eliminated over \$12 million in liabilities in the second quarter including \$6.7 million in payables and \$5.5 million in excise, payroll and income taxes payable; and
- The addition of approximately \$10 million in share capital during the second quarter resulting from the share issuance associated with the PSC acquisition and from the conversion of payables and debentures which took place during the quarter.

“With the sale of Calyx our company has eliminated a significant amount of payables and tax liabilities as well as the drain on working capital associated with this distribution business.” stated Robert Wilson, CFO of Nutritional High. “The sale of Calyx together with the debt conversions completed in Q1 has allowed us to move forward with our growth initiatives including closing of the Palo Verde acquisition on March 12, 2021 and the pending closing of OutCo Labs expected next month.”

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, which was recently purchased by the Company.

The Company signed a purchase agreement for California-based OutCo Labs and is expected to close this acquisition in the near term.

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; and the timing of the issuance of common shares to management and board members of the Company. 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.