



NUTRITIONAL HIGH ANNOUNCES FINANCIAL RESULTS FOR 2019 SECOND QUARTER

Growth Trajectory continues - Record Cannabis Sales of \$6.1M in Q2 2019, increase over Q1 2019 and 46% growth over Q4 2018.

Toronto, Ontario – April 1, 2019 – Nutritional High International Inc. (“**Nutritional High**” or the “**Company**”) (CSE: EAT, OTCQB: SPLIF, FRANKFURT: 2NU) announces today its financial and business results and wishes to provide highlights and comments on the results for the second quarter ended January 31, 2019.

	Q2 2019	Q1 2019	Change	Q2 2018	Change
Revenue	\$6,063	\$5,764	\$299	\$0	\$6,063
COGS	\$4,548	\$4,639	-\$91	\$0	\$4,548
Gross Profit	\$1,514	\$1,125	\$390	\$0	\$1,514
<i>Gross Margin %</i>	25.0%	19.5%	5.5%	0.0%	N/A
Lease and Interest Revenue ^{*1}	\$53	\$1	\$52	\$335	-\$282
Operating Expenses	\$7,092	\$4,252	\$2,840	\$1,906	\$5,185
<i>Gain on sale of interest in TCE ^{*2}</i>	\$0	\$3,559	-\$3,559	\$0	\$0
<i>Unrealized Change in fair value of derivative liability</i>	-\$429	\$1,094	-\$1,523	\$0	-\$429
<i>All Other</i>	-\$597	-\$113	-\$484	-\$360	-\$237
Other Income (Loss)	-\$1,026	\$4,539	-\$5,565	-\$360	-\$665
Net and Comprehensive Income/(Loss)	-\$6,805	\$1,112	-\$7,917	-\$1,818	-\$4,988
Earnings/(Loss) per Share	-\$0.023	\$0.004	-\$0.027	-\$0.008	-\$0.015

All Figures in Thousands CAD, unless otherwise stated

^{*1} Historically, revenue was derived from lease and interest income; beginning fiscal Q3 2018, the Company started to earn revenue from Cannabis sales in the State of California

^{*2} Sale of a 50% membership interest in NH Medicinal Dispensaries LLC, operating as The Clinic Effingham (“TCE”) in Effingham, Illinois; to its joint venture partner ILDISP, LLC for \$4.6 million (US \$3.5 million), recognizing a gain on sale of \$3.6 million.

Q2 2019 Financial Highlights:

- Revenue
 - **\$6.1 million** from the sale of Cannabis related products in California primarily via its wholly owned distributor, Calyx Brands Inc. (“**Calyx**”)
 - Represents an annualized revenue run rate of **\$24.2 million**
 - Demonstrated capability to consistently drive revenues; **increase over Q1 2019 and 46% growth over Q4 2018.**
 - At the end of January 31, 2019, the Company has now recognized a trailing twelve-month revenue from Cannabis sales of approximately **\$17.6 million.**

- Gross Profit of **25%**, indicating cost of goods sold of \$4.5 million including costs of product purchase, direct labour related to products sales and an allocation of overhead directly attributable to product sales. Margin improvement of **5.5%** over prior quarter partially attributable to improved Calyx sales mix.
- Total operating expenses of \$7.1 million, an increase of \$2.8 million over prior quarter and \$5.2M over Q2 2018. Key Drivers include one time transitional charges towards building infrastructure and internal systems, inclusion of operating costs at Calyx, FLI Labs NorCal and the Company's La Pine facility in Oregon, combined with increased sales, marketing, investor relations and general management expenses for ongoing business development/growth initiatives.
- Other Income: The Company recognized loss of \$1.0 million in Q2 2019 relative to gain of \$4.5 million in Q1 2019. The change of approximately **(\$5.5) million** includes:
 - One time Q1 2019 gain on sale of interest in TCE **(\$3.6) million**
 - Change in fair value of its derivative liabilities **(\$1.5) million** - unrealized loss of (\$0.4) million in Q2 2019 vs unrealized gain of \$1.1 million in Q1 2019, due to periodic revaluation of such derivative liabilities from the date of initial recognition when the Company closed the \$4.2 million convertible debenture in August 2018.

Business Highlights: Q2 2019 and Subsequent

- **Significantly enhanced senior management strength** with the appointment of Mr. Tom Siciliano as President, effective December 10, 2018 and Mr. Michael DiNapoli as Chief Financial Officer, effective January 1, 2019.
- Calyx continues to demonstrate its **capability to consistently drive revenues**. In Q2 2019, it has secured rapid quarter over quarter revenue growth for the Company's in-house flagship FLI Brand, while continuing to act as a successful growth partner to market leading third-party brands. Management's specific focus is currently on the Southern California expansion of this business.
- The company continues to **expand its California product portfolio** by signing a letter of intent in January 2019, to purchase a controlling 51% interest in Tres Ojos Naturals, LLC d/b/a SolDaze ("SolDaze"). Soldaze is the manufacturer of premium, high quality, cannabis infused dried fruit bites. Soldaze-branded products are already being sold in over 100+ dispensaries in the State of California, exclusively distributed by Calyx.
- In September 2018, the Company entered into a formal Membership Interest Purchase Agreement ("MIPA") to acquire 75% of Green Therapeutics LLC ("GT"), one of Nevada's premier innovators and established producer/processors with multiple cultivation and production licenses, facilities and leading brands such as Tsunami, Provisions and GT Flowers. In December 2018, GT received conditional approval from the State of Nevada Department of Taxation ("NDT") granting GT a **retail cannabis store license (the "Green Therapeutics License") in Lake Tahoe, Douglas County**. The Green Therapeutics License enables GT to establish a potential joint venture with an existing large-scale cannabis retailer in Nevada towards building a new dispensary and also securing current shelf space. In February 2019, GT also received a **preliminary distribution license in Clark County** (awaiting finalization), that enables GT to conduct state wide distribution for both its own and third-party brands.
- In January 2019, the Company entered into a license and trademark agreement (the "**Docklight License**") with Docklight, LLC of Seattle, Washington, providing **Nutritional High the rights to produce, market and sell inhalable cannabis products (whole flower, pre rolls and oil cartridges) in the state of Washington and Oregon, under the iconic brand Marley Natural, which is the**

official cannabis brand of Bob Marley. Additional brands secured as part of the Docklight License include Dutchy, Headlight, Irisa, Grail and Martian Gardens, which together with Marley Natural, are the "**Branded Products**". In Washington, Nutritional High will sublicense the rights to manufacture the Branded Products to a locally-licensed facility, while production of Marley Natural will begin in short order in Oregon.

- In November 2018, the Company commenced production of its various FLI branded products in its La Pine facility, Oregon. Management is currently heavily focused on the development of an in-house sales and distribution team in Oregon to ensure state-wide market reach, along with the **planned launch of the Marley Natural brand in the State.**
- In March 2019, the Company entered into a consulting agreement with Thailand-based political operator and businessman, Tom Kruesopon to develop **business opportunities for Nutritional High in Asia,** (the "**Consulting Agreement**"). Pursuant to the terms of the Consulting Agreement, an aggregate of 700,000 common shares at a price of \$0.27 per common share were issued to Apple Wealth Holding Company Limited ("**AWH**") to which Mr. Kruesopon is the senior advisor. Also, as part of the arrangement, AWH completed a non-brokered private placement (the "**Private Placement**") whereby AWH purchased an aggregate of 5,000,000 common shares for gross proceeds of C\$1,350,000. All of the common shares issued as part of the Private Placement and the Consulting Agreement are subject to a four month and one day hold period.
- Effective February 1, 2019, the City of Sacramento Cannabis Policy & Enforcement (the "City") has rescinded local authorization for cannabis manufacturing for Pasa Verde LLC ("Pasa Verde"). In the meantime, the ongoing buildout of FLI Labs NorCal facility in this location will proceed as planned and **Calyx will continue with the sale of FLI branded products being produced by other licensed cannabis manufacturers in California.** Also, based on discussions with the City, the Company will apply for a Business Operating Permit ("BOP") with the City under a new subsidiary of the Company and **anticipates BOP finalization before expected completion of the buildout by end of 2019.**
- Nutritional High has taken multiple steps to bolster its cash position through the monetization of non-core assets and securing strategic financing. This includes the sale of a real estate property in Sacramento, California for **US\$ 1.4 million** and sale and leaseback of approximately **US \$1.6 million** worth of equipment in California, Oregon and Colorado.
- The company continues to focus on market expansions, partnerships and strategic acquisitions. Nutritional High has aggressive expansion plans in California, Nevada and Canada and continues to strengthen its joint venture with Aura Health Inc.

Jim Frazier, Nutritional High's CEO, commented as follows: " With Q2 2019, we continue to deliver on our results. We have maintained and increased our revenue base in California, while also successfully executing on margin enhancing initiatives. Our in-house flagship FLI Brand has demonstrated promising market traction, which is only the start of a major penetration in the upcoming months. Our plan to expand in other major US jurisdictions are starting to take further shape. Green Therapeutics continues to make strides towards vertical integration in Nevada and we are also laser focused on expanding our product and commercial footprint in Oregon and Washington".

Adam Szweras, co-founder and Co-Chair of the Board commented: "Our goal has always been to be the market leader in cannabis extraction and infused product manufacturing and distribution. To that extent, we can really see how our 2019 strategy is successfully unfolding in multiple frontiers. As we continue to grow the Calyx pipeline, we will be able to ramp up the sale of the Company's branded products and work to improve manufacturing capacity in California to further this goal. We are equally pursuing other

strategic efforts to secure long term, profitable relationships with and ownership of brands. Our impending acquisition of Green Therapeutics is made only more lucrative with its potential to be further integrated in the Nevada vertical. Green Therapeutics will enable us to bring its products in the California market and conversely, proliferate existing Nutritional High brands to the large and growing consumer base in Nevada. As we cross these successive milestones, development of corporate infrastructure and human capital remains an equally strong imperative for us to facilitate the completion of our selected high-quality business and brand acquisition/integration.”

A comprehensive discussion of Nutritional High’s financials and operations are provided in the Company’s Management’s Discussion & Analysis (“**MD&A**”) and Financial Statements which are filed on [SEDAR](http://www.sedar.com) at www.sedar.com

About Nutritional High International Inc.

Nutritional High is focused on developing, manufacturing and distributing products under recognized brands in the cannabis products industry, with a specific focus on edibles and oil extracts for medical and adult recreational use. The Company works exclusively with licensed facilities in jurisdictions where such activity is permitted and regulated by state law.

The Company follows a vertically integrated model with a fully developed strategy for acquisitions in extraction, production, sales, and distribution sectors of the cannabis industry. Nutritional High has brought its flagship FLI™ edibles and extracts product line from production to market through its wholly owned subsidiaries in California and Oregon, as well as Colorado where its FLI™ products are manufactured by a third-party licensed producer. In California, the Company distributes its products and products manufactured by other leading producers through its wholly owned distributor Calyx Brands Inc. and is entering the Nevada, Washington State and Canadian markets in the near future.

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](#), [Instagram](#) and [Google+](#) or visit www.nutritionalhigh.com.

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