



## Nutritional High Secures Distribution Center In Southern California Doubling Its Distribution Capacity

TORONTO, June 05, 2019 -- Nutritional High International Inc. ("**Nutritional High**" or the "**Company**") (CSE: EAT, OTCQB: SPLIF, FRANKFURT: 2NU) has signed a non-binding letter of Intent ("**LOI**") with Good Vybes, LLC ("**GV**") and Hannah Ashby ("**Ashby**") to provide a Southern California base of operations for the Calyx Brands' ("**Calyx**"), the wholly owned cannabis products distributor of the Company. The deal provides the Company with an additional distribution center in Southern California, effectively doubling statewide distribution capacity. This additional footprint enables the Company to expand the scope of its services to communities such as Los Angeles, Long Beach, Palm Springs/Palm Desert, the Inland Empire and San Diego County, which represent the largest number of licensed dispensaries in California and where the majority of newly licensed retailers are expected to be opening over the next 24 months (according to temporary licensing data from the Bureau of Cannabis Control ("**BCC**")).

"This new distribution hub allows us to improve our quality and speed of service to hundreds of dispensaries across Southern California," commented Dakota Sullivan, CEO of Calyx Brands, the Company's wholly owned licensed distribution subsidiary. "Nutritional High continues to make strong progress in California, and with this agreement we are able to better fulfill the needs of the fastest growing cannabis markets in the State. Since Nutritional High acquired Calyx in March 2018, we have increased our revenues more than sevenfold and expanded our service footprint to more than 500 dispensaries. We look forward to continuing our momentum through 2019 and beyond."

### **Transaction Terms**

Ashby holds a temporary distribution license issued by the BCC to operate a cannabis distribution business at a property located in Chatsworth, CA ("**Chatsworth Licensed Premises**"), leased by GV. Ashby is in the process of updating the licenses for GV's name, which remains subject to regulatory approval.

Nutritional High has funded the completion of the build-out of the Chatsworth Licensed Premises, and the LOI provides for the parties to enter into sublease agreements, services agreements and other ancillary agreements (the "**Definitive Agreements**") whereby Calyx and Ashby will service Calyx's Southern California clients on an exclusive basis. Services offered to clients will include management of laboratory testing, sales and marketing support, packaging, warehousing, tax collection, transportation and fulfillment. Nutritional High will provide GV with an operating line of credit in an amount to be approved by the Company from time-to-time, and certain other financial support of loans and milestone-based payments on meeting licensing milestones of up to US\$330,000. The build-out of the Chatsworth Licensed Premises is complete and operations as contemplated under the LOI will commence upon receipt of local authorization, expected this month.

Subject to receiving requisite regulatory approvals, Nutritional High has the right to acquire a 51% equity interest in GV for US\$200,000 (made up of the conversion of US\$100,000 of its loan to GV, and payment of US\$100,000 to Ashby. Ashby will receive a preferred return of US\$120,000 per year before any dividends are paid. At the end of five years, Nutritional High shall have an option to acquire Ashby's remaining 49% interest for \$1.00. Ashby will have the right to have GV distribute her products as a mail order cannabis subscription box service as well as other non-competitive products to Calyx or Nutritional High.

### **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](#) and [Instagram](#) or visit [www.nutritionalhigh.com](http://www.nutritionalhigh.com).

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