

Nutritional High Signs a Purchase Agreement for Palo Verde LLC and Provides a General Corporate Update

Toronto, Ontario--(Newsfile Corp. - May 19, 2020) - Nutritional High International Inc. (CSE: EAT) (OTCQB: SPLIF) ("Nutritional High" or the "Company") is pleased to announce that it has signed a purchase agreement for the acquisition of Palo Verde LLC ("Palo Verde").

Palo Verde is a Colorado based processor and manufacturer of vape and edible products including vape cartridges, all-in-one vapes, syringes, chocolate edibles and infused pre rolls for the recreational and medical markets. These products are manufactured by Palo Verde under the award winning FLI™ brand. In addition, the Company owns the building and equipment which has been leased to Palo Verde since 2014.

In accordance with recent legislative and regulatory changes in the State of Colorado, publicly traded companies are now able to directly own licensed cannabis businesses in the state subject to the approval of the Colorado Marijuana Enforcement Division ("MED") and the local licensing authority. On May 15, 2020 the agreement was signed, and an application has been submitted to the MED for approval of the change in ownership of Palo Verde.

In accordance with the purchase agreement, Nutritional High will acquire 100% of Palo Verde subject to the approval of the license transfer by the MED and by Pueblo County. The acquisition is arm's-length with total consideration that includes the assumption of debt and a nominal cash amount. There is no finder's fee associated with this transaction. Further details regarding the acquisition will be provided upon MED approval and closing of the transaction.

"The acquisition of Palo Verde represents an important milestone in the implementation of our branded manufacturing strategy," said John Durfy, the CEO of Nutritional High. "We look forward to working with the team at Palo Verde to grow the business in Colorado and leverage their experience in other markets where we operate."

Strategic Review Update

With recent changes in the environment for cannabis companies, the Company will refocus its resources on the segments of the business most likely to achieve profitability in the short term. Through development and marketing of in-house brands, the Company believes it can achieve improved profitability and value as opposed to licensing third party products and brands. This strategy has proven successful in Colorado where the FLI™ brand of cannabis-infused products have achieved success in the market winning the Leaflink 2019 best selling vape product.

Calyx

On February 26, 2020, the Company announced that it has entered into a non-binding letter of intent to sell a controlling interest in Calyx to a strategic partner. Further details regarding Calyx and the status of this transaction will be provided shortly.

Oregon, Washington and California

Nutritional High continues to assess its assets and operations in Oregon, Washington and California as part of the strategic assessment of its overall business. The Company intends to continue to grow its current operations in Oregon with expansion of capacity and adoption of new products. Further, the Company expects to commence operations and relaunch its brands in both Washington and California. In California, Nutritional High will be focused on commercialization of in-house brands while leveraging its continued interest in Calyx for distribution.

Consistent with this brand focused strategy, the Company will discontinue production of all third-party products and terminate its licensing agreement with Docklight for the Marley brands in Washington and Oregon.

Nevada

In Nevada, Nutritional High has an agreement to acquire 75% of Green Therapeutics, an award winning manufacturer of branded concentrates and premium flower sold in the majority of dispensaries across the state. Closing has been delayed due to a state wide moratorium on Cannabis licensing and transfers and the Company and Green Therapeutics continue to engage and work together to effect a closing.

Asia

The Company continues to assess its relationship with Golden Triangle Health Company Ltd. to manufacture and distribute branded products. Golden Triangle is a Thailand-based health and wellness company with a family of brands looking to successfully commercialize in the North American market.

Debt Reorganization

As part of the strategic review, the Company has undertaken an effort to reduce its liabilities through the sale of Calyx, settlement of payables, renegotiation of lease agreements and repricing and conversion of the unsecured debentures. A proposal for the conversion of the unsecured debenture will be put forth in the meeting of the senior unsecured convertible debenture on June 24, 2020. Amendments and settlement of other debt is underway and further details will be provided in the coming weeks.

COVID-19 Update

In the markets which the Company operates, cannabis has been deemed an 'essential' business which has allowed for continued operation during the COVID-19 crisis. Nutritional High has taken the necessary measures to ensure the protection of its employees, suppliers and customers. As was the case for many companies in the industry, during March we experienced a significant increase in business. Since this time social distancing limitations implemented in the retail channel have resulted in lower sales volumes. While we have not, to date, experienced product shortages, we are closely monitoring the condition of our supply chain and focusing our resources on adapting to the situation as it unfolds.

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.

The Company has a strategy for acquisitions in extraction, production and sales sectors of the cannabis industry. Nutritional High has brought its flagship FLI™ edibles and vape product lines from production to market in various markets including Colorado where its FLI™ products are manufactured by Pale Verde, LLC. In California, the Company distributes products through its wholly owned distributor Calyx Brands Inc.

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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