

Form 51-102F3
Material Change Report

PART 2 CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

NEVIS BRANDS INC.
1100- 1199 W. Hasting Street
Vancouver, B.C. V6E3T5

Item 2 Date of Material Change

July 25, 2023

Item 3 News Release

July 25, 2023
Filed with Sedar and Stockwatch

Item 4 Summary of Material Change

- Announces intention to expand into one additional state within 90 days
- Change in partnership with Oregon Licensee
- Plans for existing Intellectual Property

Item 5 Full Description of Material Change

The Company has completed the acquisition of THC Essentials and [Major™](#), renowned brands in the cannabis beverage industry. See the news release of June 30, 2023 for full details.

- Announced its intention to expand into one additional state within 90 days
- Change in partnership with Oregon Licensee
- Plans for existing Intellectual Property

[Nevis Brands](#) Inc. (CSE: NEVI) (“Nevis,” “Nevis Brands” or the “Company”), a leading provider of cannabis beverage products, including Major™, is pleased to provide valued shareholders with an update on recent activities.

Completion of Acquisition of THC Essentials

The Company is pleased to announce the successful acquisition of THC Essentials (www.thcessentials.com), a business unit that owns several leading cannabis brands, including Major™. In 2022, THC Essentials generated \$1.55 million in licensing revenue, while incurring a cost of goods sold (COGS) of \$420,458. This resulted in a gross margin of \$1,133,806 and a net profit of \$235,420. Nevis is taking proactive measures to increase efficiency and reduce COGS, with the goal of boosting margins and net profit. Furthermore, the company has made several enhancements to make Major™ more widely available in states where it is already active.

“We are looking forward to increasing efficiencies in packaging, supply chain, and marketing operations with our licensees. Through various successful measures, we have already made significant strides in advancing our Major™ brand franchise. We are excited about several immediate opportunities that will deliver cost savings and generate greater revenue.” said John Kueber, CEO.

Nevis Brands sells cannabis products including Major™, Happy Apple™, Atomic Apple™, Vertus™, and Velvet Swing. The company has licensees in 5 states including Washington, Oregon, Arizona, Colorado, and Ohio.

Immediate Plans for Expansion

The Company has made progress in expanding its business by reaching an agreement in principle with a new US state licensee to introduce Major™ in an upcoming market by September 30, 2023. More information will be provided once the licensing agreement is finalized and initial production and distribution are underway.

Change in Oregon Licensee

The Company has completed a licensing agreement with Angel Industries, located in Clackamas Oregon, to provide increased distribution of Major™ in Oregon. In addition, the Company will increase its product line to include Atomic Apple™ after positive reception to test marketing in early 2023. “We look forward to expanding the retail presence of the Major™ Brand throughout the state of Oregon and are excited about the opportunity to add new products and flavors such as Atomic Apple™ to the marketplace,” said Mike Kirkwood, CEO of Angel Industries. Angel Industries is known for manufacturing and distributing successful products such as Blossom Gummies and Angel Drops, currently serves more than 120 retail locations across the state.

Sale of Pascal Biosciences Related Intellectual Property

Under the reorganization of Pascal Biosciences, Nevis Brands owns an intellectual property portfolio representing over \$4mm of research and development related to cannabinoid therapies including PAS-403, PAS-393 and Cannabinoids for (COVID-19). The company is in the process of offering the sales of all Pascal Intellectual property, including a pending patent for cannabinoids and COVID-19 <https://patents.google.com/patent/WO2022006498A1>

Item 6 **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

Item 7 **Omitted Information**

No information has been omitted on the basis that it is confidential information.

Item 8 **Executive Officer**

John Kueber– CEO
Telephone: 425-380-2151
Email: john@nevisbrands.com

Item 9 **Date of Report**

July 25, 2023