

Nutritional High International Inc.

(CSE:EAT | OTCQB:SPLIF)

These Cannabis Chocolates Actually Taste like Chocolate!

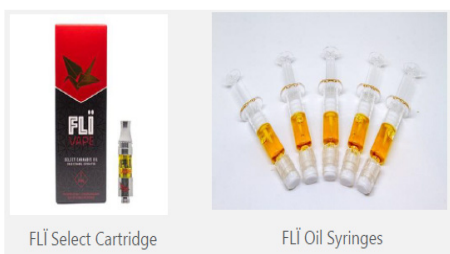
Company Description

Nutritional High International Inc. (“Nutritional High”) is focused on the production of medical and recreational cannabis-infused products in the U.S. and Canada, specializing in high-margin, premium quality extracts and edibles. Overall, the Company is ramping up its operations, distribution channels, and marketing initiatives to build a well-known, national marijuana-infused product brand - FLI. Currently, Nutritional High has active projects in five U.S. jurisdictions located in Colorado, California, Oregon, Washington, Illinois, and one in Ontario, Canada. The Company also has two strategic U.S.-based cannabis investments in Aura Health Ltd and Lineage Grow Corp. Nutritional High was the first marijuana company to successfully complete an IPO on the Canadian market.

Investment Highlights

- **FLI – the flagship brand of premium cannabis products.** Nutritional High focuses on its high-margin/quality product line, which includes vape pen cartridges, syringes, and milk chocolates using a proprietary THC/CBD semi-automatic extraction technology. Gummies and truffles are anticipated for launch soon. The Company has an ongoing distribution strategy to work exclusively with Licensed Operators to build strong relationships with their wholesaler buyers.
- **The Colorado connection, partnered with a Licensed Producer.** One of the Company’s most important revenue streams is its lease and unsecured loan agreements with Palo Verde LLC (“Palo”), a Licensed Operator in Colorado that sells vape pen cartridges and chocolate bars under the Company’s FLI brand to more than 40 dispensaries in Colorado.

Figure 1: Concentrate Products



Source: Company Presentation (Fig. 1 & 2)

Figure 2: Edible Products



- **Establishing a leading position in the California Market.** Nutritional High recently entered into letters of intent to acquire two prominent cannabis companies in California:
 - Calyx Brands Inc., a distribution business actively engaged in distributing cannabis products to legal dispensaries in California, and;
 - TKO Products LLC, an award-winning brand of cookies, brownies, chocolates, crispy treats and vape cartridges.
- **In California, the Company strategy is to acquire dominant brands,** which are synergistic to FLI and to develop distribution channels that will accelerate sales, build brand equity and capture market share in the largest legal cannabis market in the world. The Company also has an agreement with a licensed manufacturing and packaging partner located in the San Francisco Bay Area that has been a manufacturing partner producing FLI products since November 2017.

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Price Performance



Market Data (CSE:EAT)

Price (January 31, 2018)	\$0.61
52 Week Range	\$0.08 - \$1.19
Market Cap (M)	\$159.7
Current Shares Outstanding (basic, M)	261.8
Current Shares Outstanding (fully diluted, M)	306.9
Free Float	96%
Average Daily Volume (3 months)	10,200K
Last Reported Debt (M)	US\$1.2
Cash Balance (M)	\$3.0
Total Assets (M)	\$6.7

Headquarters

Toronto, Ont., Canada

Top Shareholders

Management & Insiders 4%

Management

David Posner	Chairman
Jim Frazier	CEO
Robert Keeler	COO
Sonia Agustina	CFO
Alex Storcheus	VP, Corporate Development
Adam Szwera	Corporate Secretary & Director
Billy Morrison	Oil Extraction Consultant & Director
Chris Ryan	VP, Marketing and Distribution

All figures in CAD unless otherwise stated.
Source: Company Reports, Thomson Reuters

Figure 3: FLI Booth at a Denver Event



Source: Company Presentation

Investment Highlights Continued

- Focus on jurisdictions with legal cannabis.** Nutritional High's objective is to continue focusing on California as its main market by acquiring other companies, partnering with licensed manufacturing companies, and establishing operations organically. In addition, the Company is actively involved with the following projects:
 - The Clinic Effingham** – a licensed dispensary in Illinois, in which Nutritional High has a 50% interest. According to the last financials, the dispensary had sales over US\$1.8 million for the trailing twelve months.
 - La Pine Facility** – the Company is finalizing the build-out of an extraction facility in Oregon, which is expected to go online in Q2 2018 after finalizing state and local inspections.
 - Bellingham, WA** – the Company is working with Mt. Baker Greeneries, a local company that holds Tier 2 Producer and Processor Licenses. Nutritional High is in the process of planning the build-out at the facility and providing certain IP to Mt. Baker to launch FLI products in Washington State.
 - Abba Medix JV** – the Company has a 50/50 JV for the cannabis oils business with an ACMPR-licensed company Abba Medix, which has a cultivation license, and is finalizing an application for an oils license in Canada.
 - Other jurisdictions** – Nutritional High is evaluating opportunities in other states, which have legalized cannabis for medical or adult use, including NV, MI, FL, NM and certain international markets.
- Branding and IP partnerships.** The Company currently has active partnerships with Xanthic Biopharma, IsoDiol and Purple Haze to manufacture their products in certain jurisdictions. Nutritional High is planning to add more to its roster as it continues to roll-out its operations.
- Impressive management team with deep experience from the right places.** Nutritional High is led by CEO Jim Frazier, who has owned and operated a successful Florida candy and chocolate business for more than 40 years. The leadership team is rounded out by a strong Board of Directors, including Chairman David Posner, who brought the first hemp-infused beer to Canada.

Financial Analysis

- In Colorado, Palo Verde began generating revenue in early 2017. Nutritional High is currently earning rental income of \$15 per ft² and interest income from a US\$650K revolving loan from Palo.** Nutritional High is engaged in finalizing an intellectual property agreement with Palo, with respect to branding, recipes and FLI packaging.
- In Illinois, the Clinic Effingham has been generating revenue for almost 1.5 years.
- The Company is also generating revenue in California, in the form of packaging fees from the sales of FLI brand from its licensed manufacturing and distribution partners. Upon finalizing the acquisition of Calyx Brands, Nutritional High will also consolidate its financial performance going forward (currently revenue run rate est. at ~US\$250k/month)
- The Company's other projects (Abba Medix JV, La Pine and Bellingham projects) are currently in the development stage and are expected to come online during 2018.
- Nutritional High is currently raising \$10M via 10% convertible debentures (\$5M over-allotment).** Each \$1,000 debenture receives 1,667 warrants with a \$0.70 strike price, three years from the closing date. Holders have a conversion privilege to exercise the debentures, if the share price is \$0.60 or higher, prior to the maturity date.

Figure 4: Dispensary Location, Illinois



Source: Company Presentation

Figure 5: La Pine Location, Oregon



Source: Company Presentation

Figure 5: Mt. Baker Greeneries, Washington



Source: Company Presentation

Figure 6: Chocolate Enrobing Equipment



Source: Company Presentation



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