

NUTRITIONAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2004/002282/06)
JSE Share code: NUT ISIN: ZAE000156485
("Nutritional Holdings" or the "Company")

FINANCIAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2020 –
SHORT-FORM ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	2020	2019	Percentage Growth
• EARNINGS PER SHARE (cents)	0.05	(0.06)	183%
• HEADLINE EARNINGS PER SHARE (cents)	0.05	(0.06)	183%
• NET ASSET VALUE PER SHARE (cents)	2.19	1.31	67%
• TURNOVER (R'000)	R41 729	R37 876	10%
• PROFIT/LOSS (R'000)	R7 473	(R5 402)	238%

Nutritional Holdings is pleased to report its results for the year ended 29 February 2020 ("Current Reporting Period") and shareholders are accordingly advised that the Company is excited to report its final results as follows:

- earnings per share ("EPS") of **0,05** cents per share compared to earnings of **-0,06** cents per share for the previous corresponding period; and
- headline earnings per share ("HEPS") of **0,05** cents per share compared to headline earnings of **-0,06** cents per share for the previous corresponding period.

The increases in EPS and HEPS for the Current Reporting Period compared to the previous corresponding period are due mainly to movements in, inter alia, the following items:

1. The welcomed and impressively pleasing profit is as a result of efficient execution of a strategic plan by the CEO of Nutritional Holdings to sign an interim management agreement for Nutritional Holdings to manage Ukusekela Holdings for the sole profit and loss of the duration of the management agreement. The proposed acquisition which led to the signing of the interim management agreement has borne fruit and bodes well for future quarter on quarter growth and expected positive cash flows. The global trend for Cannabis sector companies has achieved triple digit growth and this achievement further illustrates that the company is on track to mirror its global counterparts in delivering impressive profits in both the short and medium term. The largest factor in achieving the profit must be attributed to exponential demand and resultant growth in the sale of Cannabis associated products interalia; "The Ultimate Immune Booster with Cannabis Extract." This aligns with Nutritional Holdings CEO's vision in the proposed acquisition of Ukusekela. NUTs roll-out plan globally is to tie up with major pharmaceutical companies in Europe and Africa to distribute its CBD products. A detailed announcement will follow in the near term. Interruptions as a result of the pandemic which caused production in many industries to come in marginally lower than previous years, has in fact acted as a catalyst to proving sustainability of the Cannabis arm of Nutritional Holdings which through the vision of the CEO has been largely instrumental in offsetting the debt of Nutritional Holdings and presenting a welcoming profit to all shareholders for the first time in several years.
2. Ukusekela Holdings is a leader in research and development of the Cannabis and Herbal market and is strategically placed to take advantage of the recent unprecedented spike in demand and awareness for its immune boosting supplement and other cannabis infused products.

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Following our previously announced restructuring actions, we have substantially reduced our expense and cash burn. Our marketing and R&D investments are being re-allocated to programs with high-return potential in order to drive sales.

We have already proven we can deliver 3 digit gross margin and are confident that we can surpass that level as we work toward higher capacity and economies of scale across our facilities as demand for our cannabis products continue to grow. In the meantime, we are focused on further optimizing our operating footprint through a full end-to-end strategy that looks at people, process, technology, and infrastructure that we believe will lead to best in class sustainable margins over time.

With the relaxation of the lockdown, Nutritional Holdings intends on implementing the following key strategic “Action Plan” as follows:

1. Global Kiosks in all regional markets across Africa with an internet driven backend support e-commerce and nationwide delivery of products.
2. Nutritional Foods to now supply Instant Meals to the Gulf Region through existing relationships held with the current Nutritional Holdings CEO via a contract exceeding R250 000 000,00 per annum.
3. Nutritional Holdings has secured sales avenues nationally for the Ultimate Immune Booster and has forecasted sales of R83 000 000,00 over the next 6 months.
4. Nutritional Holdings has developed a formula for medical cannabis edibles through Nutritional Foods factory that will infuse cannabis extract with Instant meals for use by Cancer / terminally ill patients. Nutritional Holdings has been in ongoing discussions with the Oncology Fraternity since March 2020 and will be rolling out sample product within the month of September 2020. Approximate market value is in the region of R500 000 000.00 per annum in Africa and R2 500 000 000.00 globally.

The CEO is currently reviewing its dividend policy to create shareholder and stakeholder value.

The industrial, medical and recreational potential of the cannabis plant is touted as being worth between \$150bn and \$250bn. South Africa could be a world leader in this emerging industry, and Nutritional Holdings under its new regime aims to be the market leader.

As per the State of the Nation Address:

One particular point raised in the President’s address focused on the future of cannabis in South Africa with Ramaphosa said, "This year we will open up and regulate the commercial use of hemp products, providing opportunities for small-scale farmers; and formulate policy on the use of cannabis products for medicinal purposes, to build this industry in line with global trends. The regulatory steps will soon be announced by the relevant ministers".

This in essence enables Nutritional Holdings to broaden its product offering local and with its massive head start with facility and marketing will ensure it obtains and maintains market leadership.

COVID-19

Whilst many industries were forced into temporary lockdown – The cannabis industry as a result of its medicinal benefits boomed as consumers utilised our Ultimate Immune Booster with cannabis extract as an aid in boosting their immunity. Nutritional Holdings staff showed unreserved support for the hygiene, social distancing and team and shift de-densification measures implemented. The Group’s infection rate has been low.

To assist in bringing urgent relief to people most impacted by the COVID-19 pandemic, Nutritional Holding's staff and CEO contributed free bottles to the underprivileged of the Ultimate Immune Booster as well as certain PPE Items which had been personally funded.

Management continues to manage the COVID-19 pandemic risk with no relaxation of any of its initial containment measures and protocols and through ongoing communication with and motivation of staff.

SHORT-FORM STATEMENT

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible from 31 August 2020, via the JSE link and also available on the Company's website at www.nutritionalholdingssa.com

Copies of the full announcement may also be requested by contacting Mr MT Azum by email at mohammad@gulfdevelopment.ae and are available for inspection at the Company's registered office at no charge, weekdays during office hours.

The JSE link is as follows:

<https://senspdf.jse.co.za/documents/2020/jse/isse/nut/FY2020.pdf>.

HLB Certified Master Auditors (South Africa) Inc have reviewed this announcement and their unmodified review report is available for inspection at the Company's registered office and is available on the Company's website on at www.nutritionalholdingssa.com

31 August 2020

Durban

Designated adviser
Exchange Sponsors