REGISTRATION NUMBER: 2004/002282/06
(incorporate In the Republic of South Africa)
("NUTRITIONAL HOLDINGS" OR "THE COMPANY" OR "THE GROUP")
SHARE CODE: NUT
ISIN CODE: ZAE000298568

REVIEWED RESTATED CONDENSED CONSOLIDATED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2020

INTRODUCTION

Shareholders of the Company ("**Shareholders**") are referred to the Abridged Audited Consolidated Financial Statements for the year ended 29 February 2020 published on SENS on 1 September 2020 ("**Prior year results**") and the unaudited condensed consolidated interim results for the six months ended 31 December 2020, published on SENS on 14 December 2020 ("**interim results**"). The Company wishes to advise Shareholders that as a result of the Company's auditors having expressed a qualified opinion on the Prior year results due to a change in auditors and the current auditors being unable to satisfy themselves by alternative means concerning quantities of inventory held at 29 February 2020; and in accordance with the provisions of paragraph 3.18 of the JSE Listing Requirements, the interim results were required to be reviewed by the Company's auditors.

Shareholders are advised that during the review process and a review of the control element in terms of IFRS 10, it was noted that the holding company has no control over its subsidiary company, Nutritional Foods (Pty) Ltd ("**Nutritional Foods**") and that notwithstanding the appointment of members of the Nutritional Holdings board ("**Board**") to the Nutritional Foods board, these Board members can't direct the day-to-day operations of the Nutritional Foods business. A loss of control was noted in that only one director of the Board is controlling the activities of Nutritional Foods and the other elected Board members had no vote on business decisions taken by that director. As a result, Nutritional Foods has become an investment only and no longer a consolidating entity.

Shareholders are furthermore referred to the announcement published on SENS on 24 February 2021, wherein they were advised that the Board has resolved to dispose of Nutritional Foods due to the non-performance of the company. As announced on SENS on 19 May 2021, the Company received various expressions of interest for the acquisition of Nutritional Foods and an offer from Mr MM Suping, the CEO of Nutritional Foods, was conditionally accepted and in accordance with IFRS 5, the asset is accordingly deemed to be held for sale with a fair value of R15.2 million.

The reviewed restated condensed consolidated interim results are detailed below.

OVERVIEW

Nutritional Holdings is pleased to report its reviewed restated condensed consolidated interim results for the 6-months ended 31 August 2020 ("**Interim Reporting period**"). The Company is pleased to report significantly improved financial results in a period of substantial volatility.

The critical indicators continue moving in the right direction and the company is now poised for exponential growth.

Nutritional Holdings is organised into two major operating activities, namely Foods and Cannabis.

Financial highlights:

- Group turnover improved by 21.6% to R20.312 million compared to R16.706 million in the previous corresponding period.

- Operating profit before interest and tax improved to R18.761 million compared to a loss of R3.773 million in the previous corresponding period.

- Net profit improved to R5.967 million compared to a loss of R4.730 million in the previous corresponding period.

- Headline Earnings per share ("**HEPS**") improved to 0.04 cents per share compared to a loss of 0.03 cent per share in the previous corresponding.

The pleasing recovery in financial performance reflects progress in the turnaround strategy, and includes the reinvigoration over the past 12 month attributed to the Company's entrance into the Cannabis industry which allowed it to thrive in this challenging environment. This is attributable to the efficient execution of the management contract entered into with Ukusekela Holdings (Pty) Ltd ("**Ukusekela**"), pending the fulfilment of the suspensive conditions relating to the acquisition of the company, which enabled Ukusekela to deliver a strong performance, both operationally and financially, despite the challenges from the Covid-19 pandemic.

The global trend for cannabis has resulted in companies operating in this sector achieving triple digit growth and the performance of Ukusekela during the Interim Reporting Period is a positive indication that the company is on track to mirror its global counterparts in delivering pleasing profits in both the short and medium term. The largest factor in achieving the profit must be attributed to the growth in demand for Ukusekela's cannabis associated products, including *inter alia,* "The Ultimate Immune Booster with Cannabis Extract". This aligns with Nutritional Holdings vision in the acquisition of Ukusekela.

Ukusekela:

Ukusekela was acquired with effect from 1 October 2020 and the acquisition of the company, has already proved to be a positive turning point for Nutritional Holdings and bodes well for future quarter on quarter growth and expected positive cash flows.

Ukusekela holds various licenses in Lesotho, Zimbabwe and Swaziland for the cultivation harvesting manufacturing, distribution, importing and exporting of cannabis as well as a research laboratory in South Africa.

Ukusekela holds an off-take agreement with Europharm Medical Corporation, one of the largest cannabis pharmaceutical companies based in Europe, which has a license to distribute CBD Oils and infused products in more than 15 countries; and, post period-end, concluded two further multi-million Rand agreements for the supply of the Ultimate Immune Booster and CBD Body Balm, as detailed below. The Company is confident that the footprint created in the highly sought-after Japanese market and the off take with the influential Japanese player is only the tip of the iceberg in the virgin Asian market.

Ukusekela is a solid business with significant assets and the Board is confident that the next quarter will demonstrate the culmination of the immense effort by the management team to create shareholder value.

Nutritional Foods

Whilst Nutritional Foods is in the process of being disposed of, Nutritional Holdings will continue to produce specific lines of product, including:

Instant High Energy Meal, for supply to:

- Schools
- Correctional Facilities
- National Army Base
- Sporting Facilities
- NGOs and NPOS (who are currently funded throughout the world via the UAE)

Instant Rehydrate, for use by/in

- the Camping and Outdoor Activity Sector
- Sporting related activities
- Remote Medical Aid Kits
- National Army Base
- NGOS and NPOS

It is envisaged that the above will be produced at Nutritional Holding's head office in Durban, South Africa under the Nutritional Holdings brand. In addition, tests in respect of cannabis infusions into edibles are currently under way.

COVID-19:

Of paramount importance during this time was the protection of our employees and support for all communities. We implemented widespread education, testing, counselling, and safety measures across all jurisdictions to protect staff from the pandemic, with the wellness of all staff members having been assessed to date. To assist in bringing urgent relief to people most impacted by the COVID-19 pandemic risk, Nutritional Holdings' staff contributed free bottles of the Ultimate Immune Booster as well as certain personal protective equipment ("**PPE**") items to the underprivileged. Management continues to manage COVID-19 pandemic risks with no relaxation of any of its initial containment measures and protocols and through ongoing communication with and motivation of staff.

Interruptions because 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 providing sustainability of the cannabis arm of Nutritional Holdings which has been largely instrumental in creating good overall business momentum, which reflects continued progress with the business growth strategy.

Governance:

Nutritional Holdings has made pleasing progress in recent times to elevate governance and accountability within the business and to shift the culture. The Group has also strengthened financial discipline, oversight and assurance with the appointment of key positions such as the Chief Financial Officer, Company Secretary and strategic Board positions.

Dividend policy:

The Board is currently reviewing its dividend policy to create an income stream for shareholders.

Going forward:

Good progress has been made to allow Nutritional Holdings to become the largest player in the highly regulated cannabis industry in South Africa.

Nutritional Holdings continues to lay a solid foundation for a particular building block approach, to drive synergies and enhance value creation. Strategic transformational partnerships, while decelerated by the pandemic, continue to progress as is evident by the progress made post the review period

One of the most fundamental requirements for resetting Nutritional Holdings path to sustainable prosperity is to improve the cash generation capabilities. Stringent milestones have been developed and agreed to achieve this objective and is expected to be realised from the export of sales with lucrative margins.

Management is encouraged that the extensive initiatives that we have implemented are beginning to translate into improved financial performance and determined to continue to lay the groundwork for Nutritional Holdings successful return to sustainable value creation for our stakeholders.

<u>Subsequent Events:</u>

1. In September 2020, Ukusekela signed an agreement for the supply of the “Ultimate Immune Booster” to a leading manufacturing and distribution company in Germany, GIH Distributors (“**GIH**”), a subsidiary of Dubai-based Ashmore General Trading Company (“**Ashmore General Trading**”). The contracted term of three years, which was scheduled to begin in the middle of October 2020 with an initial volume of 50,000 units per month for the first year and ultimately growing to 200,000 units per month by year three, has a total contract value in excess of R1 billion.

2. In November 2020, Ukusekela announced that it had concluded a 24-month offtake agreement to supply CBD products into the highly regulated and strictly governed market of Japan through Grovenor Supplements FZCO (“**GS**”), a subsidiary of Ashmore General Trading. The total contract value of the offtake agreement is R776.1 million.

3. Furthermore, in November 2020, Nutritional Holdings acquired the business and assets of Indiva Pharma LLC (“**Indiva Pharma**”), for a purchase consideration of 1 billion shares at an issue price of 5 cents per share and USD 562 000 payable on signature of the agreement. Indiva Pharma owns and operates a major CO2 Cannabis extraction company, which is amongst the few facilities in Africa using Co2 capabilities to extract cannabinoids from plant employing high temperatures and pressures, without compromising the natural compound of Cannabis.

Shareholders are, however, referred to the Update on Supply Contracts and Cautionary Announcement published on SENS on 11 May 2021, in which they were advised that the commencement of the contracts concluded with GIH and GS was slightly delayed due to COVID-19 affecting global supply chains, but that supply in respect of both contracts has commenced and the Company is meeting full production requirements.

REVIEWED RESTATED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed restated results Six Months 31 Aug 2020 R'000	Previously published unaudited Six Months 31 Aug 2020 R'000	Unaudited Six Months 31 Aug 2019 R'000	Audited Year ended 29 Feb 2020 R'000
Revenue (1)	20 312	33 724	16 706	40 829
Operating profit/(loss) before interest and taxation	18 761	16 476	(3 773)	1 285
Net finance cost	(566)	(701)	(957)	(1 842)
Profit/(Loss) before taxation	18 195	15 774	(4 730)	(557)
Taxation	(5 142)	(5 142)	-	6 498
(Loss) on non-current asset held for disposal	(7 086)	-	-	-
Profit/(Loss) for the period	5 967	10 632	(4 730)	5 941
Other comprehensive income for the year net of taxation net of taxation	-	-	-	-
Total Comprehensive income (loss) for the year / period	5 967	10 632	(4 730)	5 941
Profit / (loss) to attributable:				
Ordinary shareholders	5 967	10 632	(4 730)	5 941
Earnings per share (cents) - basic and diluted	0.04	0.08	(0.03)	0.04
Number of ordinary shares in issue (000)				
- issued net of treasury shares	13 653 368	13 653 368	13 653 368	13 653 368
- weighted-average	13 653 368	13 653 368	13 653 368	13 653 368
- Diluted weighted-average	13 653 368	13 653 368	13 653 368	13 653 368

Note 1: Turnover, Net Profit and HEPS has subsequently changed in the reviewed financial statements due to the fact that the auditors have taken cognisance of the fact that Nutritional Foods is now in finality of being disposed and is purely due to accounting policy and disclosure.

REVIEWED RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed restated results Six Months 31 Aug 2020 R'000	Previously published unaudited Six Months 31 Aug 2020 R'000	Unaudited Six Months 31 Aug 2019 R'000	Audited Year ended 29 Feb 2020 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	-	21 318	23 755	22 752
Intangible assets	171	960	1 481	1 228
Deferred taxation	1 356	1 356	5 481	6 498
	1 527	23 633	30 717	30 478
Current assets				
Inventories	15 406	18 329	3 920	3 251
Trade and other receivables	15 177	17 989	4 146	13 923
Cash and cash equivalents	165	766	466	369
	30 748	37 084	8 532	17 543
Non-current asset held for disposal	15 200	-	-	-
TOTAL ASSETS	47 475	60 717	39 249	48 021

REVIEWED RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION…CONTINUED

	Reviewed restated results Six Months 31 Aug 2020 R'000	Previously published unaudited Six Months 31 Aug 2020 R'000	Unaudited Six Months 31 Aug 2019 R'000	Audited Year ended 29 Feb 2020 R'000
EQUITY AND LIABILITIES				
Capital and reserves				
Share Capital	159 580	159 580	159 580	159 580
Reserves	212	9 920	10 734	10 140
Accumulated loss	(140 459)	(135 794)	(157 098)	(147 426)
Total shareholders' funds	19 333	33 706	13 216	23 294
Non-current liabilities				
Loans from shareholders	20 050	18 918	15 885	17 821
Lease liabilities	206	206	-	373
Deferred taxation	-	-	5 481	-
	20 256	19 124	21 366	18 194
Current liabilities				
Trade and other payables	7 509	7 509	4 663	5 044
Lease liabilities	377	377	-	290
Bank overdraft			4	1 199
	7 886	7 887	4 667	6 533
TOTAL EQUITY AND LIABILITIES	47 474	60 717	39 249	48 021

REVIEWED RESTATED CONDENSED CONSOLIDATE STATEMENT OF CASH FLOWS

	Reviewed restated results Six Months 31 Aug 2020 R'000	Previously published unaudited Six Months 31 Aug 2020 R'000	Unaudited Six Months 31 Aug 2019 R'000	Audited Year ended 29 Feb 2020 R'000
Cash flow from operating activities				
Cash generated from / (utilised by) operations	(392)	1 157	(455)	(2 260)
Interest income	2	2	-	63
Interest paid	(212)	-	(624)	-
Net cash flow from operating activities	**(602)**	**1 159**	**(1 079)**	**(2 197)**
Cash flow from investing activities				
Purchase of property, plant and equipment	-	-	(1 406)	(1 564)
Proceeds from disposal of property, plant and equipment	-	-	**15**	65
Net cash flow from investing activities	**(602)**	**-**	**(1 391)**	**(1 499)**
Cash flow from financing activities				
Loans received from shareholders	1 597	542	3 000	4 020
Finance lease payments	-	(80)	-	(205)
Finance costs	-	(25)	-	(881)
Net cash flow from financing activities	**1 597**	**437**	**3 000**	**2 934**
Total cash movement for the year	995	1 596	530	(762)
Cash and cash equivalents at beginning of period	(830)	(830)	(68)	(68)
Cash and cash equivalents at end of period	**165**	**766**	**462**	**(830)**

REVIEWED RESTATED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2020

	Share capital	Treasury shares	Share based payment reserve	Revaluation reserve	Accumulated loss	Equity
Balance at 28 February 2019	**166 321**	**(6 741)**	**213**	**10 521**	**(152 367)**	**17 946**
Total comprehensive loss for the period -	-	-	-	-	(4 730)	(4 730)
Balance at 31 August 2019 - unaudited	**166 321**	**(6 741)**	**213**	**10 521**	**(157 098)**	**13 216**
Profit for the period	-	-	-	-	10 671	10 671
Other comprehensive income for the period	-	-	-	(593)	-	(593)
Total comprehensive income for the period	**-**	**-**	**-**	***(593)***	***10 671***	***10 078***
Balance at 29 February 2020 - audited	**166 321**	**(6 741)**	**213**	**9 928**	**(146 427)**	**23 294**
Profit for the period	-	-	-	-	5 967	5 967
Other comprehensive income for the period	-	-	-	(220)	-	(220)
Non-current asset held for sale				(9 708)		(9 708)
Total comprehensive income for the period	**-**	**-**	**-**	***(220)***	***5 967***	***5 967***
Balance at 31 August 2020 – reviewed restated	**166 321**	**(6 741)**	**213**	**-**	**(140 460)**	**19 333**
Unaudited as previously disclosed:						
Balance at 29 February 2020 - audited	**166 321**	**(6 741)**	**213**	**9 928**	**(146 427)**	**23 294**
Profit for the period	-	-	-	-	10 632	10 632
Other comprehensive income for the period	-	-	-	(220)	-	(220)
Total comprehensive income for the period	**-**	**-**	**-**	**(220)**	**10 632**	**10 412**
Balance at 31 August 2020 - unaudited	**166 321**	**(6 741)**	**213**	**9 708**	**(135 795)**	**33 706**

REVIEWED RESTATED CONDENSED CONSOLIDATED GROUP SEGMENT ANALYSIS

	Foods	Services	Consolidated
Business segments for the six months ended 31 August 2020 – reviewed restated			
Revenue from external sales	-	20 312	20 312
Segment profit/(loss) before tax	-	18 155	18 155
Taxation	-	(5 142)	(5 142)
Profit for the period			13 013
for the six months ended 31 August 2019 - unaudited			
Revenue from external sales	-	-	-
Revenue from internal sales	-	300	300
Segment profit/(loss) before tax	-	(1 652)	(1 652)
Taxation	-	-	-
Loss for the period			(1 652)
for the year ended 29 February 2020 - audited			
Revenue from external sales	-	8 594	8 594
Revenue from internal sales	-	300	300
Segment profit/(loss) before tax	-	5 552	5 552
Taxation	-	6 498	6 498
Profit for the period			12 050

UNAUDITED CONDENSED CONSOLIDATED GROUP SEGMENT ANALYSIS AS PUBLISHED PREVIOUSLY:

	Foods	Services	Consolidated
Business segments for the six months ended 31 August 2020 - unaudited			
Revenue from external sales	13 412	20 312	33 724
Segment profit/(loss) before tax	(2 381)	18 155	15 774
Taxation	-	(5 142)	5 142
Profit for the period			10 632
for the six months ended 31 August 2019 - unaudited			
Revenue from external sales	16 703	-	16 703
Revenue from internal sales	-	300	300
Segment profit/(loss) before tax	(3 078)	(1 652)	(4 730)
Taxation	-	-	-
Loss for the period			(4 730)
for the year ended 29 February 2020 - audited			
Revenue from external sales	32 535	8 294	40 829
Revenue from internal sales	-	300	300
Segment profit/(loss) before tax	(6 109)	5 552	(557)
Taxation	-	6 498	6 498
Profit for the period		5 941	5 941

BASIS FOR PREPARATION

The reviewed, condensed interim financial results for the period ended 31 August 2020 have been prepared in accordance with International Financial Reporting Framework ("**IFRS**"), the presentation disclosure requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Financial Reporting Accountants Council, the Listing Requirements of the JSE Limited and the requirements of the Companies Act, No 71 of 2008. The results have been prepared in terms of the IFRS on the historical cost basis, except for the measurement of land and buildings and certain financial instruments which are measured at fair value and are consistent, in all material respects, with the accounting policies applied in the previous financial statements.

The unaudited and unreviewed, condensed interim financial results published on SENS on 14 December 2020 were prepared under the supervision of the then Chief Financial Officer, Ms S Meyer. The reviewed restated condensed interim financial results have been prepared under the supervision of the Chief Financial Officer, Mr P Watson.

The reviewed condensed interim results for the six months ended 31 August 2020 were reviewed by HLB CMA South Africa Inc., who expressed an unmodified review conclusion. The auditor's review conclusion is available for inspection at the Company's registered office. An extract of the review opinion is set out below:

"Based on our review, nothing has come to our attention that causes us to believe that these consolidated interim results do not present fairly, in all material respects the financial position of Nutritional Holdings Limited & it's subsidiaries as at 31 August 2020, and its financial performance and cash flows for the six months then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008."

The auditor's review conclusion does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review conclusion together with the accompanying financial information from the issuer's registered office.

GOING CONCERN

The Group achieved an operating profit after tax of R5.967 million for the six months ended 31 August 2020.

No additional loans were received and as assurance, the majority shareholder has provided a guarantee to fund any cashflow deficiencies which will be highly unlikely whilst Nutritional Holdings is implementing its new growth strategy.

HEADLINE EARNINGS

	Reviewed restated result Six Months 31 Aug 2020 R'000	Previously published unaudited Six Months 31 Aug 2020 R'000	Unaudited Six Months 31 Aug 2019 R'000	Audited Year ended 29 Feb 2020 R'000
Calculation of Headline earnings (R'000)				
Profit/(Loss) attributable to ordinary shareholders	5 967	10 632	(4 730)	5 941
Loss on disposal of property, plant and equipment	-	-	53	74
Headline Earnings - basic and diluted	**5 967**	**10 632**	**(4 677)**	**6 015**
Headline earnings per share (cents) - basic and diluted	0.04	0.08	(0.03)	0.04

CHANGES TO THE BOARD

The following changes to the Board were made during and subsequent to the period under review: Mr Thabo Mokgatlha resigned as a non-executive director with effect from 1 September 2020.

Dr Adel Al Tinawi and Mr Tony Kyubwa were appointed as independent non-executive directors and Mr Neville Moodley was appointed as an executive director with effect from 1 September 2020.

Ms Suzanne Meyer was appointed as Chief Financial Officer with effect from 29 October 2020, but subsequently resigned with effect from 28 February 2021.

Mr Nikhyle Dasarath was appointed as an executive director with effect from 17 March 2021.

Mr Pieter Watson was appointed as Chief Financial Officer and Mr Sashen Reddy was appointed as an executive director with effect from 22 April 2021.

Dr Adel Al Tinawi resigned as an independent non-executive director and Mr Manqoba ("Boy") Ngubo was appointed as an independent non-executive director with effect from 10 May 2021.

Mr Mohammad Azum resigned as an executive director and Chief Executive Officer with effect from 8 June 2021.

CHANGE IN COMPANY SECRETARY AND DESIGNATED ADVISOR

Ms Claire Middlemiss was appointed as Company Secretary with effect from 1 October 2020, but subsequently resigned with effect from 30 March 2021. Light Consulting Proprietary Limited was appointed as Company Secretary with effect from 1 April 2021

Exchange Sponsors (Pty) Ltd resigned as Designated Advisor with effect from 26 March 2021. AcaciaCap Advisors Proprietary Limited was appointed as Designated Advisor with effect from 1 April 2021.

By Order of the Board

9 June 2021

Mr N Dasarath	Mr P Watson CA(SA)
Chief Executive Officer	**Chief Financial Officer**

CORPORATE INFORMATION

Non-executive directors: Mr S. Tinawi, Mr B Ngubo, Mr MM. Suping, Mr T Kyubwa

Executive directors: Mr N Dasarath, Mr P Watson, Mr SN Reddy, Mr N Moodley

Registration number: 2004/002282/06

Registered address: Unit 20, Boulevard Business Park, 14 Belladonna Road, Durban, 4319

Postal address: P.O Box 5026, La Lucia Ridge, 4019

Telephone: 031 1000 397

Company secretary: Light Consulting Proprietary Limited

Transfer secretaries: 4 Africa Exchange Registry Proprietary Limited

Designated Advisor: AcaciaCap Advisors Proprietary Limited