

Nutritional Holdings Limited

(Registration number: 2004/002282/06)

(Incorporated in the Republic of South Africa)

(Share Code: NUT ISIN Code: ZAE000156485)

("Nutritional Holdings" or "the Company")

Nutritional Holdings Condensed Consolidated Interim Results and operational update for the 6 months ended 31 August 2020

Nutritional Holdings is pleased to announce an increase of approximately 537% in operating profit before interest and tax for the six months ended 31 August 2020 to R16.4 million profit, relative to the R3.7million loss generated in the previous comparable period. This result is due to excellent performance from the Cannabis Acquisitions and good overall business momentum, which reflects continued progress with the business growth strategy in line with the 5 year business plan.

1) Financial Highlights

- Revenue increased by 102% to R33.724 million (HY20: R16.706 million)
- Operating profit before interest and tax increased 537% to R16.476 million (HY20: R3.773 million loss)
- HEPS increased by 325% to 0.08 cents per share (HY20: 0.03 cents loss per share)
- EPS increased by 325% to 0.08 cents per share (HY20: 0.03 cents loss per share)

FINANCIAL SUMMARY

		31 August 2020	31 August 2019	% Change
Income statement				
Revenue	R'000	33 724	16 706	102%
Operating profit/(Loss) before interest & tax	R'000	16 476	(3773)	537%
Profit/(loss) for the year	R'000	10 632	(4730)	325%

Statement of financial position

Total assets	R'000	60 717	39 249	55%
Total liabilities	R'000	27 011	26 033	4%
Total shareholders' funds	R'000	33 706	13 216	155%
Net asset value per share	cents	0.25	0.10	155%

Shares in issue

At end of period excluding treasury shares	000	13 653 368	13 653 368	-
Weighted average	000	13 653 368	13 653 368	-

Basic earnings/(loss) per share	cents	0.08	(0.03)	325%
Headline earnings/(loss) per share	cents	0.08	(0.03)	325%

2) Overview

In assessing these interim results, it should be noted that the Ukusekela Holdings management contract performed strongly with both the operational and financial results for the 6 months despite the challenges from Covid 19. The acquisition of Ukusekela Holding become effective 1 October 2020. In addition, the new Indiva acquisition is not included in these results as the acquisition was done after 31 August 2020, and management expects strong profitability to be realised from this acquisition. These acquisitions which will be reflected in the full year results.

The largest factor in achieving the profit must be attributed to exponential demand and resultant growth in the sale of Cannabis associated products with the Cannabis operations reflecting significant growth and profitability. With two large export sales agreements concluded viz. the German market for R 1 Billion (One Billion) and the Japanese market for R800 Million (Eight Hundred Million), the results are expected to gain momentum in the last quarter of the financial year with full realisation in the 2022 financial year.

The company is confident that the second half of the financial year will deliver stronger performance with the full integration of the acquisitions into the operations as management continue to streamline and work toward higher capacity and economies of scale as demand for cannabis products continue to grow.

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 a Chief Financial Officer, Company Secretary & Strategic Board Positions.

The Board is currently reviewing its dividend policy to create an income stream for shareholders and stakeholders and the current share buy-back is the first step in this process.

3) Short-form Announcement

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the Full Announcement and does not contain full or complete details.

The Full Announcement can be found at:

<https://senspdf.jse.co.za/documents/2020/jse/isse/nut/INT2020.pdf>

Copies of the Full Announcement are also available for viewing on the Company's website at <https://www.nutritionalholdingssa.com> or may be requested in person, at the Company's registered office or the offices of our sponsors, at no charge, during office hours.

Durban
14 December 2020

Designated Adviser
Exchange Sponsors