



**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")

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**UPDATE ANNOUNCEMENT – INITIAL COIN OFFERING**

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Shareholders are referred to the clarification announcement regarding the initial coin offering ("**ICO**") offered to Nutritional Holdings shareholders as published on SENS on 14 April 2021 ("**14 April announcement**").

As detailed in the 14 April announcement, CannaCrypt was conceived by Nutritional Holdings and its wholly-owned subsidiary, Ukusekela Holdings (Pty) Ltd ("**Ukusekela**") for purposes of exploring alternative funding strategies for the working capital needs related to the expected growth in Ukusekela's cannabis business.

Shareholders are advised that at the time that they were invited to participate in the ICO, the directors' focus had been on securing the required working capital funding for Ukusekela and the letter sent to shareholders on 25 March 2021 accordingly noted that the cannacrypt coin offering was being launched through Ukusekela. However, following further consultations with the Company's advisors, the directors came to the realisation that, operationally, it would be more efficient for the ICO to be housed in a separate entity outside of the Nutritional Holdings group and a company known as Cannacrypt (Pty) Ltd ("**CannaCrypt**") was duly incorporated for this purpose. Shareholders were accordingly advised in the 14 April announcement that the ICO is being housed in CannaCrypt, a separate entity formed under the control of one of the executive directors of Nutritional Holdings, Mr N Dasarath.

The objective of the ICO remains an alternative funding instrument in lieu of potentially exorbitant interest repayments and long-term debt with 2<sup>nd</sup> or 3<sup>rd</sup> tier financiers. Cannacrypt will offer Nutritional Holdings an opportunity to secure working capital to satisfy current and future contracts without the pressure that 3<sup>rd</sup> tier financing applies on day-to-day activities, while providing a long-term benefit to the Company to secure growth.

The subscription monies received from the initial subscribers to the ICO ("**ICO subscribers**") were originally paid into an Ukusekela bank account. For purposes of ensuring the continuity of the ICO and in light of the fact that cannacrypt coins have already been issued to ICO subscribers, Ukusekela has transferred the subscription monies received to date into a Trust account opened by CannaCrypt. As noted in the 14<sup>th</sup> April announcement, monies received from ICO subscribers has been ringfenced and remain secure in this Trust account.

In light of the lack of specific regulations relating to ICO's in South Africa, the Company and its advisors are engaging with the various regulatory authorities, including the JSE Limited ("**JSE**"), the Companies and Intellectual Property Commission ("**CIPC**") and the Financial Sector Conduct Authority ("**FSCA**") in order to ensure that the ICO is formalised. In this regard, the following process has been agreed:

- CannaCrypt will remain independent of Nutritional Holdings and Ukusekela;
- CannaCrypt has applied for registration as a Financial Services Provider ("FSP") under FSP number 51637 and will be engaging with the FSCA;
- CannaCrypt will be converted from a private company into a public company as discussed with CIPC;
- CannaCrypt will then publish a prospectus in accordance with the Companies Act, 2008 in order to establish best practice in the absence of current and clear regulations, which could potentially set a precedent for ICOs and cryptocurrency regulations going forward;
- Any additional requirements put forward by any of the regulatory organisations referred to above will be considered;
- CannaCrypt will then extend its offering to the Nutritional Holdings shareholders (on a preferential basis) and to the general public once the prospectus has been registered;
- The final terms and conditions for the agreement between Nutritional Holdings, Ukusekela and CannaCrypt are currently being drawn up and details will be announced in due course.

In conclusion, as per the 14 April announcement, the Board will ensure that shareholders are fully advised should CannaCrypt become a subsidiary of the Company or should any related party funding or other agreements be concluded between the Company and CannaCrypt. If the agreement terms are not market related in terms of Section 10 of the JSE Listings Requirements, then the appropriate JSE Listings Requirements will be applied, and if necessary, shareholder approval obtained.

**By order of the Board**  
**Johannesburg**  
22 April 2021

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**Designated Advisor**  
AcaciaCap Advisors Proprietary Limited

