



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")

**UPDATE ON THE TEMPORARY SUSPENSION OF TRADE IN THE COMPANY'S SECURITIES,
NOTIFICATION OF DELAY IN PUBLICATION OF THE AUDITED RESULTS FOR THE YEAR ENDED
28 FEBRUARY 2021 AND RENEWAL OF CAUTIONARY**

Shareholders are advised that the trade in the Company's securities was temporarily halted towards the end of May 2021 whilst the Company addressed a couple of areas of compliance with the JSE Listings Requirements, being the following:

1. The review of the interim results announcement issued on SENS on 14 December 2020. The company's results for the year ended 29 February 2020 had been qualified due to the fact that a stock count had not been conducted at the year end, which was due to a change in auditors at the time. In accordance with the JSE Listings Requirements, this triggered a review of the interim results, of which the Board was not aware at the time. This was partly due to a number of Board changes during 2020, with few of the directors having listed company experience.
2. The majority of the Board members had not attended the Directors Induction Programme in accordance with the JSE Listings Requirements. The JSE believed that the non-attendance at the Directors Induction Programme led to the breach of the JSE Listings Requirements in paragraph 1 above.

Corrective steps have been implemented as follows:

1. The review of the interim results by the Company's auditor commenced in April 2021 and was finalised in June 2021. The reviewed results were published on SENS on 9 June 2021. The finalisation of this process was delayed due to a number of reasons, but partly due to the decision of the Board to, *inter alia*, place Nutritional Foods (Pty) Ltd ("Nutritional Foods") into Business Rescue in February 2021 and subsequently to dispose of Nutritional Foods, as previously announced. This led to guidance being received that the interim results were required to be restated for the non-consolidation of Nutritional Foods in accordance with IFRS, which guidance was accepted and the reviewed interim results were published as restated results.
2. The majority of the directors have partly attended the Directors Induction Programme and are expected to complete this during November 2021. Furthermore, a more experienced independent non-executive director who has already attended the Directors Induction Programme was appointed to the Board during May 2021.

In the interim, the Company applied to the JSE for the lifting of the suspension of trade in the Company's securities. The JSE reverted with queries primarily around the restated interim results and requested a root cause analysis of the problems that arose during 2020 and early 2021 and what steps the Company has taken to ensure that such errors do not reoccur. The Company is busy preparing a response to the JSE in this regard.

The Company has been making great strides with regard to other concerns initially raised by the JSE during March 2021, such as the appointment of a new Financial Director, who is a Chartered Accountant with many years' experience as a CFO in multinational subsidiary companies. The finance team has also been strengthened with the appointment of the former audit partner of Ukusekela Holdings Proprietary Limited, also a CA(SA), and who has good knowledge of the systems, controls and business of the major subsidiary of the Group.

The Company also appointed a new Company Secretary and Designated Advisor from April 2021, reconstituted the Board and Board Committees and appointed a new Independent Non-Executive director as detailed earlier in this announcement.

The Company acknowledges that with the various Board changes in 2020 amid the lack of Board meetings during COVID-19, the lockdown and operational issues that were the main focus at the time, there had not been a proper focus on training and compliance. This is now receiving serious attention and the Company is committed to resolving the remaining issues in order to enable trade in the Company's shares to recommence as soon as possible.

With the various changes in the finance team as noted above, the review and restatement of the interim results, the attendance by Directors at the Directors Induction Programme and the time spent on regularisation and JSE engagements, the finalisation of the audit of the results for the year ended 28 February 2021 and completion of the Annual Report will be late. It is expected that this will be finalised by the end of July 2021.

The Company will accordingly only re-apply for the lifting of the suspension of trade in its securities once the audited results have been published on SENS, the Annual Report has been posted to shareholders and the Company has responded to the JSE in full on the queries raised in response to the initial application submitted for the lifting of the suspension of trade in the Company's securities.

RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are reminded of the fact that the consolidation of the Company's shares on a 1:25 basis was implemented whilst trade in the Company's securities on the JSE was suspended and that this may have a material effect on the price at which the Company's shares may have been expected to trade post-consolidation. Shareholders are accordingly advised to exercise caution in dealing in their shares until a further announcement is made regarding the lifting of the suspension and when dealing in the shares on the lifting of the suspension.

By order of the Board

Durban

30 June 2021

Designated Advisor

AcaciaCap Advisors Proprietary Limited

