



AstiVita Limited ABN 46 139 461 733

18 May 2018

AstiVita Update

AstiVita announces that the YTD loss before tax based on unaudited management accounts is approximately \$595,000, less any amount due to the rent free period arising from the pending sale of 172 Ingram Road Acacia Ridge. The Board is disappointed it will not achieve its goal of breakeven for FY18, despite the result being \$850,000 better compared to the same period last year.

Update on Initiatives Started in FY18

- The anticipated growth in Tamawood sales has not occurred due to delays in construction experienced by Tamawood. We do anticipate sales to Tamawood will increase in FY19.
- The Affiliate program and Shareholders Discount program are ongoing, however, there has not been a large take up of the offer and sales from these programs have been slow.
- The launch of the AstiVita website in New Zealand happened in January 2018. We are currently generating traffic to the New Zealand website and expect to see positive sales in FY19.
- The Amazon platform took some months to generate initial sales and we are now seeing consistent sales on a weekly basis. Some products are ranked in the top 10 in certain categories and we will continue to explore further new products to sell on this platform.
- The market release of the Senterprisys software did not happen FY18. The expected release is now third quarter calendar 2018.
- We have seen positive sales for products in non-traditional areas including computer monitors, fridges, washing machines and dryers particularly on the Amazon platform. We will continue to explore new product opportunities to increase sales on all retail platforms.
- We have started to significantly reduce old stock throughout FY18, including Italian tapware, and other sanitary ware items. This will enable AstiVita to reduce its warehouse space going forward which will create savings in rent and other operational costs in FY19.



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New Initiatives FY19

- We have just finalised negotiations with a large electrical company which will increase our PV panel sales and inverter sales for FY19. Despite lower margins, we expect a positive contribution.
- We will see an increase in panel sales for Tamawood as they move to a standard 5kw system in FY19 compared to the 1.5kw system in FY18.
- Poltick Pty Ltd (related entity to Lev Mizikovsky) is in the process of selling 172 Ingram Road Acacia Ridge. As a result of this sale and the Company's continued reduction in old stock, AstiVita is looking to reduce its warehouse space to 3,000m² and will enjoy the benefit of approximately nine months free rent next year as part of the Ingram Road sale terms. This will generate savings for the Company of approximately \$240,000.

The Board will continue to work on all of these initiatives and is hopeful that FY19 will see AstiVita become profitable.

Lev Mizikovsky
Chairman