



ABN 46 139 461 733

25 October 2019

Chairman's Address

Strategic Initiatives Update

I am pleased to report that the second half FY19 was a further improvement on the first half FY19 with a loss contained to \$200,000. AstiVita has continued its strategic business restructure in FY19 with an improvement in the operating loss to \$583,000 (2018: \$841,000). A number of negative items impacted the performance of the Company during the year:

- A decline of \$600,000 in revenue from sales to Tamawood.
- The liquidation of 3-5 year old stock through the Amazon platform which required a material write-down.
- Costs associated with the move to new, smaller premises.

Update on Strategic Initiatives FY20

- The diversification and sale of products through Amazon is underway and our first volume sale of new products is expected to start in November this financial year.
- Reduction in operating costs including payroll, with the bulk of fulfilment being undertaken by Amazon.
- The sale of sunscreen and other cosmetic products are expected to start early January 2020.
- Further investment into registration, development and introduction of a number of new Company-owned brands, mainly sunscreens, to be sold in over 200 countries utilising the Amazon platform, including logistics and fulfilment.
- Sales of contract manufactured "white label" sunscreen products to third-party brand owners.

Lev Mizikovsky

Chairman