



ABN 46 139 461 733

26 March 2020

Business Update to Shareholders

AIR has recorded record sales in Amazon over the past 90 days of \$267,000, double the sales of the same 90 day period last year. The products sold in the last two months were at full margin and sales would have been higher if not for supply issues from China.

The business has witnessing improved margins in key product lines, in particular:

- CE certified KN95 masks
- Baby thermometers
- Computer peripherals given stock shortages of competitors

AstiVita Europe B.V.

The Board is in the process of establishing a subsidiary company set up in Europe to facilitate the Amazon Europe sales. This should be in place before the end of March 2020. The sales on Amazon EU should commence before the end of FY20.

New Patent

AIR has sourced the current world's supply of hinokitiol which is the key ingredient in our patent. In addition, we have prepaid the factory to secure future production of significant quantities of this material. The significant seven figure investment in all new products, including hinokitiol and masks have all been funded through non-recourse loans provided by Mr Lev Mizikovsky.

COVID-19 – Remote Setup

Software has been installed successfully by SenterpriSys Limited to allow key functions within the business to be completed by staff from home if required.

Collection House Limited (“CLH”) & ASX

Many of our shareholders may be unaware that our Chairman is currently in court with the ASX and CLH as a result of the ASX publishing a market release for CLH which was defamatory towards Lev. Further, CLH remains voluntarily suspended. More concerning is that the issues raised by Lev appear to be the reasons CLH has extended its voluntary suspension to 2 months. We believe this is in part one of the reasons we are having difficulties and delays with the ASX at present.

Margin Calls

In addition, we confirm to the market that the ASX have raised rumours in regards to margin calls by Directors on Wednesday morning, 18 March 2020. The Board confirms to all shareholders that there are no margin loans in place by any Director.

Update on Suspension

It is astonishing that the ASX would seek to impose forced suspension of AIR’s shares for what can only be understood to be a result of the brevity of some responses (which were in the Board’s view the appropriate factual responses to ASX’s questions). The ASX has offered no clarification as to why the brevity is not acceptable to them nor have they tried to reframe their questions to elicit a different answer.

So, shareholders are aware, some of the questions raised by the ASX were technical in nature and in, the Board’s view, only capable of answer by reference to the patent and the scientific papers referred to therein. It is not appropriate for the Company to attempt to summarise for the ASX matters of such a technical and scientific nature, at the risk of being accused of not effectively summarising the matter. The only appropriate response in the Board’s view is to direct the ASX to the source documents where all the technical detail is available. Of course, this is the Company’s best guess at the ASX’s concerns as it has to date not offered any additional guidance on which responses are deficient or why.



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Listing in Europe

In light of the current situation between our Company and the ASX, the Board is going to investigate listing in Europe. We apologise to our shareholders and the Board will resubmit an announcement to have our suspension lifted as soon as possible.

Authorised by:

Geoff Acton

Non-executive Director