

4 May 2022

Astivita Update, Better Than Expected Sales, Construction Delays

The Board can confirm that sales remain strong and are above their expectations for the current Election period which is traditionally a difficult period for new home sales. New contracts are being signed at a rate and prices that the Board believes are sufficient to indicate a positive outlook for FY23.

The Board has formed a view that the business is well positioned to take advantage of the changing environment for the following reasons:

- Remains debt Free with continuously increasing cash balances.
- Current Board members with over 100 years of combined industry experience and two board members have experienced previous major downturns.
- The company has retained key experienced staff over the past 2 years all of who have been with the company long-term, but are still relatively young.
- Existing traditionally favourable market conditions for Tamawood with shortages of rental accommodation likely to persist for several years.

The proposed acquisition of Astivita, with their supplier relationships, will further secure Tamawood's supply of PC-Items with the ability to hold six month's stock.

The 'Project DeRisk software's AI functionality provides additional management tools needed to address current issues.

- Real-time rescheduling of construction tasks, improving labour and materials utilisation.
- Reporting capability allows predict and purchase, through AsitiVita Ltd, of key PC Items up to 6 months in advance of installation.
- Identifying and correcting real-time price fluctuations in both labour and material rates.
- All of the above AI functions are capable of providing data separated by each individual region allowing management to customise pricing and scheduling to each individual build area to address local weather patterns, supply and labour constraints.
- Quality assurance system, third party certified, provides platform for identifying and fixing potential quality issues, reducing costs of rework and maintenance.

Unfortunately, recent reported forecasts from the Bureau of Meteorology and Sky News' chief meteorologist Tom Saunders predict that there is a 60% chance of above median rainfall for the next 3 months as the current La Nina wet weather event could be joined by another system which leads to increased rainfall. If these forecasts eventuate work on sites will continue to be delayed and further reduce profit in FY22 which has already been impacted by weather and supply shortages. This negative impact cannot be quantified at this time as predictions may not eventuate.



Based on Bureau of Meteorology statistics, in areas Tamawood builds, this calendar year 46% of available work days have been impacted by rainfall. This, combined with the impacts of COVID-19 isolation rules on external consultants, suppliers and sub-contractors, has severely impacted our ability to commence new builds and progress jobs already on site.

Tamawood remains profitable but FY22 results will be negatively impacted by the current and expected weather conditions. The impact of forecast rainfall and isolation rules will be provided to the market when known.

Authorised by:
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Chairman