

17 June 2022

## Takeover Offer Update – No applications to stop acquisition

Tamawood Limited (ASX: TWD) (**Tamawood**) refers to its all scrip takeover offer for 100% of the fully paid shares in AstiVita Limited (ASX: AIR) (**AstiVita**) (**Takeover Offer**).

As at the date of this notice, Tamawood has not received in the period from the closing date of the Takeover Offer, any notice in respect of an application to court initiated by an AstiVita shareholder to stop the compulsory acquisition of their shares, as is permitted under section 661E of the *Corporations Act 2001* (Cth).

Based on unaudited accounts, we expect only two out of the last six months will be profitable which includes the associated costs of the acquisition of Astivita, primarily due to significant wet weather. The final numbers are not yet available, however, there is a positive impact from the Astivita acquisition on the balance sheet of Tamawood.

Unaudited Accounts	Before Acquisition	After Acquisition
Current Assets	\$28,908,000	\$32,316,000
Fixed Assets	\$6,015,000	\$6,075,000
Deferred Tax Assets	\$523,000	\$5,872,000
Net Tangible Assets	\$18,428,000	\$21,961,000
Goodwill	-	\$4,871,000

Tamawood also acquires an additional \$1.497 million in franking credits from Astivita. The above table is based on the unaudited acquisition of Astivita.

We are now seeing the impact on sales of higher interest rates, the costs of materials and labour are in excess of CPI figures with some suppliers increasing prices by over 50% in the last two weeks.

### FY23 Outlook

Due to these combined pressures, the construction industry is facing significant challenges over the next 18 months. This will require careful planning by the board and management team, to ensure we maintain our ability to deliver on the contracts we enter into with our clients, in a timely manner, and at the same time maintain profitability. We are also limiting the number of contracts we enter into, to levels we are comfortable we can deliver within time frames where most prices have been fixed from our suppliers. We will continue to monitor potential price increases and circumstances that have the potential to impact costs so that we maintain profitability.

#### ***For further enquiries contact:***

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Tamawood Limited