

9th December 2022

Expected Improvement Second Half FY23

As previously announced in the Chairman's/Managing Director's address and due to impact of inclement weather on the number of working days available, the Board expects to remain marginally profitable and debt free for first half FY23, although the result is expected to be approximately 70% below first half FY22 (\$3.4m before tax), based on unaudited figures up to November 2022. Although this result is disappointing, when compared to 300+% increase in losses recently reported by our only ASX listed competitor, the choices made by the Board in FY20-21, based on our predictions around the 'HomeBuilder' Grant, have reduced the negative effects on our margins which many of our competitors are currently experiencing.

The Board is optimistic that the second half FY23 result will see improvement based on:

- Increased enquiries, despite attached HIA sales data showing October sales being 52% below 10 year average, are indicating that the market is moving to be more accommodating of Tamawood's low cost business model.
- Our International suppliers' price reductions through our AstiVita Business, resulting in lower costs being able to be passed onto our clients, while our competitors are, as indicated by social media comments, still billing customers over and above contract prices.
- A current range of designs comply with accessibility changes to be introduced to the National Construction Code in 2023 without adding to the cost of construction.
- Further contracts awarded in recent weeks through the QBCC Insurance Scheme for build completions.
- Queensland Government allowing renting of a secondary dwelling to assist in offsetting mortgage repayments creating additional demand for our extensive range of Granny Flats.

The Board remains focused on increasing market share and is open to medium and long-term opportunities that may present themselves over the next 12 months, as a consequence of the difficult circumstances that the Residential Construction Industry is facing.



Mr Robert Lynch

Non-Executive Chairman

New Home Sales



DETACHED

MULTI-UNIT

APPROVALS

SALES

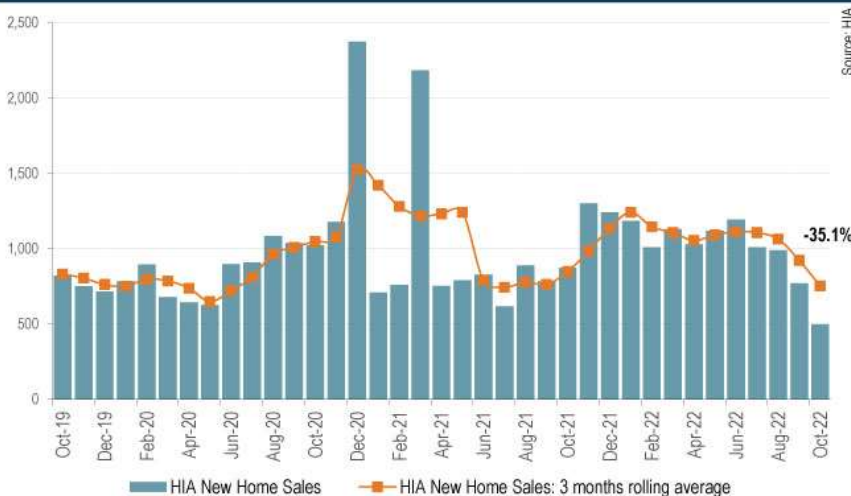
MULTI-UNIT

DETACHED

A monthly update on the sales of new homes

October 2022

PRIVATE NEW HOUSE SALES - QUEENSLAND (SEASONALLY ADJUSTED)



New Home Sales in Queensland fell by 35.1 per cent in October, bringing the last three months 31.9 per cent down on the previous quarter and 11.3 per cent down on the same quarter last year .

(21 PER CENT SAMPLE COVERAGE)

QUEENSLAND