



ASX Announcement

6 May 2022

Tamawood Construction Impacts and Takeover Offer Update

AstiVita Limited (**AstiVita** or the **Company**) (ASX: AIR) advises that Tamawood Limited (**Tamawood**) (ASX:TWD) has released an announcement to the ASX regarding potential adverse impact on construction progress and new sales. A copy of this announcement is attached.

Tamawood notes in its ASX announcement that in this calendar year 46% of available working days have been impacted by rain, which together with supply shortages and COVID-19 isolation rules, has resulted in delays to construction and impacted commencement of new builds. Any adverse impact on the number of builds or progress of construction of Tamawood will likely result in an adverse impact on AstiVita's revenue and profitability, given Tamawood accounts for approximately 90% of AstiVita's revenue. Tamawood has not quantified the potential impact on its business, and accordingly, AstiVita cannot presently determine what impact this may have on AstiVita's revenue or earnings. AstiVita will provide an update to the market if AstiVita becomes aware of any impact on AstiVita resulting from the matters referred to in the Tamawood announcement.

AstiVita has now despatched the supplementary Target Statement and Supplementary IER to its shareholders. AstiVita reminds shareholders that the offer under the Bidder's Statement closes on 19 May 2022.

For further enquiries contact:

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This announcement is authorised for release by the Sole Independent Director of AstiVita Limited, Mr Rade Dudurovic.

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:
Robert Lynch
Chairman