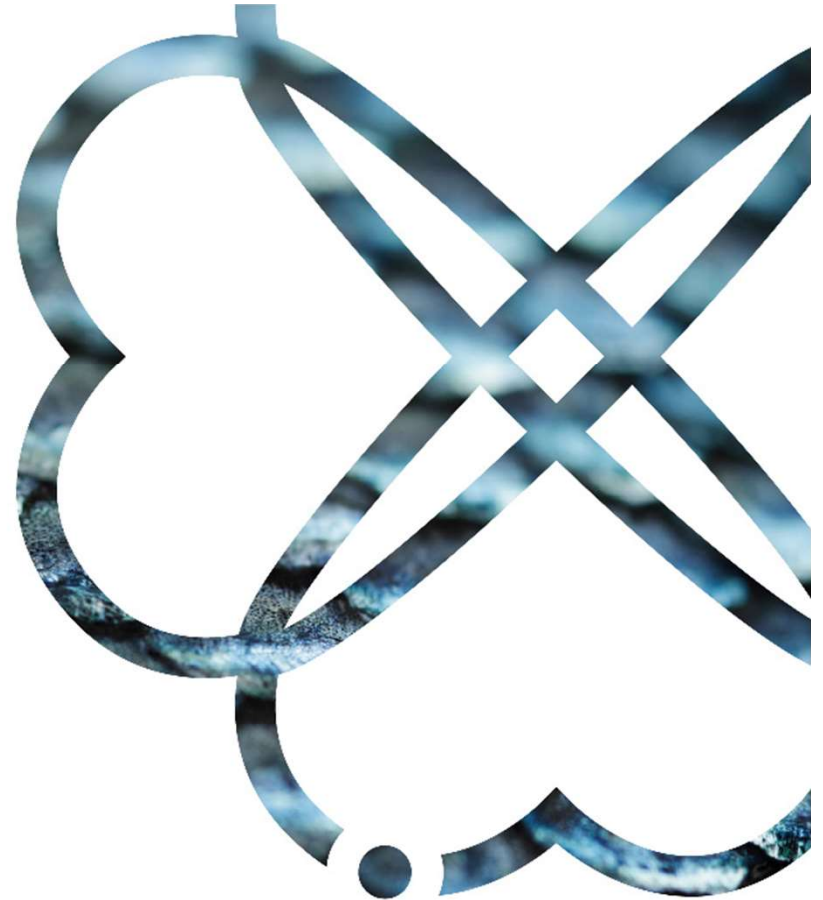


Clover Corporation Limited

25 & 26 October 2018

Peter Davey- CEO & Managing Director presentation
Select Equities doing business in China



Vision and Mission Statement



Vision

To optimise the health and development of adults, infants and children.

Mission

To deliver science based bioactives which provide health benefits to adults, infants and children.

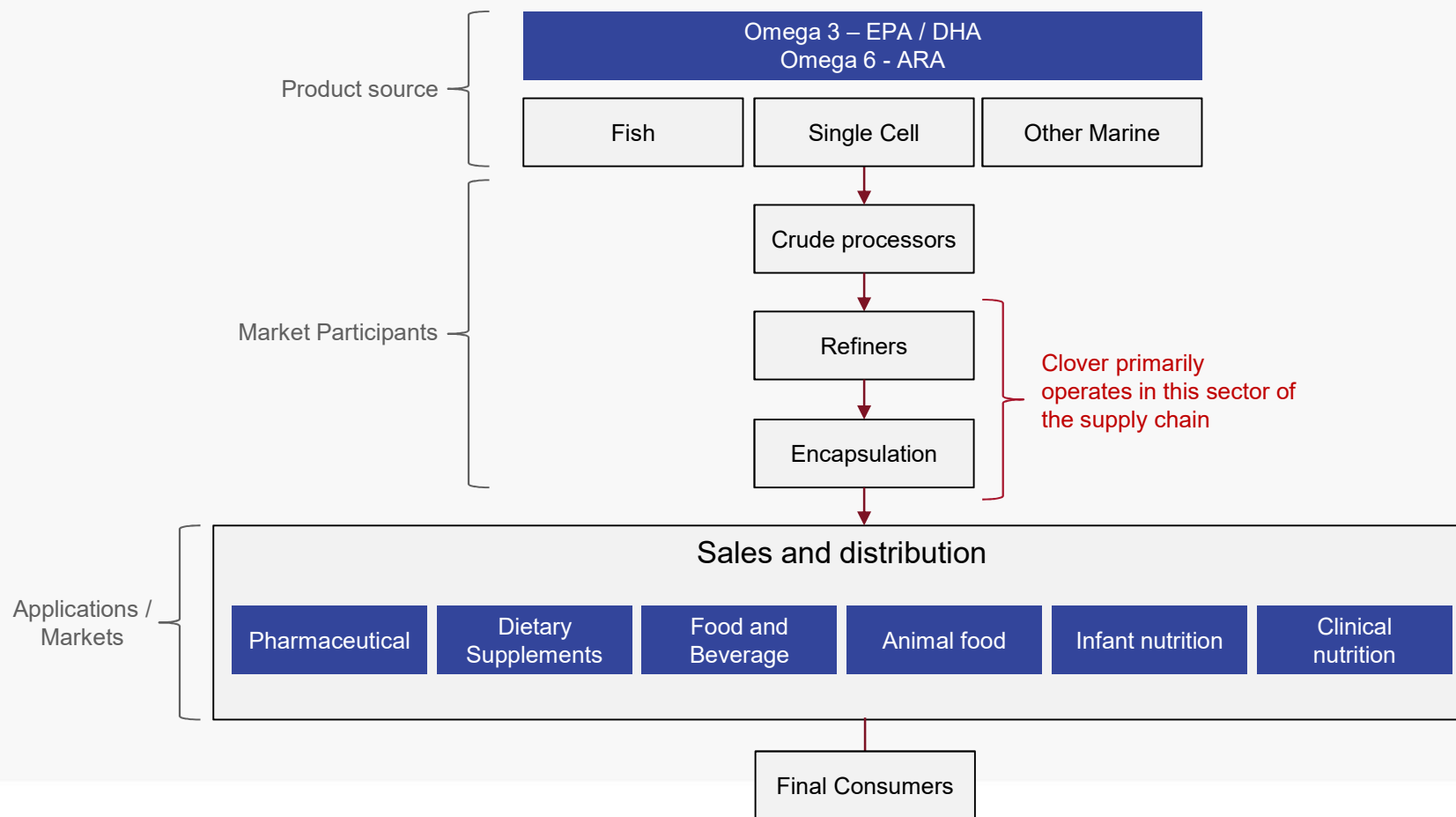
Clover 2015-18

Average daily trading price ASX:CLV



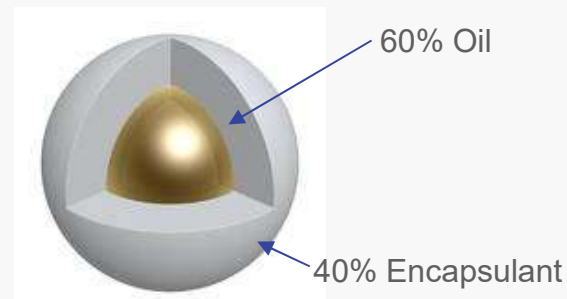
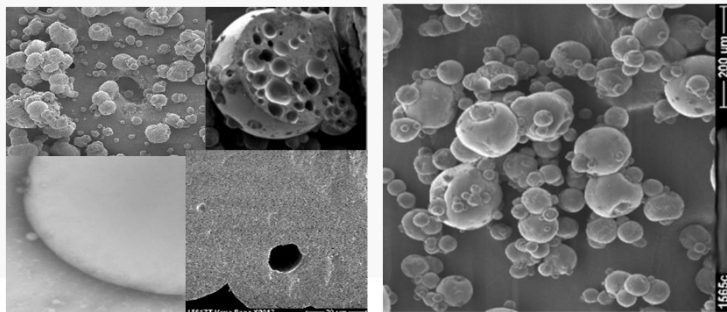
Average Daily Clover Corporation Share price July 31, 2015 to October 9, 2018

Omega Ingredients Value Chain



Encapsulation Technology

- Patented Microencapsulation Technology with best in class application performance:
 - Protection against oxidation and provides superior sensory stability
 - Suitable for a wide range of food applications
 - Benefits of non-refrigerated storage with a shelf life of 24 months, lowering cost of logistics, storage and use
 - 60% oil loaded powder delivering:
 - Tuna oil (14.5% DHA)
 - ARA (24%)
 - Algal DHA (24%)
 - More than 16 years of proven global use within dry-blended infant and children formula products
 - China regulatory compliant ingredients



D301.010 Driphorm HiDHA 60

Market Update

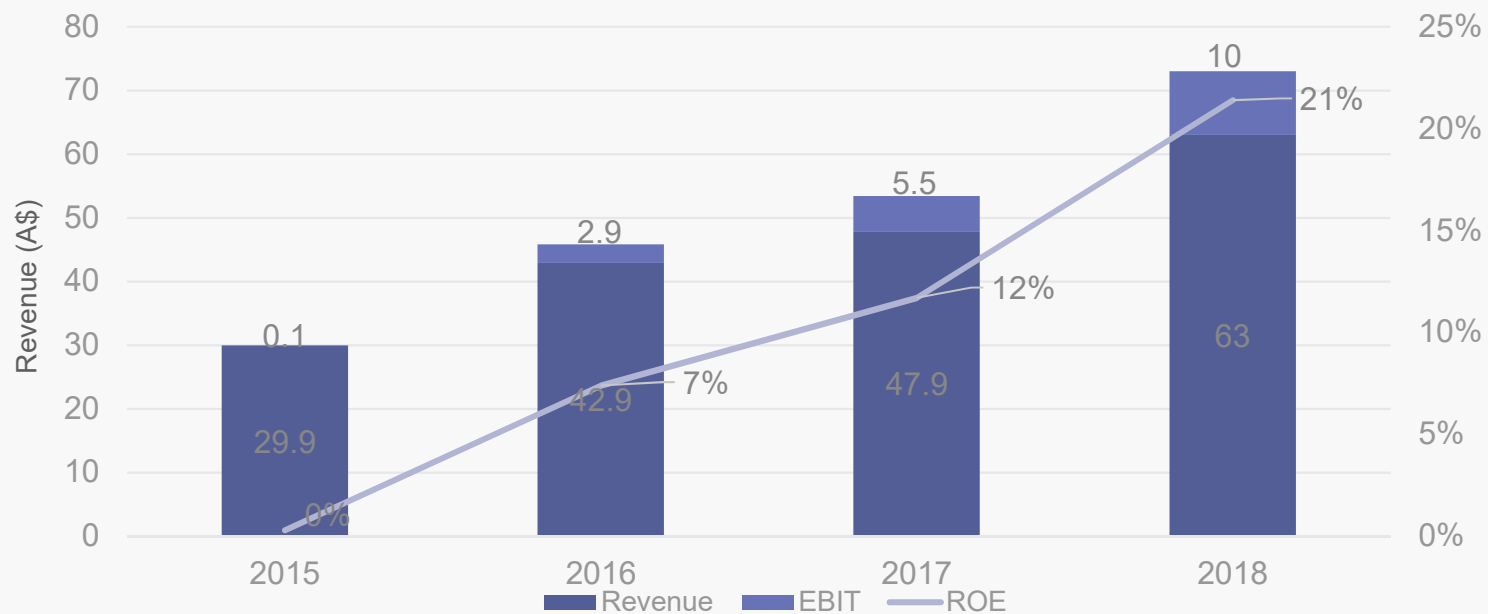
Market changes

- Slowing of CFDA registrations for International brands to sell in China
- New EU regulation requiring the mandatory inclusion of DHA in infant formula by Feb. 2020
- Consumers preference for non-China manufactured infant formula
- China extends CBEC (Cross Boarder Electronic Commerce) market with new regulations expected in early 2019
- New Chinese DRAFT GB standard for Infant Formula requiring a min. 15mg /100Kcal DHA

Outcomes for Clover

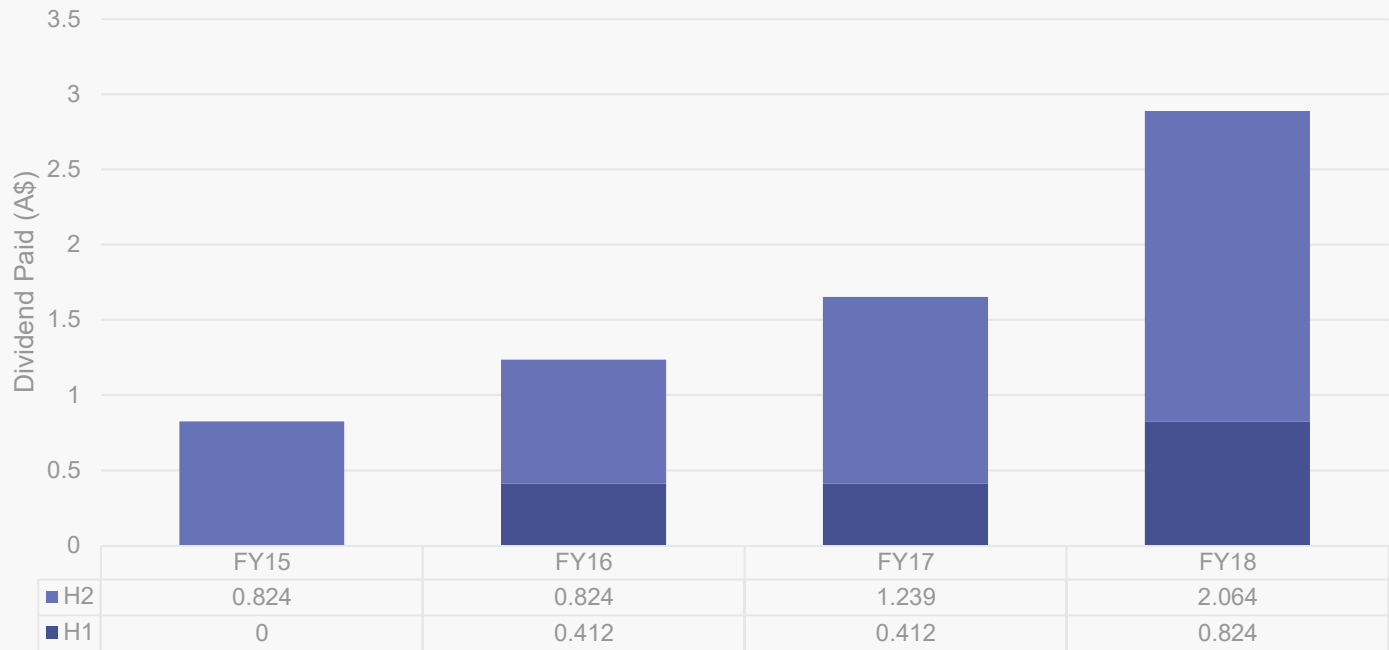
- Clover's customers are cautious around inventory, as when CFDA licence awarded new cans are required
- EU infant formula manufacturers will use encapsulated DHA like Clover's product to meet new regulations
- Australia / New Zealand brands in demand, increasing demand for Clover's ingredients
- Clover supplies to manufacturers who benefit from the extended CBEC trade
- If the DRAFT becomes legislation Clover expects to benefit from the increased DHA usage

Financial Review- 2015-2018



- Clover has experienced significant revenue growth since 2015, complemented by improved profitability providing an increased Return On Equity
- The infant formula sector has continued to rally with little change in Chinese regulations across 2018 and improved confidence in product quality

Total Dividend Paid FY'15-18



- Clover has consistently increased its total dividend payout to shareholders in line with growth in profitability

Full Year 2018 Performance Highlights

- ✓ Total full year Revenue **\$62.9m** up **32%** on FY17 \$47.9m driven by improved demand
- ✓ Net Profit **\$7.6m** up **109%** on FY17 \$3.6m.
- ✓ Operating Expenses **\$8.3m** (FY17 \$6.1m); investment in people and technology to develop new products and sales
- ✓ New products delivering growth in new segments and countries
- ✓ Inventory at **\$19.8m** up \$1.0m on FY17 full year upon forward demand
- ✓ Balance Sheet remains strong with cash of **\$7.9m**
- ✓ Final dividend declared of **1.25 cent** per share, a **67%** increase on prior year final

Full Year 2018 Results

A\$m	4E Reported 31 Jul 2018	4E Reported 31 Jul 2017
Revenue	\$62.9	\$47.9
EBITDA	\$10.9	\$6.1
NPBT	\$10.6	\$5.0
Tax	(\$3.0)	(\$1.4)
NPAT	\$7.6	\$3.6
EPS	4.59 cps	2.20 cps
ROE (annualised)	21.4%	11.7%

- ♣ 32% year on year revenue growth
- ♣ Australia/NZ key growth region
- ♣ EBITDA \$10.9m (PY \$6.1m)
- ♣ Fixed costs managed \$8.3m (PY \$6.1m), resourcing for future growth
- ♣ NPAT result \$7.6m (PY \$3.6m)

Balance Sheet 31 July 2018

A\$m	Reported 31 Jul 2018	Reported 31 July 2017	Movement
Cash	\$7.9	\$5.9	+\$2.0m
Trade Receivables	\$15.3	\$12.1	+\$3.2m
Inventories	\$19.8	\$18.8	+\$1.0m
Total Current Assets	\$43.6	\$37.6	+\$6.0m
PPE/Intangible Assets	\$8.5	\$5.0	+\$3.5m
Total Assets	\$52.0	\$42.6	+\$9.4m
Trade Payables	(\$7.8)	(\$9.2)	+\$1.4m
Total Current Liabilities	(\$10.1)	(\$9.9)	-\$0.2m
Total Liabilities	(\$13.9)	(\$10.0)	-\$3.9m
Net Assets	\$38.1	\$32.6	+\$5.5m

- ♣ Cash balance strong \$7.9m
- ♣ Trade receivables up on FY17 reflects sales increase
- ♣ Inventory levels maintained to meet demand
- ♣ Payables managed in line with inventory activity

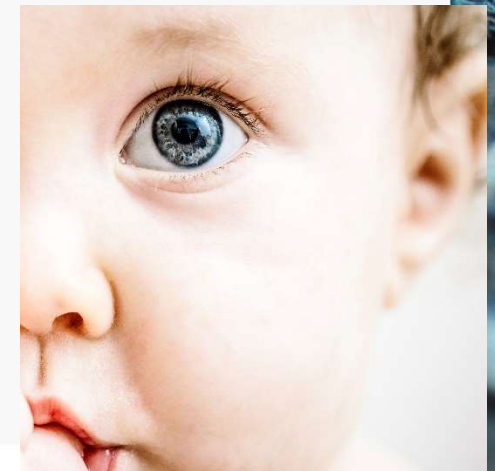
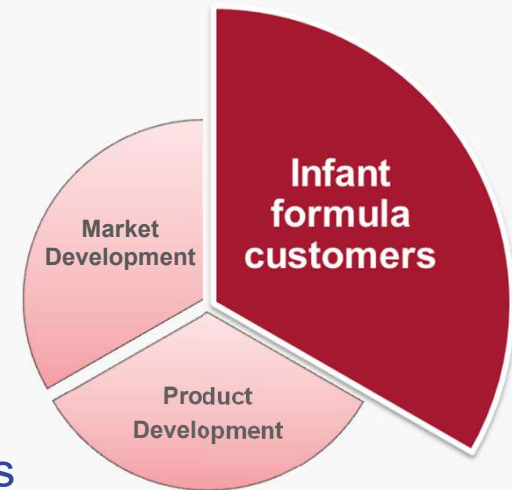
An Update on Growth Platforms



Growth Platform

Infant formula maintains growth

- ♣ Chinese consumer sentiment for Western brands is driving growth for customers
- ♣ Awarding of CFDA licenses to market and sell product in China has slowed, the CBEC (Cross Boarder Electronic Commerce) trade has strengthened
- ♣ Existing customers have been re-contracted and showing growth with several new customers contracted globally



Growth Platform

New products driving future growth

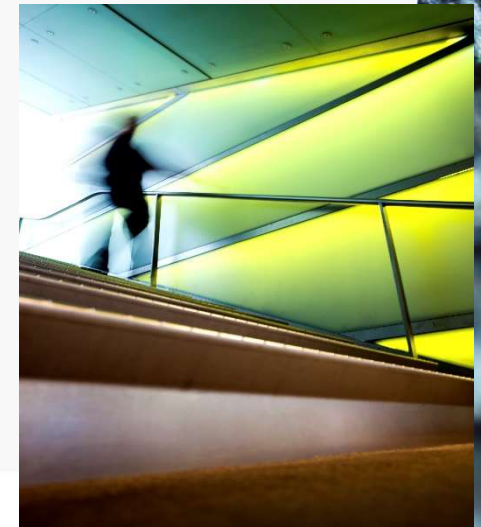
- ♣ Clover's Hypoallergenic DHA product continues to win new customers and applications in speciality segments
- ♣ A highly concentrated DHA product which delivers 60% oil loading in a powder form is now used in sports nutrition and nutraceutical products
- ♣ Clover has applied for two new patents and released a technical paper published in "Critical Reviews in Food Science and Nutrition" journal



Growth Platform

New markets development

- ♣ Clover has grown sales in USA, Europe, Asia and ANZ
- ♣ Australia & New Zealand has experienced significant growth servicing the Asian market with several new facilities starting production
- ♣ Clover has appointed a Business Development resource in NZ and new distributors in South America



1HFY19 Outlook & Priorities

- ♣ Growth in European markets driven by the requirement to increase DHA levels in infant formula
- ♣ Clover intends entering into a contract to purchase a share of a spray drying facility in Hamilton, New Zealand
- ♣ Development of new products targeting sports nutrition, children's and seniors' health
- ♣ Growth expected in Asia, USA and South America
- ♣ Establish customers for new products in nutraceuticals, pharmaceuticals, and sports nutrition
- ♣ Additional staff to service customers and deliver on opportunities
- ♣ Add value through strategic acquisition and/or partnership



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