



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT

24 November 2022

The Chairman's Address

The past financial year has been a challenging but a positive one for Clover. As COVID-19 restrictions eased it became possible to better engage with customers and rebuild our sales pipeline. This resulted in good sales growth in H2FY as we trend back to pre-COVID-19 levels.

As a result, we reported improved year on year revenue and net profit after tax and this result was consistent with the top end of the guidance that we provided at the half year announcement in March this year.

The Board and Management continue to have a strong focus on driving growth by accelerating the commercialisation of R & D, expanding international business development and sales support, identifying adjacent market opportunities including licencing and possible strategic acquisitions.

Some key milestones achieved in the past year include:

- The New England Journal of Medicine recently reported on the positive outcome of the 5-year clinical trials with preterm infants being fed with Clovers' unique Omega 3 emulsion. The result of the clinical trial showed an improved IQ amongst babies fed with this emulsion. Clover has branded the product Premneo and is now evaluating opportunities to commercialise it through a new specialised operating division.
- As previously reported, the Chinese Government has legislated that infant formula sold in China from February 2023 must contain defined minimum levels of Omega 3 and Omega 6. Approved parties are provided with a SAMAR licence. Clover has been working with European and Chinese companies to have its encapsulated products included in their SAMAR licenses applications. We are pleased to report that we have recently received initial orders from some of these Chinese infant formula manufacturers.

- The Company has continued to develop unique products targeting the medical foods and nutraceutical markets including Gelphorm, a product that allows customers to fortify UHT drinks with Omega 3; high concentration Omega 3 for gummies, tablets, and vegan power products.

The commercialisation lead time for products developed by Clover remains lengthy due to the accreditation process and shelf-life testing. However, our experience is that these products generally have a strong sustainable competitive position once in use.

I am also pleased that we have successfully concluded our legal defence of IP infringement against Pharmamark. The three year action resulted with the court awarding compensation and party costs as well as orders that ensure that the Company's IP remains protected.

On behalf of the Board of Directors I would like to thank you, our shareholders, for your continued support. I would also like to acknowledge the extraordinary effort of our employees and management team on another busy and challenging year.