



**Clover Corporation Limited**

ABN 85 003 622 866

**ASX ANNOUNCEMENT**

**19 November 2024**

**AGM - The Chairman's Address**

Dear Shareholders,

The past financial year has been a challenging but ultimately a positive one for Clover. From a trading perspective it has been again a year of two distinct halves.

Due to market conditions, we experienced a significant decline in revenue in the first six months. Management responded by reducing operating expenses, improving working capital, whilst continuing to focus on new product development and customer engagement.

The market progressively stabilised during the second half resulting in more normalised demand and improved profit performance in the final quarter. The forward sales pipeline has continued at this normalised level.

During the year Clover continued its strategic focus of mitigating risk by improving and diversifying its supply chain.

As previously reported the performance of Melody Dairies has been unsatisfactory. Changes to the ownership structure are providing better alignment of capacity usage in addition to the appointment of a new management team. This resulted in a profitable outcome in the final quarter of FY24.

Our state-of-the-art fish oil extraction facility was commissioned on time and on budget in Ecuador in July. This strategic investment will provide improved supply chain and cost benefits for Clover in the coming years.

We are pleased to announce that an Innovation & Development Committee (IDC) has been established under the chairmanship of Dr Simon Green. The IDC will review and assist the Board in its oversight of the sustainability and long-term viability of Clover's Research & Development portfolio and its contribution to long term growth and success. The appointment of Professor Colin J Barrow and Dr Efi Farmakalidis to the Committee will greatly enhance its ability to achieve these objectives.

The Company recently announced the successful development of a commercial powdered Choline product. A patent application has been registered to protect our IP. Choline is essential for lipid disposition in the human body and is mandated for use in infant formula and used in prenatal products. Customer trials are expected in H1FY 25.

Our business development team continues implementation of the strategy to use our encapsulated powders and Gelphorm in nutraceutical markets. As you may be aware customer trials and shelf-life testing in these high-quality markets result in extended lead times for market acceptance.

The planning for commercialisation of Premneo continues. A critical step for regulatory approval in various markets, including ANZ and EU is completion of an independent safety data study. The results of this are currently under expert review and should pave the way for market access.

Whilst our traditional infant formula customer base has been challenged during the year, we are pleased that the normalised trading performance experienced in the final quarter has continued into the current financial year.

On behalf of the Board of Directors, I extend my sincere thanks to you, our shareholders, for your continued support. I also want to acknowledge the dedication of our employees and management in responding to the fluctuating demands of our customers throughout the year.

