



2024 Annual General Meeting

19 November 2024



Welcome

Board Members



Agenda

- Welcome
- Introductions
- How to ask Questions
- How to Vote
- Chairman's Address
- Managing Directors Report

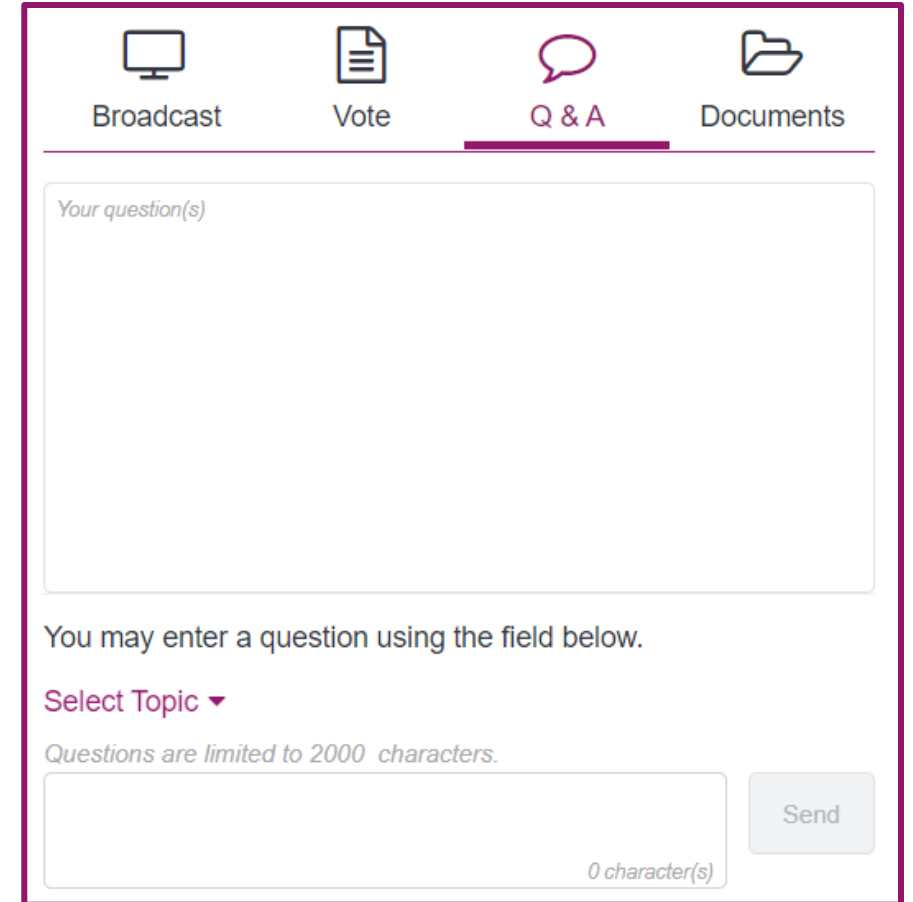
Formal Business

- Item 1 – Adoption of the Annual Accounts
- Item 2 – Resolution 1 Adoption of the Remuneration Report
- Item 3 – Resolution 2 Re-election of Rupert Harrington
- Item 4 – Resolution 3 Issue of FY25 Performance Rights
- Questions



How To Ask A Question

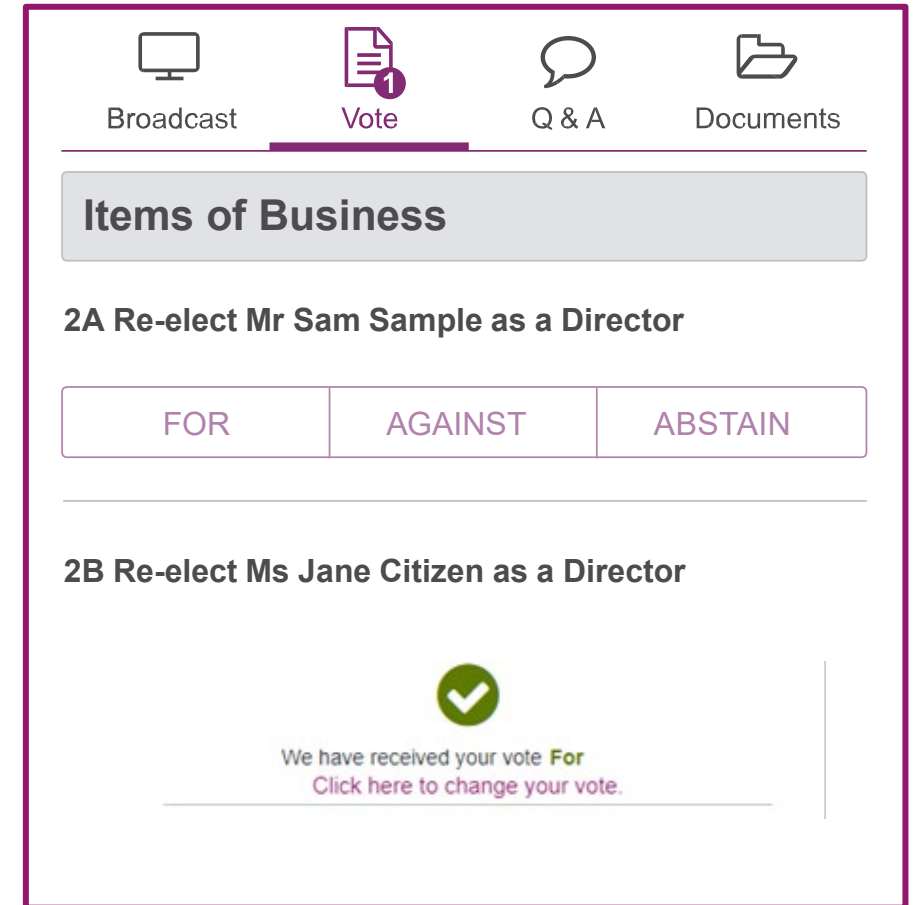
- To ask a written question **select the Q&A icon**
- **Select the topic** your question relates to from the **drop-down list**
- **Type your question** in the text box and press the **send button**
- To ask a **verbal question** follow the instructions below the **broadcast window**.



The screenshot displays a user interface for asking questions. At the top, there are four navigation icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a purple underline), and a folder for 'Documents'. Below the navigation bar is a large text input area with the placeholder text 'Your question(s)'. Underneath this area, a message states 'You may enter a question using the field below.' followed by a 'Select Topic' dropdown menu. A note indicates 'Questions are limited to 2000 characters.' Below this is a smaller text input field with a 'Send' button to its right. The character count '0 character(s)' is shown at the bottom right of the input field.

How To Vote

- When the poll is open, select the **vote icon** at the **top of the screen**
- To vote, select either **For, Against** or **Abstain**
- You will see a **vote confirmation**
- To **change** or **cancel** your vote “click here to change your vote” at any time until the poll is closed



The screenshot shows a web interface for a voting session. At the top, there are four navigation icons: a monitor for 'Broadcast', a document with a red '1' for 'Vote', a speech bubble for 'Q & A', and a folder for 'Documents'. The 'Vote' tab is currently selected and highlighted with a purple bar. Below the navigation is a grey header box labeled 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director', with three buttons below it: 'FOR', 'AGAINST', and 'ABSTAIN'. The second item is '2B Re-elect Ms Jane Citizen as a Director'. At the bottom of the screen, a green checkmark icon is displayed above the text: 'We have received your vote **For**. Click here to change your vote.'

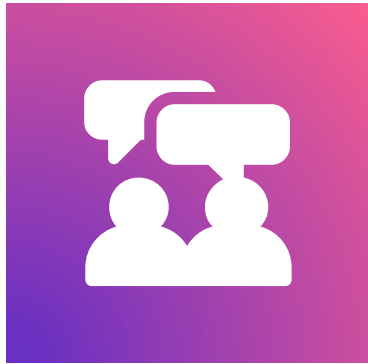


Chairmans Address

Managing Directors Report



Vision, Values & Purpose



Vision

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



Values

Respect.
Response.
Responsibility.



Purpose

To develop customised high value nutritional ingredients, enhancing the wellbeing and dietary needs of customers.

Full Year Performance Highlights

Revenue

In line with guidance down on the FY23 \$79.9M (reduced demand in market).

\$62.2M

Working Capital

Reduced \$6.0M on FY23 full year.

\$38.2M

Net Profit After Tax

Down 77.6% on FY23 \$6.2M

\$1.5M

Balance Sheet

Cash remains strong at.

\$12.2M

Operating Expenses

Down 6.6% (FY23 \$13.8M), driven by reduced head count, travel, marketing.

\$12.9M

Final Dividend

Declared per share.

0.75c

...New products continue to diversify the business.

A woman in a white lab coat and safety glasses is looking through a microscope. The image is partially obscured by a large pink and orange circular graphic on the left side of the slide.

FY24 Update

- The second half delivered **revenue of \$34.9m** (1H \$27.3m) an **increase of 28%**, and **NPAT \$2.1m** (1H NPAT -\$0.6m).
- The last quarter delivered **improved orders** including those from our Chinese customers.
- The company's inventory position closed at \$29.6 million, a **19.9% reduction on the prior year**.
- Lower sales volumes in the 1HFY24 resulted in **reduced manufacturing hours** combined with the **disposal of aged inventory** has impacted the overall reported gross margin.
- Increased **attendance at trade shows** and customer visits has enhanced the business's ability to connect with new customers which continues to **expand the customer base**.
- **Ecuador** – completed on time and on budget.

Full Year 2024 Results

AUD Million	4E Reported 31 Jul 2024	4E Reported 31 Jul 2023
Revenue	\$62.2	\$79.9
EBITDA	\$4.0	\$10.0
NPBT	\$1.9	\$8.4
Tax	(\$0.4)	(\$2.2)
NPAT	\$1.5	\$6.2
EPS	0.9 cps	3.7 cps
ROE (annualised)	2.3%	9.2%

- Customer engagement remains a key focus with continued **trialing of new products** to **diversify** and **extend** our business offering.
- NPAT impacted by **lower sales** and **slowed production** with continued investment in **new market development** supporting **future growth** and mitigating **supply chain risk**.
- NPAT result **\$1.5m** (FY23 \$6.2m)

First & Second Half Performances

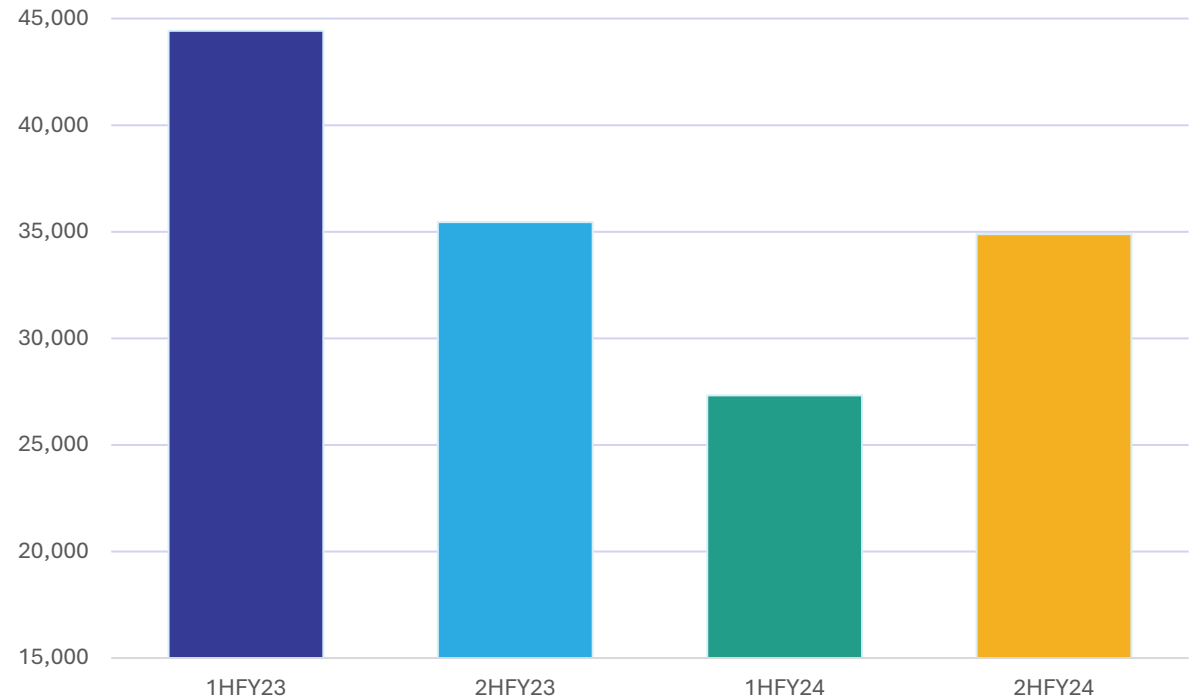
FY23

- 1H** • Driven by **stock build** ahead of China licensing which came into effect Feb 23.
- **Middle East customers grew** through brand and market growth.
- 2H** • Demand reduced following stock build and **introduction of China GB license**.

FY24

- 1H** • **Market demand fell** – high inventory and ongoing low birth rates.
- China moved **to algal powders v tuna**.
- 2H** • **Excess inventory has been exited** improving demand.
- China tuna powder **orders returned**.
- Western manufacturers have made strong gains through **online channels**.

Net Sales Revenue FY23 and FY24



Balance Sheet 31st July 2024

AUD	Reported 31 Jul 2024 (\$M)	Reported 31 Jul 2023 (\$M)	Movement (\$M)
Cash	12.3	9.4	2.9
Trade Receivables	13.7	12.0	1.7
Inventories	29.6	36.9	(7.3)
Total Current Assets	56.9	60.0	(3.1)
Fixed Assets	27.5	26.2	1.3
Total Assets	84.4	86.2	(1.8)
Trade Payables	(5.1)	(4.6)	0.5
Current Borrowings	(3.4)	(1.7)	1.7
Total Current Liabilities	(9.8)	(8.3)	1.5
Non-Current Borrowings	(5.0)	(7.7)	(2.7)
Total Liabilities	(17.3)	(19.1)	(1.8)
Net Assets	67.1	67.1	(0.0)

- Tighter **inventory control** in line with general demand generated a strong cash position at the end of the year.
- A **strong quarter** to finish the FY24 year created the higher receivables close.
- Debt reduction remains a focus

Melody Dairies - New Zealand

- A **new management team** was installed in Dec23 with a greater focus on **quality** and scheduling of production to **optimise drying days**.
- The ownership structure changed during the year with **Food Innovation Waikato selling to Clover and Landcorp**. Clover now holds **43.9%**. Landcorp will reduce its holding over time selling its interest to Spring Sheep who acquired a **12%** stake in July 2024.
- Under the new management structure and the **addition of Spring Sheep** as a shareholder the business has operated **profitably in the final quarter of FY24**.
- Clover recognised its share of the full-year Melody loss in the **P&L of \$0.5m**.

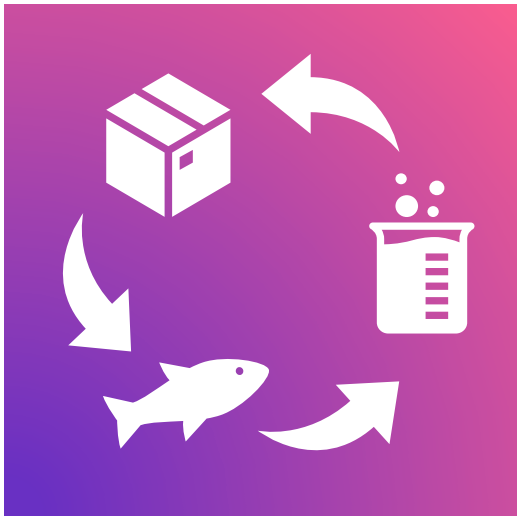


Ecuador

- AUD \$5.0m strategic investment.
- Extraction of **fish oil** from heads of Tuna.
- Long Term Strategic Development.
 - ✓ Supply chain **protection** and **risk mitigation**.
 - ✓ **Cost reduction**.
 - ✓ Delivered **on time** and **on budget**



An Update on Growth Platforms



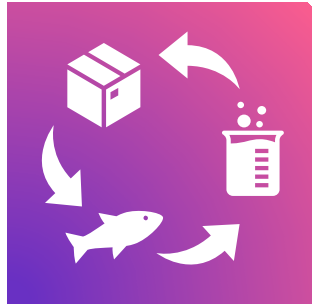
**New Product
Development**



**Adult & Infant
Formula**



**New Market
Development**



Growth Platform

New Products Driving Future Growth

CholineXcel

- Clover has **filed for IP** of its unique Choline powder which is to be branded **CholineXcel**.
- Clover completed a production trial in August 2024 from which the product will be **made available for customers to test** over the coming months.
- Choline is used in **prenatal products** and is a required ingredient in **infant formula** with a current **market value of ~ \$150m**.
- Choline is **hygroscopic** in nature **attracting moisture** from the atmosphere **making manufacturing process extremely difficult**.
- Use of the unique Choline powder in **dry blending** operations will **overcome the manual handling challenges** experienced today.



New Products

- **Highly concentrated oils**
 - A powder form **High Omega 3** allows customers to fortify gummies, powdered drinks, foods and nutraceuticals. The powders can be pressed into tablet forms, withstand hot melt process and stay in blend for powder applications.
 - These products achieved meaningful sales in FY24.
- **Gelphorm –**
 - A unique **double emulsion DHA** product that can pass through the UHT process and provides **no sensory issues** in drinks.
 - A major USA brand has incorporated Gelphorm into its **UHT product** and remains on trial with other UHT customers in the **USA & Asia**.
- **Probiotics –**
 - Probiotics are live organisms which **quickly die** when unfrozen (the normal delivery method)
 - Our innovation team is **developing solutions** for Probiotic delivery systems to assure easy handling and longer life.



Premneo

- Clovers **unique DHA emulsion** which is clinically proven to increase the **IQ of preterm infants**.
- The emulsion containing a **concentrated DHA** oil can be fed to a preterm infants **without rejection** via a nasal gastric feeding tube in a NICU.
- Regulators required a review of all available clinical trials involving DHA and Preterm infants to prove safety; the **study has been completed** after 12 months and is **now under review** by clinical experts.
- Clover is confident the conclusions of the study will pave the way for **regulatory approvals**.
- Discussions with **potential partners** will recommence with regulatory approvals in place.





Growth Platform

Adult & Infant Formula

- The infant formula **market globally remains subdued** due to lower birth rates.
- Clover's unique powders have allowed customers to achieve **higher levels of DHA** and **meet ingredients requirements** adding revenue in H2 FY24.
- The H2 FY24 **sales to Chinese manufacturers improved** with concerns around Tuna oil abating.
- **Online sales** have increased in China via **the bonded warehouse system** improving the sales of Western manufacturers benefiting Clover's demand.
- **Customer DHA diversification** with **growth opportunities** in senior's drinks.



FY25 Priorities

Operations & Supply Chain Efficiencies

- Integration of the **Ecuador facility** into the **supply chain** for strategic and gross margin benefits.
- Optimisation and use of **Melody Dairies** under **new management** to generate a **lower cost of manufacture** supporting customer requirements.

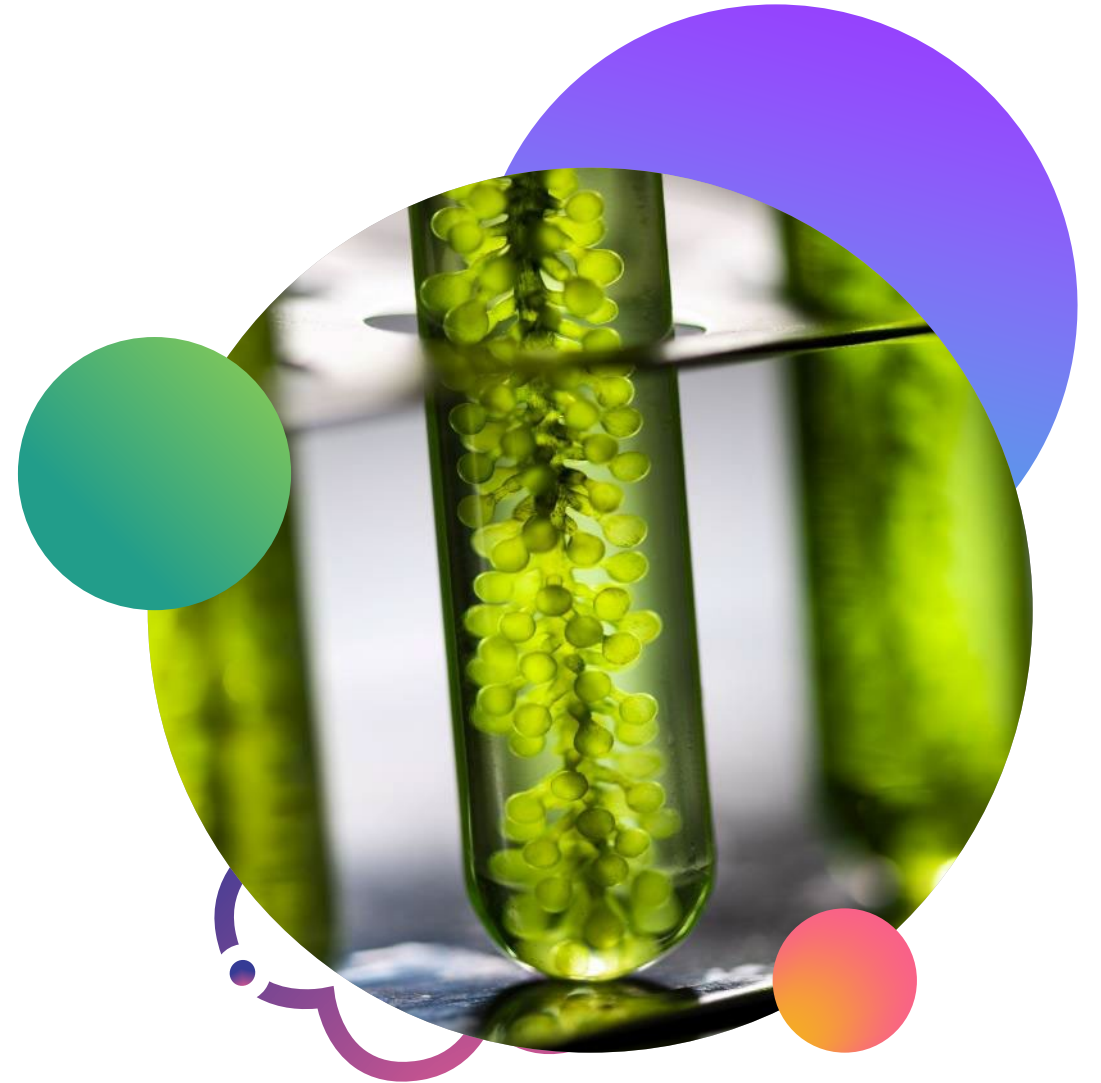
Innovation & Business Growth

- Appointment of **new distributors** to support our sales team in **reach** and **diversification** of our segment and customer base.
- Customer engagement in using the free-flowing **Choline powder** from **trial phases to shelf-life testing to commercial sales**.
- Achieve **regulatory approval for Premneo** in ANZ & EU, align with packaging and distribution partners.
- **Diversification** remains a core focus with our powders being used in the **nutraceutical markets** in addition to major long-term projects including **Gelphorm** and **Premneo** providing a channel for **growth outside the infant formula market**. At the same time, the ability to extend our offering with existing infant formula customers using our unique powdered **Choline** product is exciting.



FY25 Outlook

Clover has **sustained the demand profile** from the second half of FY24 into the first half of FY25 and aims to **build on this demand** for the remainder of FY25.



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Formal Business

Item 1 – Adoption of the Annual Accounts

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Remuneration Report

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Mr Rupert Harrington

Item 4 – Resolution 3 Issue of
FY25 Performance Rights

Questions





01

Adoption of Annual Report



02

Adoption of Remuneration Report

That the remuneration report that forms part of the director's report for the financial year ended 31 July 2024, be adopted.

Proxy Votes

	Votes	% Voted
For	71,830,666	43.0
Against	289,953	0.2
Abstain	62,401	0.1



03

Re-election of Mr. Rupert Harrington

To consider and if thought fit pass the following resolution as an ordinary resolution.

That Mr. Rupert Harrington who retires in accordance with article 16 of the Company's constitution and, being eligible, stands for re-election, be re-elected as a director of the Company.

Proxy Votes

	Votes	% Voted
For	71,944,533	43.1
Against	176,797	0.1
Abstain	58,390	0.1



04

Issue of FY25 Performance Rights

Approval of FY25 Performance Rights to be issued to the Managing Director

*To consider and if thought fit pass the following resolution as an **ordinary resolution**.*

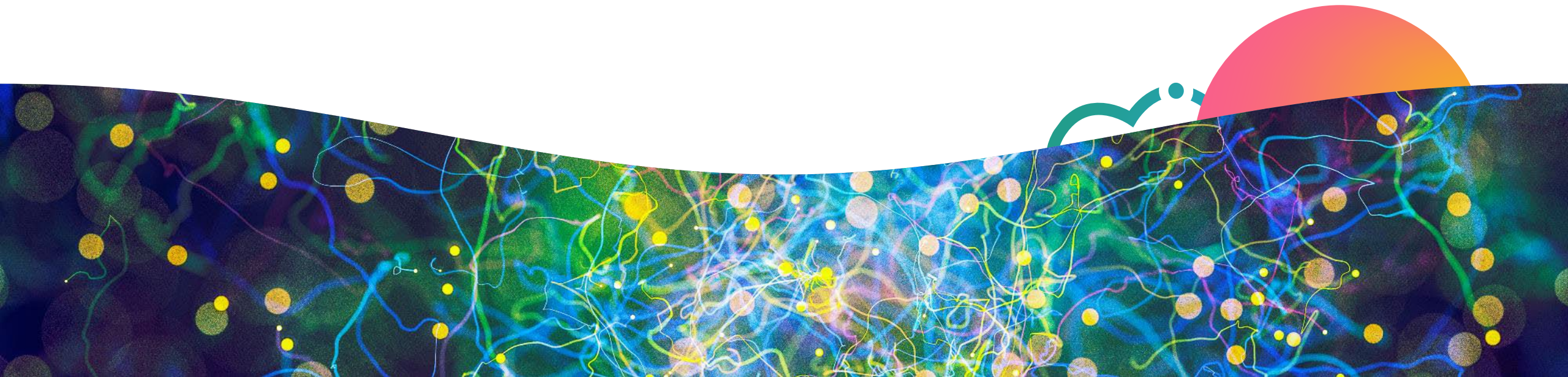
That for the purposes of Listing Rule 10.14, and for all other purposes, shareholders of the Company authorise and approve the issue of 582,356 Performance Rights under the FY25 LTI Plan by the Company to Mr Peter Davey, The Company's Managing Director on the terms and conditions set out in the Explanatory Memorandum.

Proxy Votes

	Votes	% Voted
For	69,603,657	41.7
Against	2,368,522	1.4
Abstain	220,041	0.1

Voting Poll & Close

- Voting Poll
- Formal Business Concluded





Questions