



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT

26 September 2023

Clover Corporation Reports Strong FY23 Performance with Revenue Growth Despite Second-Half Challenges

Results for the year ended 31 July 2023

- Net Sales Revenue in FY23 of \$79.9m (FY22: \$70.7m) an increase of 13.0%.
- Net Profit after Tax FY23 \$6.2m (FY22: \$7.1m) a decrease of 13.0%
- Net impact of ongoing market development for new products with nil revenue contribution, the underlying NPAT for FY23 would be \$6.7m
- Clover declares dividend of 0.75 cent per share

Clover Corporation, a leading provider of innovative nutritional ingredients, is pleased to announce its financial performance for the fiscal year 2023 (FY23). The company's FY23 performance reflects an improvement in revenue compared to the previous year, displaying resilience in the face of market challenges.

Clover Corporation achieved a revenue of \$79.9 million in FY23 up from the \$70.7 million achieved in FY22. The full-year revenue translated into a net profit after tax of \$6.2m inclusive of increased investment on new market opportunities, although a reduction compared to FY22, which had benefited in a circa \$1.0 million from the settlement of an intellectual property defence.

The second half of FY23 saw a slowdown in demand, partly due to fluctuating customer orders and declining birth rates globally and in China. The Company continued to face inflationary pressures in raw materials, energy and labour. To offset these inflationary increases, Clover has worked hard on customer acceptance of new raw material supply options and price increases.

Clover launched four new products during FY23, addressing specific customer needs and expanding into nutraceuticals, general foods, sports nutrition, pharmaceuticals, supplements, and plant-based milks. The successful clinical trial results of Clover's branded product, Premneo, were announced in March 2022, demonstrating a significant improvement in the IQ of preterm infants. Commercialisation efforts are underway, including discussions with

potential distributors and regulatory registrations for medical food and pharmaceutical products.

Despite challenges in the infant formula market, Clover remains committed to supporting and expanding its stake in Melody Dairies (NZ), focusing on niche product production for key markets in China and New Zealand.

Commenting on the FY23 results, Peter Davey, Managing Director at Clover Corporation, stated, "We are proud of our performance in FY23, with notable revenue growth and product advancements. While we encountered challenges in the second half of the year, our commitment to innovation and diversification remains unwavering. We look forward to seizing new opportunities and continuing to provide valuable solutions to our customers." Clover Corporation's FY23 performance underscores its resilience and adaptability in a dynamic market environment. The company remains focused on driving innovation, expanding its market presence, and delivering value to customers.

Dividend

Based on the company's cash position Directors have declared a fully franked final dividend for FY23 of 0.75 cent per share. This delivers shareholders a full year fully franked dividend of 1.5 cent per share for the FY23 year. Relevant dates for the dividend are as follows.

Ex-dividend Date: Monday 30 October 2023

Record Date: Tuesday 31 October 2023

Payment Date: Monday 20 November 2023

Looking forward

As we look ahead to FY24 two factors will lead to a normalised growth pattern, a reduction of customers' infant formula inventory is crucial to boosting revenue in this segment and the market acceptance of our key projects in the general food and nutraceutical sectors will be pivotal to our sales growth.

For further information, please contact:

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Mr Peter Davey – MD & CEO, Clover Corporation +61 3 8347 5000

About Clover Corporation Limited

Clover Corporation is an Australian company listed on the Australian Stock Exchange (ASX:CLV). Clover evolved from being a research and development, manufacturing, and marketing company to one concentrating on forming strategic relationships focused on technology, new product development and commercialisation.

Clover's superior microencapsulation technology enables nutritional oils, such as tuna, fish, algal and fungal oils, to be added to infant formula, foods and beverages. Developed through extensive research and development, our proprietary technologies protect those sensitive oils from oxidation, allowing them to be incorporated into a range of applications. All Clover

products reach the highest standards of purity, stability, and performance, allowing customers to maximise and deliver nutrition.

For more information about Clover visit www.clovercorp.com.au