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, children and to the medical food markets.
2016 Half Year Performance Highlights

- Total Revenue up 23.9% driven by improved demand
- Net Profit $801K up 12.6% on half year 2015
- Operating expenses down 2.5% as a % of revenue on previous year
- Revenue from new customers is 16% continues positive trend
- Inventory managed at $13m in line with revenue growth
- Balance sheet remains strong with no debt and cash of $7m
Clover’s Value Chain

Product source
- Fish
- Single Cell
- Other Marine

Market Participants
- Crude processors
- Refiners
- Encapsulation

Applications / Markets
- Pharmaceutical
- Dietary Supplements
- Food and Beverage
- Animal food
- Infant nutrition
- Clinical nutrition

Sales and distribution

Final Consumers

Omega 3 – EPA / DHA
Omega 6 - ARA

Clover primarily operates in this sector of the supply 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 and storage
  - >48% oil loaded powder delivering:
    - Tuna oil (11% DHA)
    - ARA (20%)
    - Algal DHA (20%)
  - More than 10 years of proven global use within dry-blended infant and children formula products
  - China regulatory compliant ingredients
  - CSIRO Patented Technology; Encapsulation W001/74175A1
Company Overview

- Clover has three business units: Nu-Mega Ingredients, Medical (operated under a licensing agreement) as well as its research and development function.

- Commercialises proprietary ingredient delivery and encapsulation technologies in targeted value add markets.

- Development of a phase 3 clinical trial product aimed at reducing broncho-pulmonary dysplasia and cognitive impairment in pre-term infants through an enteral feeding device delivering high dose DHA.

- Clover Corporation’s R&D function focuses on innovation, obtaining the optimal return from proprietary technology and developing new business opportunities.
## Market Update

<table>
<thead>
<tr>
<th>Market changes</th>
<th>Outcomes for Clover</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Chinese infant formula regulations</td>
<td>Regulated Chinese infant formula industry, increased quality controls positions Clover as a premium supplier</td>
</tr>
<tr>
<td>New EU regulation requiring the mandatory inclusion of DHA in infant formula by 2020</td>
<td>EU infant formula manufacturers trialling Clover product to meet new regulations</td>
</tr>
<tr>
<td>Abolishment of the one child policy in China</td>
<td>New companies in Australia and New Zealand receive China licences. Provides Clover with new customer base</td>
</tr>
<tr>
<td>Investment in new infant formula facilities in New Zealand and Australia</td>
<td>Australia / New Zealand brands in demand, increasing demand for Clover ingredients</td>
</tr>
<tr>
<td>Consumers’ preference for non-China manufactured infant formula</td>
<td>Chinese companies joint venture and greenfield sites in Australia and New Zealand</td>
</tr>
<tr>
<td>China closes Hong Kong sales of infant formula (Grey Market)</td>
<td>Clover has seen enquiries from new businesses currently in qualification with potential customers in Food &amp; infant formula</td>
</tr>
</tbody>
</table>
Half Year 2016 Results
### Half Year 2016 Results

- 23.9% year on year revenue growth
- Recovery of traditional markets and customers and encouraging growth in sales to new customers
- EBIT $1.1m (PCP $0.9m)
- Fixed costs managed $2.9m (PCP $2.8m)
- NPAT result $0.8m (PCP $0.7m)

<table>
<thead>
<tr>
<th>AUD million</th>
<th>4E Reported 31 Jan 2016</th>
<th>4E Reported 31 Jan 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$19.7</td>
<td>$16.0</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>$1.08</td>
<td>$0.91</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1.26</td>
<td>$1.14</td>
</tr>
<tr>
<td>EBIT</td>
<td>$1.05</td>
<td>$0.89</td>
</tr>
<tr>
<td>Tax</td>
<td>$0.28</td>
<td>$0.20</td>
</tr>
<tr>
<td>NPAT</td>
<td>$0.801</td>
<td>$0.711</td>
</tr>
<tr>
<td>EPS</td>
<td>0.48 cps</td>
<td>0.43 cps</td>
</tr>
<tr>
<td>ROE (annualised)</td>
<td>5.5%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
Balance Sheet 31 January 2016

<table>
<thead>
<tr>
<th>AUD million</th>
<th>Reported 31 Jan 2016</th>
<th>Reported 31 July 2015</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$7.1</td>
<td>$9.6</td>
<td>2.5 ↓</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>$11.1</td>
<td>$5.5</td>
<td>5.6 ↑</td>
</tr>
<tr>
<td>Inventories</td>
<td>$13.1</td>
<td>$14.2</td>
<td>1.1 ↓</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$31.4</td>
<td>$29.5</td>
<td>1.9 ↑</td>
</tr>
<tr>
<td>PPE/Intangible Assets</td>
<td>$4.8</td>
<td>$5.0</td>
<td>0.2 ↓</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$37.9</td>
<td>$36.6</td>
<td>1.3 ↑</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>($7.9)</td>
<td>($6.3)</td>
<td>1.6 ↑</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>($8.5)</td>
<td>($7.0)</td>
<td>1.5 ↑</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>($8.6)</td>
<td>($7.2)</td>
<td>1.4 ↑</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$29.3</td>
<td>$29.4</td>
<td>0.1 ↓</td>
</tr>
</tbody>
</table>

- Cash balance strong $7.1m
- Trade receivables reflect the increased sales activity
- A key focus has reduced Inventories
- Payables managed in line with revenue
- 1H16 dividend payment of 0.25c per share
Pre-term
Overview of Pre-term

What is it?

▪ A phase 3 clinical trial product aimed at reducing broncho-pulmonary dysplasia (BPD) and cognitive impairment in pre-term infants through an enteral feeding device delivering high dose DHA

The problem

▪ Pre-term infants are often subject to significant health risks due to their reduced gestation period and low levels of DHA. This commonly results in the development of:
  ▪ BPD (chronic lung disease)
  ▪ NEC (severe intestinal disease)
  ▪ Cognitive impairment
  ▪ Neurological disorders

▪ Pre-term birth rates currently range between 8% -12% p.a (13 million globally) and have been predicted to increase
Overview of Pre-term

Solution and results
- The product has completed its phase 3 clinical trials and results are now being assessed
- In 2014, the product received ‘generally regarded as safe’ (GRAS) certification by the FDA
- Results from Clover’s DINO clinical trials indicate significant health benefits associated with the technology

Alternative treatments
- There are currently no effective and preventative treatment options to improve cognitive outcomes in pre-term infants.

Licensing agreement
- On the 12th October 2015, Clover announced a licence agreement with Premneo Pharmaceuticals Pty Limited (‘Premneo’) providing them with exclusive rights to develop and commercialise the technology for the use in pre-term infants
- Clover will earn milestone payments as the product advances and royalties on future sales
FY2016 Outlook & Priorities

• Leverage the two child policy in China, grow sales in the region
• Develop new product applications in collaboration with customers
• Organic growth with emphasis on Oceania, Asia and Europe
• Diversify product portfolio and attract new customers
• Continue to improve efficiencies and reduce costs
• Add value through strategic acquisition and/or partnership
Thank you!
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