



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT

20/10/2020

Clover update on first half FY2021

Clover Corporation Ltd (ASX: CLV) provides an update to its trading performance subsequent to its release of results for the financial year ended 31 July 2020.

Following the release of full year 2020 results, Clover Corporation has experienced reduced demand with lower than originally forecast orders coming in the first quarter from infant formula manufacturers.

The Company believes the reduction is primarily driven by the market's recalibration following a significant increase in fourth quarter FY2020 orders, as indicated in the full year 2020 results and commentary.

Clover indicated on 20 May 2020 that, "the majority of the higher than usual inventory position will be worked through in the second half of the financial year and therefore provided a one-off benefit." "Looking forward Clover believes that much of the increased demand reflects China re-filling a depleted pipeline post the COVID-19 impact, as well as other countries experiencing higher demand as end consumers stockpile product during isolation. It is too early to state the full impact of the above market movements as the current forecast-to-order placement is very fluid."

On 18 September 2020, the company stated that "Uncertainty from COVID-19 has the potential to impact both positively and negatively. The higher retail demand for infant formula in Q3 & Q4 FY20 may have been a "one off", with possibly reduced demand in 1H FY21. Clover continues to engage with its customers to maintain its market position with orders for first half FY2021 at this point expected to be consistent with those of first half FY2020."

As a consequence of this continuing uncertainty, Clover now expects revenue for the first half of FY2021 to be down 15% to 25% on the first half FY2020.

Clover maintains its strong market position and continues to pursue a number of growth projects.

Clover will provide a further update at the Annual General Meeting (AGM) on 20 November 2020.

For further information, please contact:

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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