



ABN 85 003 622 866
PO Box 1111, Altona Gate, VIC 3025
39 Pinnacle Road, Altona North, VIC 3025

Clover Corporation Limited

ASX Appendix 4D

Half Year Financial Report

31 January 2020

Lodged with the ASX under Listing Rule 4.2A

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Reporting Period

The reporting period is the half year ended 31 January 2020 with the previous corresponding period the half year ended 31 January 2019.

Results for Announcement to the Market

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Up	9.8%	3,356	to	37,621
Profit from ordinary activities after tax attributable to members	Up	3.4, %	151	to	4,634
Net profit for the period attributable to members	Up	3.4%	151	to	4,634

Explanation of Operating Results

Clover Corporation Limited ("Clover Corporation") has reported a profit after tax of \$4.6 million for the half year ended 31 January 2020 (2019: \$4.5million), an increase of 3.4%.

For a further explanation of the half-year operating result, please refer to the Directors' Report in the financial report for the half year ended 31 January 2020.

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – 31 July 2019	1.75 cent	1.75 cent
Interim dividend – 31 January 2020	0.00 cent	0.00 cent

NTA Backing

	31-Jan-20	31-Jul-19
Net tangible asset backing per ordinary share	29.56 cents	27.21 cents

Results for Announcement to the Market – Continued

Controlled entities acquired or disposed of

Disposed entities

No entity was disposed of during the half-year ended 31 January 2020.

Acquired entities

No entity was acquired during the half-year ended 31 January 2020.

Associate entities

Clover owns 41.9% of Melody Dairies Limited Partnership.

Additional dividend/distribution information

A fully franked final dividend of 1.75 cent per share for the period ended 31 July 2019 was paid during the half year ended 31 January 2020.

Dividend reinvestment plans (“DRP”)

There are no dividends or distribution reinvestment plans as at 31 January 2020.

Foreign Accounting Standards

N/A

Independent Review Report

Refer to the attached Clover Corporation Limited 31 January 2020 Half Year Report for the Independent Review Report to the Members of Clover Corporation Limited.



ABN 85 003 622 866

REPORT
FOR THE HALF YEAR ENDED 31 JANUARY 2020

CLOVER CORPORATION LIMITED
ABN 85 003 622 866

CORPORATE DIRECTORY

Directors

Mr Rupert A. Harrington	Non-Executive Director & Chairman
Mr Graeme A. Billings	Non-Executive Director
Mr Peter J. Davey	Managing Director – Executive
Mr Ian D. Glasson	Non-Executive Director
Ms Cheryl L. Hayman	Non-Executive Director
Dr Merilyn J. Sleigh	Non-Executive Director

Secretary

Mr Paul A. Sherman

Registered Office

39 Pinnacle Road
Altona North VIC 3025
Phone: +61 38347 5001
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Auditors

PKF Melbourne
12/440 Collins St,
Melbourne VIC 3000

Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney NSW 2000

Australian Securities Exchange Code

Ordinary Shares	CLV
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Website

<http://www.clovercorp.com.au>

DIRECTORS' REPORT

The directors of Clover Corporation Limited (the Company) present the following report for the six months to 31 January 2020.

Directors

The names of directors who held office during the half-year and up to the date of this report are as follows:

Mr Rupert A. Harrington	Non-Executive Director & Chairman
Mr Graeme A. Billings	Non-Executive Director
Mr Peter J. Davey	Managing Director - Executive
Mr Ian D. Glasson	Non-Executive Director
Ms Cheryl L. Hayman	Non-Executive Director
Dr Marilyn J. Sleight	Non-Executive Director

Review of Operations

Clover Corporation Limited (Clover) has reported a Net Profit after Tax of \$4.6 million for the half year ended 31 January 2020 (2019: \$4.5 million) an increase of 3.4%. Sales revenue increased 9.8% to \$37.6 million (2019: \$34.3 million). The mix of product sales and growth in the USA and Europe has delivered new customers adding additional revenue and decreasing reliance on particular products and markets.

Financial Highlights

- Clover has additional European (EU) infant formula customers as the EU market prepares for the legislated requirement to add a minimum of 20mg DHA/100Kcal into infant formula for local sales during February 2020. As a result, Clover has experienced excellent growth in revenue from Europe of 31% over the period.
- China has added additional bonded warehouses to facilitate the "Cross border E-Commerce trade" (CBEC). China's draft legislation requiring a minimum 15mg/100Kcal of DHA in infant formula sold in China is in consultation between government and manufacturers. Clover has employed two business development managers in Shanghai to assist potential customers achieve the increased level of DHA in their products. The movement in sales between ANZ and Asia during the period reflects customers moving production between facilities.
- Clover has successfully incorporated its products into gummies, pressed tablets and health bars at higher dosage levels than achieved previously. The company's' vegan DHA-containing powder is on trial in drink products in Asia and the USA. Sales in the USA have grown by 57% in the half year.
- In further progress in expanding its market spread, Clover has a pipeline of technically innovative new products in development, with release to the market expected over the next 24 months. Some of these have been developed as specific solutions to customer problems, while others will offer genuine new directions in the market.
- The Company's balance sheet reflects a strong raw material position. This represents new suppliers and opportune purchases to build up the supply chain for the future.

DIRECTORS' REPORT continued

Operational Highlights

- The company has strengthened its face to face selling team across Europe, Asia and China. Attendance at trade shows in Europe and the USA provides excellent exposure of the brand and products to a targeted customer base developing new opportunities for revenue and product development.
- Clover has taken advantage of an option to purchase additional raw materials which has increased inventory and reduced available cash. The inventory positions places Clover in a favourable position to maintain supply into the future.
- Clover has increased its shareholding from 35% to 41.9% in Melody Dairies, in Hamilton, New Zealand. Melody Dairies is building and will operate a spray drying facility. The build of the new facility is tracking to plan and budget, and Clover expects to access the dryer for test manufacturing in Q4 2020.

COVID-19 Outbreak

The COVID-19 outbreak has had no impact on results in H1 FY20 and as yet has not affected forward orders for H2 FY20. Subject to the continuing stability of the Chinese market, the Company expects demand patterns from customers to continue in the second half of the year. Third quarter order rates are consistent with second half FY19 sales.

This is our outlook given the current viewpoint and understanding of the COVID-19 issue.

Dividend

Clover has taken a prudent approach to its cash management in light of the unprecedented market conditions created by the COVID-19 outbreak and is not declaring an interim dividend.

Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/0100 and accordingly amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditors Independence Declaration

The auditor's independence declaration for the half-year ended 31 January 2020 has been received and is set out on page 19.

This report is signed in accordance with a resolution of the directors.



Rupert Harrington
Chairman
Melbourne
Date: 25 March 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR TO 31 JANUARY 2020**

	Notes	31-Jan-20 \$'000	31-Jan-19 \$'000
Revenue	3	37,621	34,265
Other income/(expense)	2	385	163
Interest expense*		(296)	(88)
Raw materials, consumables and conversion costs		(25,848)	(23,540)
Sales and marketing expenses		(1,783)	(1,557)
Administration and corporate expenses		(2,850)	(2,291)
Research and development expenses		(852)	(736)
Share of net profit of investments accounted for under the equity investment method		(18)	-
Profit before income tax		6,359	6,216
Income tax expense		(1,725)	(1,733)
Profit after tax for the period		4,634	4,483
Other comprehensive income			
Foreign currency translation adjustment		2	(13)
Other comprehensive income for the period		2	(13)
Total comprehensive income for the period		4,636	4,470

* Interest expense of \$88,000 was reported in 'Other income/(expense)' in Jan 2019

Earnings per share (EPS)

Basic earnings per share (cent per share)	2.79	2.71
Diluted earnings per share (cent per share)	2.78	2.71

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes. Comparatives have not been restated for introduction of AASB16.

Clover Corporation Limited
Half Year ended 31 January 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2020

	Notes	31-Jan-20 \$'000	31-Jul-19 \$'000
Current Assets			
Cash and cash equivalents		(89)	8,271
Trade and other receivables		13,663	18,446
Inventories		36,616	27,681
Other current assets		524	958
		<u>50,714</u>	<u>55,356</u>
Non-Current Assets			
Property, plant and equipment		5,951	5,777
Assets under use		149	-
Investments in Associates		14,122	10,461
Deferred tax assets		1,251	1,250
Intangible assets		1,907	1,907
		<u>23,380</u>	<u>19,395</u>
Total Assets		<u>74,094</u>	<u>74,751</u>
Current Liabilities			
Trade and other payables		5,255	12,517
Interest bearing liabilities		1,473	1,473
Lease liability		152	-
Current tax liabilities		2,938	2,970
Short-term provisions		501	603
		<u>10,319</u>	<u>17,563</u>
Non-Current Liabilities			
Interest bearing liabilities		14,308	11,986
Long-term provisions		80	61
		<u>14,388</u>	<u>12,047</u>
Total Liabilities		<u>24,707</u>	<u>29,610</u>
Net Assets		<u>49,387</u>	<u>45,141</u>
Equity			
Issued Capital	4	35,368	32,920
Reserves		(92)	(166)
Retained Profits		14,111	12,387
Total Equity		<u>49,387</u>	<u>45,141</u>

This Statement of Financial Position should be read in conjunction with the accompanying notes.
Comparatives have not been restated for the introduction of AASB 16.

Clover Corporation Limited
Half Year ended 31 January 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR TO 31 JANUARY 2020

	Issued Capital \$'000	Retained Profits/ (Accumulated Losses) \$'000	Share Payment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 August 2018	32,920	5,383	-	(158)	38,145
Profit for the period	-	4,483	-	-	4,483
Dividend Paid (Note 5)	-	(2,065)	-	-	(2,065)
Foreign Currency Translation Reserve	-	-	-	13	13
Balance at 31 January 2019	32,920	7,801	-	(145)	40,576
Balance at 1 August 2019	32,920	12,387	-	(166)	45,141
Shares issued for the period (Note 4)	2,448	-	-	-	2,448
Profit for the period	-	4,634	-	-	4,634
Dividend Paid (Note 5)	-	(2,910)	-	-	(2,910)
Share Payment Reserve	-	-	72	-	72
Foreign Currency Translation Reserve	-	-	-	2	2
Balance at 31 January 2020	35,368	14,111	72	(164)	49,387

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.
Comparatives have not been restated for the introduction of AASB 16

Clover Corporation Limited
Half Year ended 31 January 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR TO 31 JANUARY 2020

	Note	31-Jan-20 \$ '000	31-Jan-19 \$ '000
Cash flows from operating activities			
Receipts from customers		43,223	35,778
Payments to suppliers and employees		(44,737)	(33,483)
Interest paid		(289)	(88)
Income tax paid		(1,758)	(1,378)
Net cash inflow from operating activities		(3,561)	829
Cash flows from investing activities			
Purchases of plant and equipment		(498)	(11)
Proceeds from sales of financial assets		-	4
Investment in Associates		(3,661)	(3,732)
Net cash outflow from investing activities		(4,159)	(3,739)
Cash flows from financing activities			
Dividends paid	3	(2,910)	(2,065)
Lease liability payments		(52)	-
Repayment of interest bearing liabilities		(697)	(4,339)
Receipt of interest bearing liabilities		3,019	7,590
Net cash inflow from financing activities		(640)	1,186
Net (decrease)/increase in cash held		(8,360)	(1,724)
Cash at the beginning of the period		8,271	7,894
Cash at the end of the period		(89)	6,170

This Statement of Cash Flows should be read in conjunction with the accompanying notes.
Comparatives have not been restated for the introduction of AASB 16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2020

1. Significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements of Clover Corporation Limited ('the Company') and its controlled entities ('the Group') for the half-year ended 31 January 2020 have been prepared in accordance with the requirements of Australian Accounting Standard AASB 134 Interim Financial Reporting. The Financial Statements were authorised for issue in accordance with a resolution of the directors on 25 March 2020.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at 31 July 2019, and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the ASX listing rules.

The Company has applied the relief available to it in ASIC Class Order 98/0100 and accordingly amounts in the financial statements and the directors' report have been rounded off to the nearest thousand Australian dollars, unless otherwise stated.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 July 2019, except for the impact, if any, of adoption of new standards and interpretations noted below.

New/Amended Accounting Standards and Interpretations

(i) New standards and interpretations

In the half year the Group has reviewed all of the revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for annual reporting periods beginning on or after 1 August 2019.

The Group applied AASB 16 *Leases* from 1 August 2019. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group.

AASB 16 Leases (AASB 16)

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Standard requires lessees to initially recognise a lease liability for the obligation to make lease payments and a right-of-use asset (ROUA) for the right to use the underlying asset for the lease term. Straight-line operating lease expense recognition is replaced with a depreciation charge for ROUAs and an interest expense on the recognised lease liabilities. In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. Within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of lease payments is separately disclosed in financing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2020 (continued)

Impact on application

The Group elected to adopt the modified retrospective approach (with the application of practical expedients), which equates the ROUA with the value of the lease liability, therefore there is no requirement to restate either retained earnings or prior period comparatives. The Group recognised the lease liability in relation to leases which had previously been classified as 'operating leases' under AASB 117 Leases, measuring the liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 August 2019. A ROUA of \$204,316 and a corresponding lease liability were recognised on adoption.

	\$'000
Operating lease commitments disclosed as at 31 July 2019	251
Weighted average incremental borrowing rate as at 1 August 2019	8%
Discounted operating lease commitments and lease liability as at 1 August 2019	<u>204</u>
ROUA recognised and movements during the period	
As at 1 August 2019	204
Depreciation	<u>(55)</u>
As at 31 January 2020	<u>149</u>
Lease liability recognised and movements during the period	
As at 1 August 2019	204
Accretion of interest	7
Payment of principal	<u>(59)</u>
As at 31 January 2020	<u>152</u>

Update to significant accounting policies in respect of Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets (ROUA)

ROUAs are recognised at cost at the commencement date of the lease and depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. ROUAs are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group applies the election not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2020 (continued)

Lease liabilities

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate, are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding ROUA, or to profit or loss if the carrying amount of the ROUA is fully written down.

(ii) Early adoption of standards

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

	31-Jan-20	31-Jan-19
	\$'000	\$'000
2. Operating Result		
Profit before income tax expense includes the following items of income and expense which, together with other disclosures in this report are relevant in explaining the financial performance for the half year:		
	31-Jan-20	31-Jan-19
	\$'000	\$'000
Other income/(expense):		
Foreign exchange gain/(loss)	385	163
Proceeds on sale of investment	-	4
Loss on sale of investment	-	(4)
	385	163
 Interest (expense)	 (296)	 (88)
Depreciation and amortisation expenses	(324)	(196)

Clover Corporation Limited
Half Year ended 31 January 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2020 (continued)

3. Revenue

The disaggregation of revenue from contracts with customers is as follows:

	31-Jan-20	31-Jan-19
	\$'000	\$'000
Timing of revenue:		
Goods transferred at a point in time	37,621	34,265

4. Issued Capital

Movement in ordinary shares on issue:	No. of shares	\$'000
As at 1 August 2018 and 2019	165,181,696	32,920
Shares issued throughout the first half to executives via the Clover Corporation Ltd Employee Incentives Plans Trust under the terms of the LTI Plan	1,128,408	2,448
As at 31 January 2020	<u>166,310,104</u>	<u>35,368</u>

5. Dividends

	31-Jan-20	31-Jan-19
	\$'000	\$'000
(a) Dividends paid during the year		
Final dividend for the period ended 31 July 2019 of 1.75 cent per share (31 July 2018: 1.25 cent per share) fully franked at the tax rate 30%.	<u>(2,910)</u>	<u>(2,065)</u>

(b) Dividends declared

On 20 November 2019, the Company paid the final dividend in respect of the year ended 31 July 2019 of 1.75 cent per share (31 July 2018: final dividend 1.25 cent per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2020 (continued)

6. Events subsequent to reporting date

Subsequent to the reporting date, the COVID-19 Virus has developed at a rapid rate. The outbreak and measures taken in response are considered by Clover to be non-adjusting events indicative of conditions that arose after the reporting period.

Clover manufactures an ingredient for incorporation into infant formula, food and beverage products, and current customer feedback and ordering patterns suggest that there has been no adverse impact upon the end customer product.

Clover's supply chain has not been impacted to date, as the company holds large quantities of raw materials and finished goods, and there has been no disruption to supply of raw materials since the outbreak.

Clover has implemented a human resource policy of split shifts and working from home to ensure the production and management functions are sufficiently separated in case of an employee becoming infected with the virus.

Clover considers that there are no current liquidity issues, with no customers communicating any cashflow concerns.

Clover has noted some restrictions on access to third party research facilities that may delay certain research projects.

Clover's investment in Melody Dairies may be impacted, with the qualification phase of the dryer requiring third party audit approvals and international travel. The dryer is on track to be delivered in the second quarter of the calendar year.

No other events have occurred subsequent to balance date which would materially affect the half year financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2020 (continued)

7. Geographical Information

Revenues from external customers by domestic and export location of operations and information about its non-current assets by location of assets is shown in the following table.

	Revenue from external customers		Non current assets	
	Jan 2020 \$'000	Jan 2019 \$'000	Jan 2020 \$'000	Jul 2019 \$'000
Australia/NZ	21,237	17,575	22,129	18,145
Asia	10,147	12,214	-	-
Europe	3,981	3,042	-	-
Americas	2,256	1,434	-	-
Total	37,621	34,265	22,129	18,145

8. Contingent liabilities

There have been no changes in contingent liabilities since the last annual reporting period.

9. Capital Commitments

There are no capital commitments

Clover Corporation Limited
Half Year ended 31 January 2020

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Clover Corporation Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity as set out in this financial report:
 - 1. give a true and fair view of the consolidated entity's financial position as at 31 January 2020 and of its performance for the half year ended on that date; and
 - 2. comply with Accounting Standard AASB134 Interim Financial Reporting and the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Rupert Harrington
Chairman

Melbourne
25 March 2020

Independent Auditor's Review Report to the Members of Clover Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Clover Corporation Limited (the Company) and its subsidiaries (the Group) which comprises the statement of financial position as at 31 January 2020, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated financial position of the Group as at 31 January 2020 and of its consolidated financial performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 January 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

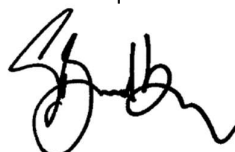
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



PKF
Melbourne, 25 March 2020



Steven Bradby
Partner

Auditor's Independence Declaration to the Directors of Clover Corporation Limited

In relation to our review of the financial report of Clover Corporation Limited for the half-year ended 31 January 2020, I declare to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or of any applicable code of professional conduct.

This declaration is in respect of Clover Corporation Limited and the entities it controlled during the financial period.

**PKF****Melbourne, 25 March 2020****Steven Bradby**
Partner