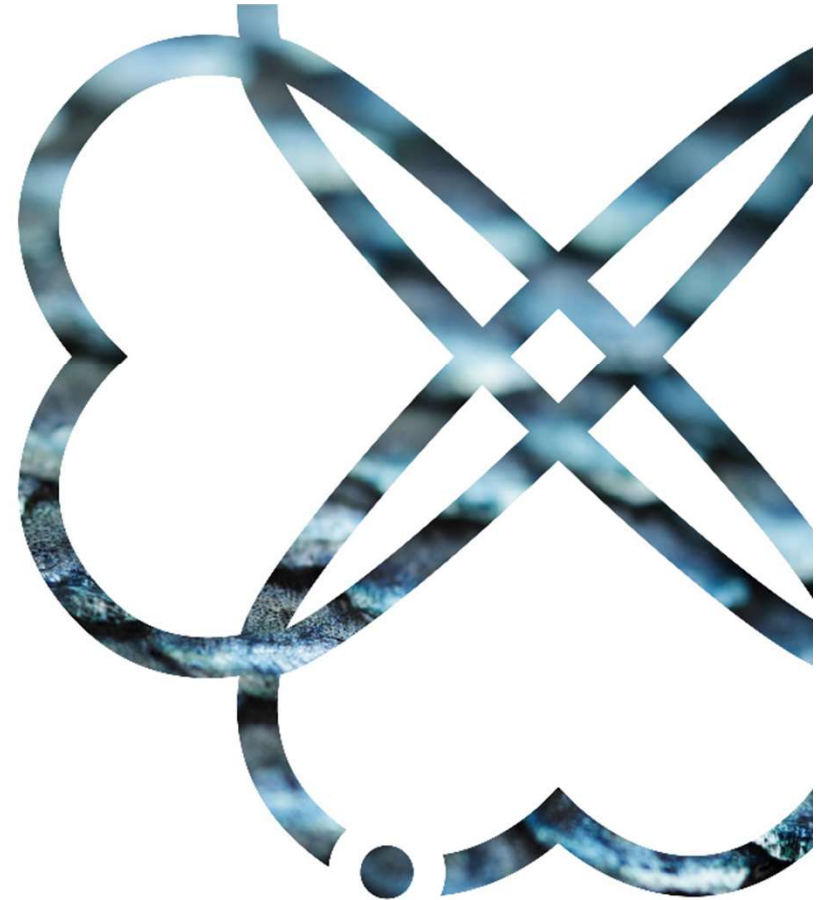


Citi's 9th Annual Australian and New Zealand Investment Conference



Clover Corporation Presentation
Peter Davey- Managing Director & CEO
17 & 18 October 2017



Vision and Mission Statement

Vision

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

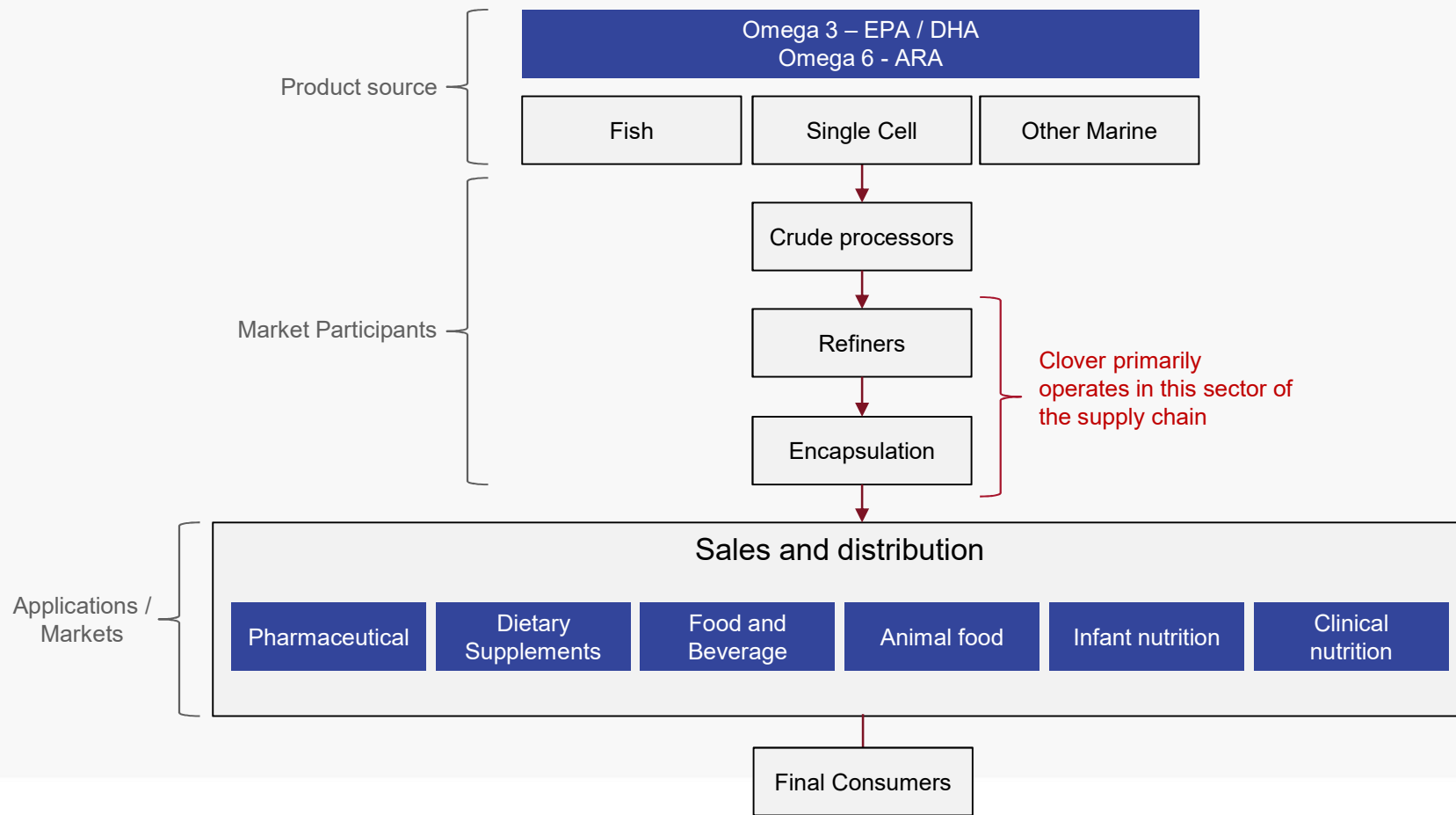
Mission

To deliver science based bioactives which provide health benefits to the adults, infants, children and medical food markets.

Full Year Performance Highlights

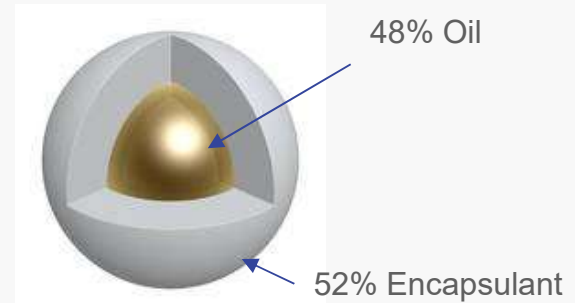
- ✓ Total Revenue **\$47.9m** up **12%**
driven by improved demand; highest ever recorded revenue
- ✓ Net Profit **\$3.6m** up **64%** on 2016 \$2.2m.
- ✓ Operating Expenses **\$6.1m**; investment in people to develop new products and sales
- ✓ New products released to develop additional market segments in Sports Nutrition
- ✓ Inventory at **\$18.8m** up 33% on prior year to meet increased demand
- ✓ Balance Sheet remains strong with no debt and cash of **\$5.9m**
- ✓ Final year dividend declared of **0.75 cent** per share, a 50% increase on prior year

Clover's Value Chain

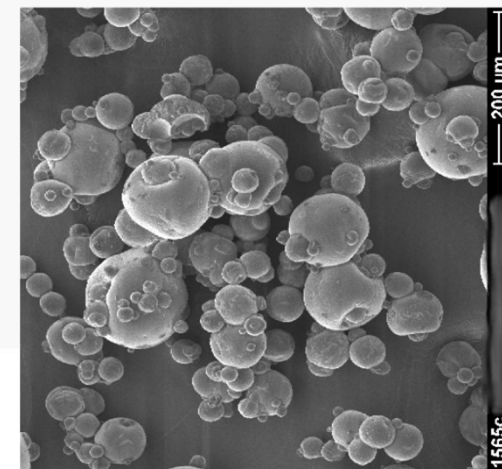
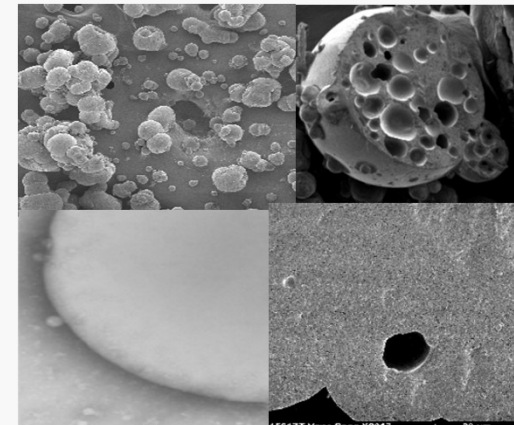


Encapsulation Technology

- 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 14 years of proven global use within dry-blended infant and children formula products
 - China regulatory compliant ingredients
 - CSIRO Patented Technology; Encapsulation W001/74175A1



D201.010 Driphorm HiDHA 50



Market Update

Market changes

- New Chinese infant formula regulations requiring manufacturers to hold a CFDA license by January 2018
- New EU regulation requiring the mandatory inclusion of DHA in infant formula by 2020
- Consumers preference for non-China manufactured infant formula
- China extends CBEC (Cross Boarder Electronic Commerce) market

Outcomes for Clover

- Regulated Chinese infant formula industry, increased quality controls positions Clover as a premium supplier. Many of Clover's customers have achieved a license or are in process
- EU infant formula manufacturers will use encapsulated DHA like Clover's product to meet new regulations
- Australia / New Zealand brands in demand, increasing demand for Clover ingredients
- Clover has seen enquiries from new business' currently in qualification with potential customers in Food & infant formula
- Clover supplies to manufacturers who benefit from the extended CBEC trade



Full Year Results

2017

Full Year 2017 Results

| AUD million | 4E Reported 31 Jul 2017 | 4E Reported 31 Jul 2016 |
|---------------------|----------------------------|----------------------------|
| Revenue | \$47.9 | \$42.9 |
| EBITDA | \$6.1 | \$3.3 |
| EBIT | \$5.5 | \$2.8 |
| NPBT | \$5.0 | \$3.1 |
| Tax | (\$1.4) | (\$0.9) |
| NPAT | \$3.6 | \$2.2 |
| EPS | 2.20 cps | 1.34 cps |
| ROE (annualised) | 11.7% | 7.4% |

- ♣ 11.5% year on year revenue growth
- ♣ Increased sales across all markets
- ♣ EBIT \$5.5m (PY \$2.8m)
- ♣ NPBT of \$5.0m includes ~\$0.5m unrealised forex loss on AUD:USD appreciation in June & July 2017
- ♣ Fixed costs managed \$6.1m (PY \$5.8m)
- ♣ NPAT result \$3.6m (PY \$2.2m)

Balance Sheet 31 July 2017

| AUD million | Reported 31 July 2017 | Reported 31 July 2016 | Movement |
|------------------------------|--------------------------|--------------------------|----------|
| Cash | \$5.9 | \$8.2 | 2.3 ↓ |
| Trade Receivables | \$12.1 | \$10.9 | 1.2 ↑ |
| Inventories | \$18.8 | \$13.6 | 5.2 ↑ |
| Total Current Assets | \$37.6 | \$33.1 | 4.5 ↑ |
| PPE/Intangible Assets | \$5.0 | \$6.7 | 1.7 ↓ |
| Total Assets | \$42.6 | \$39.8 | 2.8 ↑ |
| Trade Payables | (\$9.2) | (\$8.5) | 0.7 ↑ |
| Total Current Liabilities | (\$9.9) | (\$9.5) | 0.4 ↑ |
| Total Liabilities | (\$10.0) | (\$9.6) | 0.4 ↑ |
| Net Assets | \$32.6 | \$30.2 | 2.4 ↑ |

♣ Cash balance strong \$5.9m

♣ Trade receivables reflect the increased sales activity

♣ Inventory levels increased to meet demand

♣ Payables managed in line with increased activity

Sales by Geography & Product

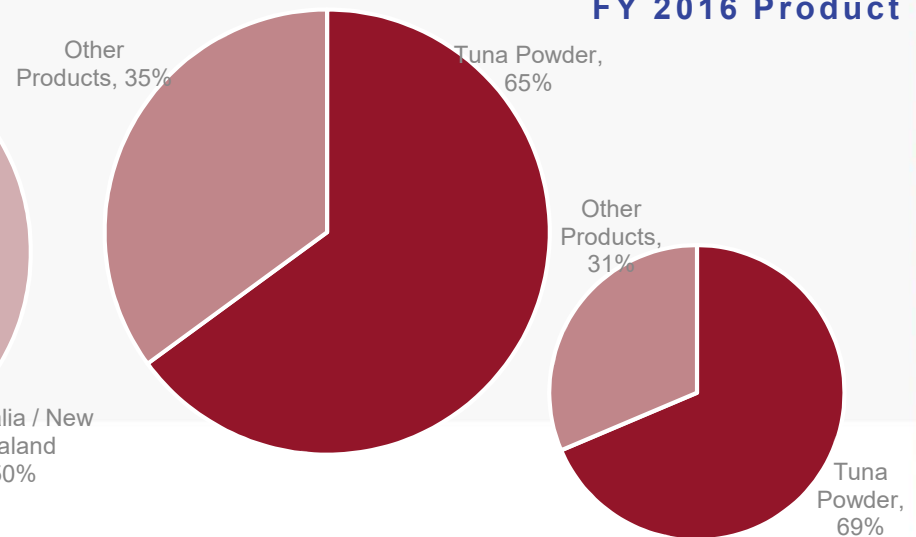
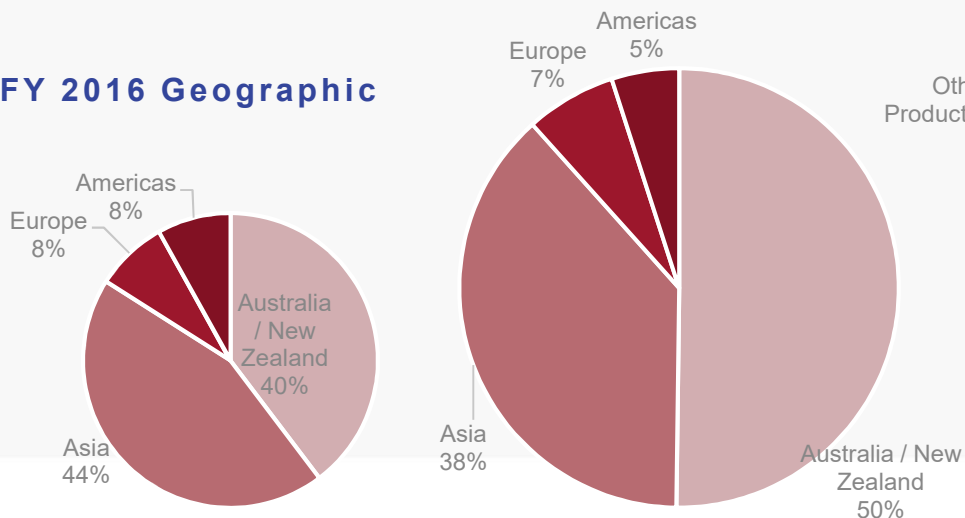
- ♣ Sales across all regions have grown during 2017
- ♣ European and American markets provide new opportunities
- ♣ Encapsulated Tuna oil leads sales revenue with encapsulated Algal oils and other oils represented in other products

FY 2017 Geographic

FY 2017 Product

FY 2016 Geographic

FY 2016 Product



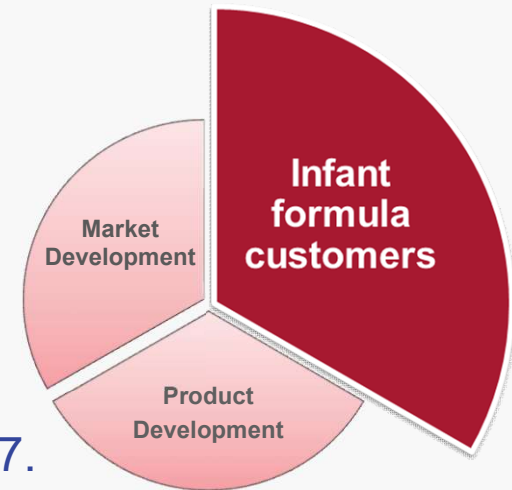
An Update on Growth Platforms



Growth Platform

Infant formula provides further growth

- ♣ The Chinese regulators changed rulings during 2017. Initially they proposed banning 'grey imports' (called CBEC) closing the channel to market for many infant formula brands, and reducing demand in the first half year
- ♣ In March 2017 regulators placed the ban on hold, allowing manufacturers to re-enter the market through this channel and increasing demand for Clover's products
- ♣ New European regulations requiring the inclusion of a minimum 20mg DHA dosage (currently avg.10mg) in all infant formula by 2020 remains a growth opportunity for Clover



Growth Platform

Products for new segments

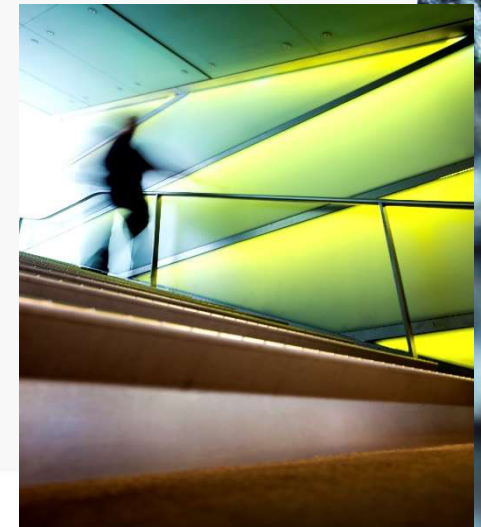
- ♣ Clover's Hypoallergenic DHA product is now being purchased and used in infant formula applications
- ♣ A new highly concentrated DHA product which delivers 60% oil in a powder form is on trial with major manufacturers who are seeking to fortify products with high levels of DHA for the Sports nutrition market
- ♣ Clover purchased a bench top spray dryer which has accelerated new product development, such as the patent application for a new technology allowing phospholipids from krill and tuna oil to be encapsulated



Growth Platform

New markets development

- ♣ Clover has aligned with distributors across the USA, Europe & Asia, providing market access and the capability to service new customer opportunities
- ♣ To generate a presence in the market and achieve exposure to new segments, Clover has participated in a number of key food ingredients shows; Supply Side West - USA, Vita Foods - EU, Food Ingredients - China and Foodpro- Australia
- ♣ Clover has added emerging infant formula manufacturers to diversify the base of the business



FY2018 Outlook & Priorities

- ♣ Further market development through a specialised distribution network
- ♣ Product development enhancing our capability to fortify foods, drinks and other products with Omega 3
- ♣ Growth into new markets of India and the Middle East
- ♣ Research & Development in collaboration with customers
- ♣ Grow our pool of talented people
- ♣ Improve efficiencies and reduce operating costs
- ♣ Add value through strategic acquisition and/or partnership

Disclaimer

The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.

This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.

Persons needing advice should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor. Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Clover Corporation's current expectations, estimates and projections about the industry in which Clover Corporation operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Clover Corporation, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Clover Corporation cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Clover Corporation only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Clover Corporation will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.