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Clover Corporation Limited
ABN 85 003 622 866

ASX ANNOUNCEMENT UPDATED **22 September 2021**

This announcement is to correct a disclosed final dividend as reported in the ASX Announcement yesterday.

The ASX announcement correctly stated that the company declared a 0.5 cent per share final dividend.

Later in the ASX Announcement on page 2, it has referred to a 1.0 cent per share dividend which was intended to report the total fully franked dividend for FY21 – representing the Interim Dividend of 0.5 cps and Final Dividend of 0.5 cps.

The relevant dates for the Final Dividend of 0.5 cps

Ex-Dividend Date	Monday 25 October 2021
Record Date	Tuesday 26 October 2021
Payment Date	Tuesday 16 November 2021

Included is the updated ASX Announcement with correction.

For further information, please contact:
Mr Rupert Harrington – Chairman, Clover Corporation +61 3 8347 5000
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

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ASX ANNOUNCEMENT UPDATED **22 September 2021**

Clover results curbed by customer demand impacted by COVID-19

Results for the year ended 31 July 2021

- Net Sales Revenue in FY21 of $60.5m (FY20: $88.2m) a decrease of 31.4%.
- Net Profit after Tax FY21 $6.0m (FY20: $12.5m) a decrease of 52%
- Adjusted for foreign exchange fluctuations year on year - Net Sales Revenue on a LFL basis with FY20 rates - FY21 $63.6m
- Excluding the Melody Dairies operating loss and IP legal defence costs, the underlying NPAT for FY21 would be $7.3m
- Clover declares dividend of 0.5 cent per share

As highlighted in the half year result and guidance announcement, Clover Corporation Ltd (ASX: CLV) has continued to experience challenging trading conditions through FY21.

Clover has maintained and grown its customer base, whilst most customers have been impacted by COVID-19 and trading conditions into China reducing their demand and as a result Clover's revenue.

The Company continues to operate to its COVID-19 safe plan to ensure the health and safety of our employees, customers, and other stakeholders. Clover has not sought or received any government assistance. Fortunately to-date no Clover employees have been infected by COVID-19 and they have remained vigilant testing, isolating if needed and following the procedures to maintain their safety.

Many of Clover's traditional infant formula customers have found market conditions and the China market difficult to navigate. Their access to market via the Daigou channel, which relies heavily on Chinese students and tourists to conduct trade has reduced dramatically through COVID-19 conditions. Our customers are forging new channels via the online market and supply via bonded warehouses and establishing relationships with bricks and mortar retailers which requires a license to sell into the China retail market. A license is very difficult to obtain in the current environment.

Across the financial year Clover has added new customers which has filled some of the gap, although many of these customers are introducing new products that will take time to get established. The company has a strong pipeline of new projects with many delayed due to most customers having their workforce at home, making new product development slow.

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Clover has pursued a strategy of aligning with Chinese infant formula manufacturers establishing relationships and trial programs with a range of brands. The company has also developed relationships with the various distributors who will provide access to the supply channel into Chinese infant formula manufacturers. The Chinese government has legislated for a new infant formula standard which will require manufacturers to increase their DHA and ARA (DHA and ARA are both fatty acids critical in human development and naturally occurring in mothers breast milk) content to a minimum of 15mg/Kcal by February 2023. The change provides Clover the opportunity to assist the manufacturers to reach the new DHA and ARA level as they go through reformulation and then license application. Clover encapsulated products have been listed as specified ingredients on license applications and expects to be listed on others as their licenses become due.

Clover maintains staff across the world to service its customers, COVID-19 travel restrictions have curtailed our ability to meet customers at trade shows and conduct face to face visits. Our business development program has moved to online workshops and electronic communication which has continued to develop new customer and product opportunities that will be realised in the future.

The Clover partnership in Melody Dairies (MDLP), the New Zealand spray drying facility has experienced delays in customer qualifications due to COVID-19. Clover as a 41.9% shareholder in the company shares in the financial outcomes of the business. The full year result has recognised a loss of $0.8m relating to MDLP. Clover expects the FY22 year will be significantly better for the Melody Dairies partnership as customers qualified the dryer for production and others will come online as travel restrictions are eased.

Dividend

Based on the company's cash position and the ongoing uncertainty with COVID-19, the Directors have decided to declare a fully franked final dividend for FY21 of 0.5 cent per share. Relevant dates for the dividend are as follows;

Ex-dividend Date:	Monday 25 October 2021
Record Date:	Tuesday 26 October 2021
Payment Date:	Tuesday 16 November 2021

Looking forward

The fundamentals of the business remain strong with opportunities for growth across markets and segments currently impacted by COVID-19.

Clover will launch newly developed products and re-engage with customers to progress the new product and application pipeline in China, Europe, and the USA as restrictions ease.

The Company will maintain focus on obtaining raw materials and supply chain management to ensure customers are well serviced. To support future growth, Clover will also increase vertical integration into its supply chain, establishing partners in supply and logistics and add value through potential strategic acquisition and/or partnership.

Clover expects to capitalise on the above opportunities once markets and borders re-open, however the timing is unknown. It is therefore difficult to provide meaningful guidance at this time.

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