



Ag & Vet Weekly

All the news on ASX-listed agriculture and veterinary companies

SPECIAL SUMMER CATCH-UP EDITION

Monday, January 20, 2020

The Summer Catch-Up Edition was compiled by Alexander Langsam

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- * ESCROW END TAKES ELIXINOL'S PAUL BENHAIM, RAW WITH LIFE TO 40%
- * ECOFIBRE H1 RECEIPTS UP 86%
- * CRESO RECEIPTS UP 382% TO \$2.8m
- * NUFARM EXPECTS H1 EBITDA DOWN 50% TO \$55m-\$65m

Detailed summaries continue on the following pages

The following articles appear in date order

Monday December 23, 2019

BEGA EXEC CHAIR BARRY IRVIN RETURNS; FACILITY DATE EXTENDED

BEGA CHEESE

Bega says Barry Irvin will return to his role as executive chairman by the company's January 29, 2020 board meeting, after receiving positive chemotherapy results. Bega said it had extended the maturity date on two of its facilities with financiers Rabobank and Westpac to September 30, 2022, and that construction of its facility in Koroit, Victoria was on schedule to be commissioned by May 2020 and fully operational for the year to June 30, 2021.

COSTA CFO LINDA KOW RESIGNS

COSTA GROUP HOLDINGS

Costa says its chief financial officer Linda Kow has resigned, effective May 1, 2020, and that recruitment for her replacement will commence "in the near future".

GIBSON'S SETTLES LEGAL ACTION WITH CLEAN SEAS FOR \$15m

CLEAN SEAS

Clean Seas says its legal action against Gibson's Ltd has been settled with Gibson's paying \$15 million and will not proceed to the scheduled trial on February 24, 2020. Clean Seas said the legal action against Gibson's related to allegedly defective feeds supplied by Gibson's between December 2008 and July 2012 (AVW: Aug 30, 2019).

THORNEY, TIGA TAKE 6% OF OCEAN GROWN ABALONE

OCEAN GROWN ABALONE

Thorney Opportunities and Tiga Trading say they have become substantial in Ocean Grown Abalone with 11,420,504 shares or 5.7 percent of the company.

The Melbourne-based Thorney and Thorney Investment Group Australia (Tiga) said they acquired 3,220,504 shares on December 19, 2019 for 13 cents a share.

SEAFARMS TO OFFER CASH FOR CO2 AUSTRALIA SHARES

SEAFARMS GROUP

Seafarms says CO2 Australia Limited, its former environmental consultancy subsidiary, is negotiating a transaction that would give shareholders a cash offer for their shares.

Seafarms said it was aware that many shareholders were seeking to dispose of their shares in the unlisted CO2 Australia and said it would provide an update by April 2020.

Tuesday December 24, 2019

PERPETUAL TAKES 13% OF COSTA

COSTA GROUP HOLDINGS

Perpetual says it has increased its substantial shareholding in Costa from 47,451,226 shares (11.84%) to 52,249,057 shares (13.04%).

The Sydney-based Perpetual said that it acquired the shares between December 9 and 20, 2019, with the single largest purchase of 713,437 shares on December 20 for \$1,714,881 or \$2.40 a share.

Friday December 27, 2019

SCHRODER TAKES 5% OF NUFARM

NUFARM AUSTRALIA

Schroder Investment Management says it has become a substantial shareholder in Nufarm with 19,913,404 shares or 5.25 percent of the company.

The Sydney-based Schroder said that between August 26 and December 27, 2019 it acquired 2,959,553 shares for \$16,343,635 or an average of \$5.52 a share.

PERENNIAL REDUCES TO 6% OF NATIONAL VETERINARY [NATIONAL VETERINARY CARE](#)

Perennial Value Management says it has decreased its substantial shareholding in National Veterinary from 5,199,747 shares (7.74%) to 4,084,630 shares (6.08%). The Sydney-based Perennial said that it sold the shares between December 18 and 23, 2019, with the single largest sale of 325,971 shares on December 23 for \$1,172,810 or \$3.60 a share.

Monday December 30, 2019

No announcements

Tuesday, December 31, 2019

BUBS: '\$12.4m OVERSUBSCRIBED' SHARE PLAN RAISES \$5m [BUBS AUSTRALIA](#)

Bubs says its share plan capped at \$5 million was oversubscribed with applications for more than \$17.4 million at 95 cents a share. In early December, Bubs said it had raised \$30 million in a placement at 95 cents a share (AVW: Dec 6, 2019).

ONE FUNDS TAKES 5% OF TERRAGEN [TERRAGEN HOLDINGS](#)

One Funds Management says it has become a substantial shareholder in Terragen with 9,350,000 shares or 5.0 percent of the company. The Sydney-based One Funds said it acquired the shares between November 11 and December 24, 2019 for \$2,266,805 or an average of 24.2 cents a share.

Thursday January 2, 2020

WATTLE RAISES \$11.7m OF HOPED-FOR \$62m; BLEND & PACK DEAL [WATTLE HEALTH AUSTRALIA](#)

Wattle Health says its rights offer raised \$11,670,447 of a hoped for \$62.2 million, failing to secure the minimum required (AVW: Nov 22, 2019). Wattle Health said its underwriting agreement with Claymore Capital lapsed and it had extended the end date for its proposed acquisition of 75 percent of dairy processor Blend and Pack to January 7, 2020, which the funds were intended to go towards.

Friday January 3, 2020

COSTA: VITALHARVEST TUMBARUMBA FARM HIT BY BUSHFIRE [COSTA GROUP](#)

Costa Group says Vitalharvest's Tumbarumba berry farm in southern New South Wales has been affected by bushfires, with the packing shed and several vehicles damaged.

Monday January 6, 2020

BEGA: BEGA VALLEY FACILITIES OK DESPITE BUSHFIRES

BEGA CHEESE

Bega says its two cheese production and processing facilities in the Bega Valley in New South Wales have not been impacted by local bushfires and remain fully operational.

CANNPAL TO USE CSIRO'S MICROMAX MARIJUANA ENCAPSULATION

CANNPAL ANIMAL THERAPEUTICS, CSIRO

Cannpal says it will use the Commonwealth Scientific and Industrial Research Organisation's Micromax encapsulation for marijuana-based animal products.

Cannpal said it had filed a new patent application, following "significant anti-inflammatory activity" in the hemp-derived oil formulation used during its evaluation of Micromax, with pre-clinical data showing the formulation reduced the expression of pro-inflammatory biomarkers in dogs.

Tuesday January 7, 2020

CANN GROUP PLEADS SCHULTZ TO ASX 21% QUERY

CANN GROUP

Cann Group has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

Cann Group said it was aware of recent posts on IDT Australia's LinkedIn page regarding medical marijuana manufacturing IDT had undertaken on Cann's behalf, although Cann was not named in the posts.

The ASX said the company's share price rose 20.8 percent from 84 cents to an intraday high of \$1.015 on January 6, 2020 and noted an "increase" in trading volumes.

CANN GROUP: IDT TO EXTRACT MARIJUANA RESIN FOR OILS

CANN GROUP

Cann Group says IDT Australia will extract marijuana resin from its plants for cannabis oil products for sale in Australian and overseas by April 2020.

Cann Group chief executive officer Peter Crock said the extraction of resin "facilitates the manufacture of finished product formulations and puts us a step closer to launching our own locally sourced and produced range of medicinal cannabis treatments".

PHARMAUST: UNITY ENDS EPICHEM CONTRACT

PHARMAUST

Pharmaust says the San Francisco, California-based Unity Biotechnology will end its contract with Pharmaust subsidiary Epichem by March 2020, due to funding issues.

Pharmaust said the contract, which had Epichem provide synthetic and medicinal chemistry to Unity Biotechnology, was Epichem's second largest contract and that its projected revenue forecast for the year to June 30, 2020 was \$3.34 million as a result of the loss.

The company said Epichem would seek to replace any capacity through redeployment of selected staff, business development and other initiatives.

Wednesday January 8, 2020

PHARMAUST: EPICHEM, DNDI CONTRACT EXTENDED

PHARMAUST

Pharmaust says its Epichem subsidiary has extended its contract with the Drugs for Neglected Diseases Initiative until December 31, 2020.

Pharmaust said Epichem would continue to provide synthetic and medicinal chemistry expertise to support the Initiative's drug discovery projects and said it expected the contract extension to generate up to \$1.24 million in revenue, contributing to the previously amended annual revenue forecast of \$3.34 million.

CRESO TO RELEASE 500k ESCROW SHARES

CRESO PHARMA

Creso says that 500,000 shares will be released from voluntary escrow on January 16, 2020.

Creso said that after the release of the shares there would be no securities subject to escrow restrictions, although it had 35,750,000 options not quoted on the ASX, and had a total of 302,021,052 shares available for trading.

Thursday January 9, 2020

BEGA: 'BUSHFIRES COST UP TO 1.9m LITRES OF MILK'

BEGA CHEESE

Bega says it expects to have lost 900,000 litres of milk due to the recent bushfires, with a further one million litres possibly lost as two suppliers give their cows time to recover without milking.

Bega said its annual milk intake in Australia was about one billion litres and that the milk loss from the bushfires would have no material impact on its operations, with employees returning to work the week of January 6, 2020.

ELDERS DONATES \$100k TO BUSHFIRE AID, NO PROPERTIES DAMAGED

ELDERS

Elders says it has donated \$100,000 to bushfire aid and, although none of its properties were damaged by the recent bushfires, expects its livestock and farm supplies sales to be impacted.

Elders said it expected the financial impact of the fires to be offset by future demand for rebuilding materials and said it was helping where it could with firefighting efforts and community aid, as well as having made a \$100,000 donation to the Foundation for Rural and Regional Renewal.

WATTLE HEALTH: NEGOTIATING BLEND & PACK ACQUISITION

WATTLE HEALTH AUSTRALIA

Wattle Health says it is negotiating revisions for its proposed acquisition of 75 percent of Melbourne-based dairy processor Blend and Pack, with an update expected January 10, 2020.

Wattle Health said its shares would remain in voluntary suspension pending a further update.

Friday January 10, 2020

No announcements

Monday January 13, 2020

A2 MILK LOSES CTO PHIL RYBINSKI

A2 MILK

A2 Milk says chief technical officer Phil Rybinski has resigned, with the company's chief operations officer Shareef Khan to assume his role on an interim basis.

A2 Milk said Race Strauss, who replaced Craig Louttit as chief financial officer in September 2019, officially commenced his role on January 13, 2020.

AVECHO: EX-BIOSCIENCE MANAGERS MATT MCNAMARA DIRECTOR

AVECHO BIOTECHNOLOGY (FORMERLY PHOSPHAGENICS)

Avecho says it has appointed former Bioscience Managers chief investment officer Matthew McNamara as a non-executive director effective from January 13, 2020.

Avecho said that Mr McNamara was a current director of Adherium, Scicapital Pty Ltd and Grey Innovation, and a former director of Avita, Bioxyne and Rex Bionics.

PERPETUAL TAKES 7% OF ELDERS

ELDERS

Perpetual says it has increased its substantial shareholding in Elders from 9,705,816 shares (6.25%) to 11,417,715 shares (7.33%).

The Sydney-based Perpetual said that it acquired the shares between December 18, 2019 and January 9, 2020, with the single largest purchase 193,459 shares on January 7 for \$1,194,572 or \$6.20 a share.

WATTLE HEALTH: MASON AGREES NEW \$80m BLEND & PACK DEAL

WATTLE HEALTH AUSTRALIA

Wattle says Mason Group has agreed to an amended \$US55 million (\$A79.9 million) deal to buy 75 percent of Blend & Pack, taking it to 80 percent (AVW: Nov 22, 2019).

Wattle said it would buy 75 percent of Blend & Pack for \$US10 million (\$A14.5 million) upfront in cash on completion, \$US1 million of which has been paid under their previous agreement; and issue Mason \$US15 million in shares at 40 cents a share.

The company said that Mason agreed to a voluntary escrow deed for \$US5 million of the shares for 24 months from the date of issue.

Wattle said there would be a deferred payment to Mason of \$US30 million over five-years with an interest rate of 3.33 percent with the first principal payment of 20 percent of the deferred payment due in three years, 30 percent in the fourth year and the balance at the end of the fifth year.

The company said the transaction was subject to shareholder approval and must be settled by no later than February 29, 2020.

Wattle said that if shareholder approval was not obtained, or completion did not occur for any other reason, then subject to some exceptions the \$US1 million deposit already paid would be forfeited and it would be obliged to issue Mason \$US7.5 million worth of Shares.

The company said that the Hallam, Victoria-based Blend & Pack could produce up to 18 million cans of infant formula a year.

WATTLE LOSES CEO, 2 DIRECTORS, DR TONY McKENNA STARTS ON \$500k

WATTLE HEALTH AUSTRALIA

Wattle Health says Dr Tony McKenna has been appointed chief executive officer replacing Lazarus Karasavvidis, effective on January 13, 2020.

Wattle Health said that, in addition to Mr Karasavvidis' resignation, co-founder and director Martin Glenister and executive director Georgia Sotiropoulos had resigned from their roles, and that it expected, along with "changes to [its] staffing arrangement" and other initiatives, to save \$3 million annually as a result.

The company said Dr McKenna, the chief executive officer of its joint venture Corio Bay Dairy Group, would earn a combined salary of \$500,000 from Wattle Health and Corio Bay Dairy, with each of them paying him \$250,000 annually.

WATTLE HEALTH, CHEMIST WAREHOUSE RETHINK DEAL

WATTLE HEALTH AUSTRALIA

Wattle Health says it has renegotiated its supply deal with pharmacy chain Chemist Warehouse, removing the requirement that it raise \$62 million through a rights issue.

In December, Wattle Health said it had a 10-year agreement with Chemist Warehouse to stock its organic nutritional dairy range and its Little Innoscents organic skin care products, while earlier this year Wattle Health said its rights issue had raised \$11.7 million of a hoped for \$62 million (AVW: Dec 6, 2019).

The company said it would issue the first tranche of shares to Chemist Warehouse, agreed upon in the deal, immediately.

WATTLE HEALTH, NOURIZ: J-V AUSTRALIFE TO SELL DAIRY IN 2021

WATTLE HEALTH AUSTRALIA

Wattle Health says its Australife joint venture will sell Australian dairy products in China shortly after its Corio Bay Dairy Group spray drying facility begins production.

Wattle Health said says Australife was a joint venture with Nouriz Fine Food Co and it expected the spray drying facility to be ready by January 2021.

Last year, Wattle Health said it would form a joint venture with the Shanghai-based Nouriz, sourcing dairy products from the Corio Bay Dairy Group, Wattle Health's pre-existing joint venture based in Geelong, Victoria (AVW: Nov 8, 2019).

ROOTS: BOAZ WACHTEL CEO, SHARON DEVIR EXEC DIRECTOR

ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES

Roots says it has appointed Boaz Wachtel as chief executive officer, with previous chief executive officer Sharon Devir to become an executive director.

Roots said the change in leadership had been planned for some time and that Mr Wachtel was partly responsible for formulating the legalization of medical marijuana in Israel.

Tuesday January 14, 2020

PHARMAUST RECEIVES \$713k FEDERAL R&D TAX INCENTIVE

PHARMAUST

Pharmaust says subsidiaries Epichem and Pitney Pharmaceuticals received \$712,647 under the Federal Government Research and Development tax Incentive program.

Pharmaust said the rebate was deemed refundable on its 2019 tax return and would be used to advance clinical trials in dogs and humans.

PERENNIAL BELOW 5% IN NATIONAL VETERINARY CARE

NATIONAL VETERINARY CARE

Perennial Value Management has ceased its substantial holding in National Veterinary Care.

The Sydney-based Perennial said it had 5,199,747 National Veterinary shares or 7.47 percent of the company on December 18, 2019, and that between December 19, 2019 and January 10, 2020 it sold 3,213,218 shares with the single largest sale 812,975 shares for \$2,968,942 or \$3.65 a share (AVW: Dec 20, 2019).

ESCROW END TAKES ELIXINOL'S PAUL BENHAIM, RAW WITH LIFE TO 40%

ELIXINOL GLOBAL

Raw With Life for Elixinol founder Paul Benhaim, says the end of an escrow period taken their holding from 77,870,572 shares (56.47%) to 54,623,008 shares (39.61%).

The Mullumbimby, New South Wales-based Mr Benhaim previously said that he had not sold any of his personal holding of 54,623,008 shares following his departure from the company and an Elixinol executive said that because of his large holding, Mr Benhaim was deemed to control the shares held in escrow.

Wednesday January 15, 2020

No announcements

Thursday January 16, 2020

ECOFIBRE H1 RECEIPTS UP 86%

ECOFIBRE

Ecofibre's Appendix 4C quarterly report says that receipts from customers for the six months to December 31, 2019 was \$24,820,000 up 86.3 percent on the \$13,324,000 reported revenue in its pre-listing half year report.

Ecofibre said that "major distributors [were] beginning to supply Ananda Health products to pharmacies as result of increasing confidence and clarity on the regulatory status on hemp-derived [cannabidiol] products"

The company said that profit guidance for the six months to December 31, 2019 was expected to be more than \$6 million net profit after tax.

Friday January 17, 2020

CRESO RECEIPTS UP 382% TO \$2.8m

CRESO PHARMA

Creso says that receipts from customers for the year to December 31, 2019 were up 382.0 percent to \$2,834,000.

Creso said that receipts for the three months to December 31, 2019 increased 524.7 percent to \$1,368,000 with a cash burn for the quarter of \$1,961,000.

The company said it had \$2,812,000 in cash at December 31, with a loan facility of \$3,967,000 and an estimated expected cash burn for the three months to March 31, 2020 of \$3,400,000.

NUFARM EXPECTS H1 EBITDA DOWN 50% TO \$55m-\$65m

NUFARM

Nufarm says it has updated earnings for the six months to January 31, 2020 to a range of \$55 million to \$65 million.

In March last year, Nufarm said that Ebitda for the six months to January 31, 2019 was \$120.9 million, with a net loss of \$13.6 million.

Last year, Nufarm said it expected earnings before interest, taxation, depreciation and amortization for the six months to January 31, 2020 to be “significantly lower” than the previous period (AVW: Nov 29, 2019).

The company said at that time that “during the course of reconciling accounts with German customers for the 2019 calendar year it [had] identified additional sales rebate claims from customers that relate to Nufarm’s 2019 financial year.

Nufarm said that “with an additional two months of trading performance now available, Nufarm is able to provide an estimate of earnings before interest, tax, depreciation and amortization, which is expected to be in the range of \$55 million to \$65 million for the first half of 2019-’20”.

The company said that it would report first half financial results on March 25, 2020.