

Ag & Vet Weekly



Monday June 1 – Friday June 5, 2020

All the news on ASX-listed agriculture and veterinary companies

- * **JUNE 5: ASX UP, AVW-44 DOWN: AVECHO UP 29%; MEMPHASYS DOWN 9%**
- * **WIDE OPEN AGRICULTURE PLACEMENT RAISES \$3m**
- * **ECOFIBRE WITHDRAWS H2 GUIDANCE ON 'US CIVIL UNREST'**
- * **FED GOV EXTENDS DATE FOR WOOL R&D LEVY SUBMISSIONS**
- * **CRESO: DHS TO DISTRIBUTE CANNAQIX MARIJUANA IN BRAZIL**
- * **THC COMPLETES TETRA MEDICAL MARIJUANA ACQUISITION**
- * **CLEAN SEAS RAISES \$3m**
- * **APIAM RELEASES 920k VOLUNTARY ESCROW SHARES**
- * **PERPETUAL REDUCES TO 11.9% OF COSTA**
- * **ONE FUNDS TAKES 5% OF MURRAY COD**
- * **ELIXINOL CHAIR PAUL BENHAIM, RAW WITH LIFE DILUTED TO 28%**
- * **D&G, DAVID NEWMAN, GABRIEL ETTENSON REDUCE TO 6% OF ELIXINOL**
- * **PHARMAUST: 'MONEPANTEL SUPPRESSES SARS-COV-2 50-95% IN-VITRO'**
- * **REGENEUS LOSES 5-YEAR DIRECTOR DR GLEN RICHARDS**
- * **TASFOODS APPOINTS CRAIG TREASURE CHAIR, BEN SWAIN DIRECTOR**
- * **ABUNDANT COMPLETES ASX DELISTING**

MARKET REPORT

The Australian stock market was up 0.12 percent on Friday June 5, 2020, with the ASX200 up 6.9 points to 5,998.7 points. Sixteen of the AVW-44 stocks were up, 20 fell, six traded unchanged and two were untraded.

Avecho was the best, up 0.2 cents or 28.6 percent to 0.9 cents, with 27.3 million shares traded. Wide Open rose 22.7 percent; Nanollose was up 16.2 percent; Apiam, Fonterra, Ocean Grown and Regeneus climbed five percent or more; MGC was up 4.35 percent; Murray Cod and Terragen were up three percent or more; Cann Group and Nufarm were up more than one percent; with Clean Seas, Huon, Select and Synlait up by less than one percent.

Memphasys led the falls, down 0.6 cents or 9.4 percent to 5.8 cents, with 940,686 shares traded. Creso fell 7.1 percent; Opyl lost 6.45 percent; Anantara and Roots shed five percent or more; Pharmaust was down 4.35 percent; Ecofibre, Food Revolution and Next Science fell more than three percent; Althea and Elixinol shed more than two percent; A2 Milk, Clover, Costa, Elders, Ridley and THC lost more than one percent; with Bega, Bubs and Tassal down by more than one percent.

WIDE OPEN AGRICULTURE

Wide Open Agriculture says it has raised \$3.0 million through a placement to existing and new institutional and sophisticated investors at 27 cents a share.

Wide Open Agriculture said the funds would go towards its growth strategy, with the company focussing on increasing sales of its regenerative meat, expanding its online store and launching its oat milk and plant-based protein products.

The company said the issue price was an 18.2 percent discount to its closing price on May 29, 2020 and a 7.2 percent discount to the 15-day volume weighted average price.

Wide Open Agriculture said it expected to settle the placement on June 12.

The company said that Euroz Securities was the lead manager to the placement.

Wide Open was up 7.5 cents or 22.7 percent to 40.5 cents with 2.7 million shares traded.

ECOFIBRE

Ecofibre says it has withdrawn its financial guidance for the six months to June 30, 2020 “due to the high degree of uncertainty” in the US.

In April, Ecofibre launched its Hemp Black personal protection equipment face masks in the US, and said that net profit after tax for the six months to June 30, 2020 was “expected to be broadly in line” with the net profit after tax of \$7.1 million for the six months to December 31, 2019 (AVW: May 1, 2020).

Today, Ecofibre chief executive officer Eric Wang said the recent re-opening of the US economy amid the Covid-19 crisis has been “impacted by a series of very unfortunate and sad incidents that have led to civil unrest across most major US cities”.

“As a result of these events, Ecofibre’s major markets will be impacted for an unknown period of time,” Mr Wang said

“The company continues to work towards achieving our expected accounting profit, but due to the high degree of uncertainty on business re-openings that impact US sales, it is appropriate to withdraw second half guidance at this time,” Mr Wang said.

Ecofibre was down nine cents or 3.1 percent to \$2.79.

FEDERAL GOVERNMENT

The Federal Government Department of Agriculture, Water and the Environment says it will extend the deadline for submissions to the review of its wool levy to June 12, 2020.

In a media release, the Department said it was reviewing Woolpoll, a three-yearly vote of all wool levy payers conducted by Australia Wool Innovation (AWI) which decides a levy rate for investment by AWI in research and development and marketing.

The department said the extension of the submissions deadline would not affect the timing of the review, with a final report expected to be released later this year.

For more information go to: <https://haveyoursay.agriculture.gov.au/woolpoll-review>.

CRESO PHARMA

Creso says DHS Business International will distribute its Cannaqix marijuana in the Brazilian retail market.

Creso said it would target the DHS network in Latin and North America in Sao Paulo, Rio de Janeiro and Parana, initially targeting working and aging populations.

The company said it would work with DHS to make the products available this year.

Creso was down 0.4 cents or 7.1 percent to 5.2 cents with 12.8 million shares traded.

THC (THE HYDROPONICS CO) GLOBAL GROUP

THC says it has completed the acquisition of Australian clinic network Tetra Health.

Last month, THC said it had acquired Tetra for \$2.5 million in shares and \$500,000 in cash, to be paid over six months (BD: May 12, 2020).

This week, the company said Tetra had a network of more than 600 referring physicians, 30 prescribing physicians, more than 10,000 prospective patients and more than 1,000 patients currently prescribed medical marijuana.

THC was down 0.5 cents or 1.2 percent to 40.5 cents.

CLEAN SEAS SEAFOOD

Clean Seas says it has issued 6,000,000 shares to Roger Hofseth and James Berger's entity GCI CSS (Hofseth & Nevera) at 50 cents a share to raise \$3,000,000.

In April, Clean Seas said GCI would take 9.7 percent of the company through the purchase of 10,000,000 shares for \$5 million in two tranches of 6,000,000 shares and 4,000,000 shares (AVW: Apr 9, 2020).

Clean Seas was up 0.5 cents or 0.7 percent to 68 cents.

APIAM ANIMAL HEALTH

Apiam says it will release 920,622 shares from voluntary escrow on June 9, 2020.

According to the company's most recent Appendix 2A announcement, Apiam had 116,597,135 shares quoted on the ASX.

Apiam was up 2.5 cents or 5.5 percent to 48 cents.

COSTA GROUP HOLDINGS

Perpetual says it has reduced its substantial shareholding in Costa from 52,249,057 shares (13.04%) to 47,859,235 shares (11.94%).

The Sydney-based Perpetual said that it bought and sold shares between December 31, 2019 and May 27, 2020, with the single largest sale 2,500,000 shares for \$6,727,000 or \$2.69 a share on April 8, 2020.

Costa fell four cents or 1.3 percent to \$3.14 with 2.2 million shares traded.

MURRAY COD AUSTRALIA

One Funds Management says it has become a substantial shareholder in Murray Cod with 29,220,570 shares or 5.18 percent of the company.

The Sydney-based One Funds said that between December 13, 2019 and June 1, 2020 it acquired the shares for \$4,205,879 for an average of 14.4 cents a share.

Murray Cod was up 0.5 cents or 3.85 percent to 13.5 cents.

ELIXINOL GLOBAL

Elixinol chairman Paul Benhaim and Raw with Life says its 54,623,008 share-holding has been diluted from 39.61 percent to 28.33 percent.

The Mullumbimby, New South Wales-based Mr Benhaim said that he was diluted in the \$5.6 million one-for-2.51 rights offer at 20 cents a share (BD: May 5, 2020).

Elixinol was down 0.5 cents or 2.2 percent to 22.5 cents with 1.4 million shares traded.

ELIXINOL GLOBAL

D&G Health, David Newman and Gabriel David Ettenson say they have been reduced in Elixinol from 12,791,977 shares (9.22%) to 11,826,243 shares (6.133%).

The New York and Colorado-based D&G, Mr Newman and Mr Ettenson said they were diluted in the \$5.6 million rights offer at 20 cents a share (BD: May 26, 2020).

The group did not disclose the date or value of the sale of 965,734 shares.

PHARMAUST

Pharmaust says monepantel and monepantel sulfone reduce Sars-Cov-2 replication and cell-to-cell infectivity in tissue culture by 50 percent to 95 percent, in-vitro.

Pharmaust has been trialling the monepantel sheep round worm drench, previously PPL-1, human cancer since June 2014, and for dog cancer since September 2014, with the most recent trial showing that one of seven dogs had a 60 percent reduction in tumor size after treatment (BD: Jun 23, Sep 9, 2014; May 12, 2020).

Today, the company that Melbourne's Walter and Eliza Hall Institute trialled monepantel in-vitro using severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2) viral infections of African green monkey vero cells.

Pharmaust said that "relatively low concentrations of monepantel blocked the infectious capacity" of in tissue culture.

The company said the lowest inhibition value from the median tissue culture infectious dose (TCID50) assay was about 50 percent and the highest inhibition value was about 95 percent.

Pharmaust said that the quantitative polymerase chain reaction (QPCR) individual assays, the degree of suppression was up to 55 percent.

The company said that TCID50 data was "more valuable" than QPCR data on infectivity, as TCID50 data measured how the virus life-cycle had been inhibited and QPCR data did not.

Pharmaust said QPRC measured virus ribonucleic acid content and showed whether virus was being made and released, but not whether the virus was capable of infecting new targets.

The company said that based on the in-vitro data, it would broaden and extend its intellectual property in the area of anti-viral activity through the filing of a patent application specifically covering monepantel in the treatment of Covid-19.

Walter and Eliza Hall Institute researcher Prof Marc Pellegrini said that "these early signs demonstrating that monepantel can block Sars-Cov-2 infectivity in-vitro are encouraging".

Pharmaust chief scientific officer Dr Richard Mollard said that "continuation will involve repetition of these experiments for validation and comparisons with other [mammalian target of rapamycin] inhibitors and treatments currently in the clinic".

The company said it planned to further validate the preliminary results "as soon as possible".

Pharmaust was down 0.5 cents or 4.35 percent to 11 cents with 3.1 million shares traded.

REGENEUS

Regeneus says non-executive director Dr Glen Richards has resigned "to focus on his other commitments" after five years with the company.

Regeneus chairman Barry Sechos said the board thanked Dr Richards "for his tremendous efforts and deep business knowledge during his tenure as a director".

Regeneus was up 0.4 cents or 5.7 percent to 7.4 cents.

TASFOODS

Tasfoods says it has appointed Craig Treasure chair and Ben Swain a director, pending election at its annual general meeting, effective immediately.

Tasfoods said Mr Treasure would be an independent director and had most recently been the chief executive officer of property developer Villa World.

The company said Mr Swain was a director of various companies and trusts, including the Elsie Cameron Foundation which had investments in Tasfoods, was a partner of Tasmanian law firm Murdoch Clarke and specialized in corporate advice, transactional mergers and acquisitions, real estate and private client matters.

Tasfoods said its annual general meeting would be held on July 23, 2020.

Tasfoods was unchanged at 12 cents.

ABUNDANT PRODUCE

Abundant says it has completed all procedures to delist from the ASX and will delist on June 9, 2020.

Abundant last traded at 1.7 cents.