

Ag & Vet Weekly



Monday September 21 – Friday September 25, 2020

All the news on ASX-listed agriculture and veterinary companies

- * **ASX, AVW-44 UP: ROOTS UP 14%; CANN GLOBAL DOWN 10%**
- * **NUFARM REVENUE UP 6.5% TO \$2.8b, NET LOSS OF \$456m**
- * **CLEAN SEAS HOFSETH NORTH AMERICA, ASIA DEAL**
- * **COSTA PAYS \$4.5m FOR 390ha MURRAY RIVER ORGANICS WINE, CITRUS**
- * **PALLA PHARMA SELLS TASMANIA PROPERTY FOR \$3m**
- * **FOOD REVOLUTION ERIDANI 'MARINE COLLAGENS', \$1m C-MART ORDER**
- * **PHARMAUST: \$881k FOR MONEPANTEL FOR MOTOR NEURON DISEASE**
- * **PHARMAUST, LEIDEN UNI TEST MONEPANTEL FOR SARS-COV-2, EX-VIVO**
- * **CRESO: NOVA SCOTIA LIQUOR CORP ORDERS \$187k MARIJUANA**
- * **MURRAY COD PLEADS SCHULTZ, 'REPORT' TO ASX 17% QUERY**
- * **NANOLLOSE REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **FEDERAL COURT ORDERS BACK THC PLACEMENT**
- * **APIAM TO RELEASE 2.9m VOLUNTARY ESCROW SHARES**
- * **ETHICAL PARTNERS REDUCES TO 7.7% OF BEGA**
- * **JP MORGAN CHASE BELOW 5% IN TASSAL**
- * **SUMITOMO MITSUI, NIKKO TAKE 5% OF TASSAL**
- * **REGAL FUNDS TAKES 9.7% OF HUON**
- * **PAC PARTNERS CEASES ALTHEA HOLDING**
- * **FOOD REVOLUTION APPOINTS JIANPING (ROCKY) ZOU DIRECTOR**
- * **OPYL: MARK ZIIRSEN DIRECTOR, DAMON RASHEED EXECUTIVE**
- * **AUSCANN LOSES DIRECTOR DR MARCEL BONN-MILLER**

MARKET REPORT

The Australian stock market was up 1.5 percent on Friday September 25, 2020, with the ASX200 up 89.0 points to 5,964.9 points. Eighteen of the AVW-44 stocks were up, eight fell, 14 traded unchanged and four were untraded.

Roots was the best, up 0.3 cents or 13.6 percent to 2.5 cents, with 7,326,685 shares traded. Murray Cod climbed 6.45 percent; Opyl and Terragen were up more than five percent; Pharmaust improved four percent; Clean Seas, THC and Wide Open Agriculture rose more than three percent; A2 Milk, Bubs and Tasfoods were up more than two percent; Cann Group, Fonterra, Next Science and Ridley climbed more than one percent; with Elders, Palla and Synlait up by less than one percent.

Cann Global led the falls, down 0.05 cents or ten percent to 0.45 cents, with 6,200,237 shares traded. Seafarms and Tassal lost three percent or more; Creso, Clover and Ecofibre shed two percent or more; Ocean Grown fell 1.1 percent; with Nufarm down by 0.25 percent.

NUFARM

Nufarm says revenue for the year to June 30, 2020 was up 6.5 percent to \$2,847,375,000 with net profit after tax turned to a loss of \$456,079,000.

Nufarm said revenue included \$2,563,157,000 from crop protection including herbicides, \$198,831,000 from seed technologies including canola, sunflower and sorghum seed sales, as well as \$85,387,000 from its corporate segment.

The company said diluted earnings per share of 7.3 cents turned to a loss of 123.3 cents, net tangible asset backing per share rose 18.4 percent to \$2.12 and it had cash and cash equivalents of \$686,552,000 at July 31, 2020 compared to \$505,687,000 at July 31, 2019. Nufarm fell one cent or 0.25 percent to \$4.05 with 1.7 million shares traded.

CLEAN SEAS SEAFOOD

Clean Seas says Hofseth North America has ordered 150 tonnes of kingfish in a target launch program and it has a distribution agreement with Hofseth Asia for China.

Clean Seas said the launch program for new lines of sales was with a retail chain, a national supermarket and home meal kit customers and was expected to deliver up to 250 tonnes in sales to the end of December 2020.

The company said Hofseth Asia would be its exclusive partner in mainland China, Hong Kong and Macau, focusing on its fresh, frozen and Sensory Fresh range.

Clean Seas was up two cents or 3.25 percent to 63.5 cents.

COSTA GROUP

Costa says it will pay Murray River Organics \$4.5 million for 390 hectares of property in Nangiloc, Victoria, including 113 hectares of citrus and wine grape plantings.

Costa said the agreement was effective from October 1, 2020, with the citrus and grape plantings settlement subject to registration of a plan of subdivision, which was expected to be finalized "in early 2021".

The company said it would lease the property, about 36km south-east of Mildura, from Murray River Organics until the sale was finalized.

Costa was unchanged at \$3.42 with one million shares traded.

PALLA PHARMA (FORMERLY TASMANIAN POPPY INDUSTRIES)

Palla Pharma says it has sold its Tasmania-based property, where its former manufacturing facility was based, for \$2,980,000.

Palla Pharma said it would continue to use a portion of the premises for seasonal poppy straw storage through a long-term lease with the unnamed purchaser.

The company said its Tasmania premises had been partly used for poppy straw storage before being freighted to its Melbourne manufacturing operations.

Palla Pharma said it expected to complete the transaction in November 2020 and the gain on the sale of about \$1 million would be used to reduce debt.

Palla Pharma was up 0.5 cents or 0.7 percent to 75 cents.

FOOD REVOLUTION GROUP

Food Revolution says it has launched its Eridani marine collagen cosmetic products, with an initial \$1 million order from the Shanghai-based online retailer C-Mart.

Food Revolution said its marine collagen, derived from waste fish scales and skin, was the first product under the Eridani brand, and planned to continue with the launch of gels, powders, capsules and supplements for health and cosmetics.

Food Revolution chairman Norman Li said the launch and the initial Chinese sale was “a major milestone for [the company]”.

“C- Mart is growing into one of the biggest [electronic] commerce trading platforms in supplying China,” Mr Li said.

Food Revolution was unchanged at 4.7 cents with one million shares traded.

PHARMAUST

Pharmaust says it has received an \$881,085 grant for a phase I trial of monepantel for humans with motor neuron disease from the charity Fight MND.

Pharmaust has previously trialed monepantel, the Elanco sheep round-worm drench, for cancer in humans and dogs, and has recently made several announcements claiming pre-clinical efficacy for severe acute respiratory syndrome coronavirus 2 (Sars-Cov-2) the virus that caused Covid-19 (AVW: May 15, Jun 19, Aug 28, 2020).

Today, the company said the trial would recruit people at the Parkdale, Melbourne-based Calvary Health Care Bethlehem and Sydney’s Macquarie University.

Pharmaust said motor neuron disease was a rare and invariably fatal neurological disease and the current best treatment attempted to control disease progression and manage symptoms.

The company said it was hypothesized that monepantel benefited the health of neural cells by regulating problems associated with intracellular proteins, which reduced motor neuron disease-associated symptoms.

Pharmaust said the funds from Fight MND would be used to manufacture monepantel, to assess trial participants and to contract an independent clinical trial organization for trial management.

The company said it had commenced preparations for the trial, with recruitment to begin in early 2021.

Pharmaust was up 0.5 cents or four percent to 13 cents.

PHARMAUST

Pharmaust says the Netherlands' Leiden University Medical Centre will test monepantel and monepantel sulfone for Sars-Cov-2, in ex-vivo models.

In June, Pharmaust said the Walter and Eliza Hall Institute confirmed that monepantel and monepantel sulfone, originally a sheep roundworm drench later used by Pharmaust for cancer in humans and dogs, reduced severe acute respiratory syndrome-coronavirus-2 (Sars-Cov-2) infectivity in-vitro "by up-to ... 95 percent" (AVW: Jun 19, 2020).

Today, the company said Leiden University would determine the applicability of monepantel and monepantel sulfone for Sars-Cov-2 by testing the compounds in ex-vivo human infection models replicating cultured human airway epithelial tissue.

Pharmaust said it would pay an unspecified fee to Lieden University, would own all intellectual property resulting from the study, with the work to begin "shortly" and Leiden University to provide the final data report in December this year.

CRESO PHARMA

Creso says it has an initial purchase order of \$C180,000 (\$A186,670) from Nova Scotia Liquor Corporation for its marijuana.

Creso said the Nova Scotia Liquor Corporation was operated by the Nova Scotia Provincial government, was the sole distributor of recreational marijuana in Nova Scotia and through Creso's wholly owned subsidiary Mernova Medicinal it had ordered two strains of its marijuana, HPG13 and Lemon Haze.

Creso fell 0.1 cents or 2.5 percent to 3.9 cents with 2.1 million shares traded.

MURRAY COD AUSTRALIA

Murray Cod 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.

The ASX said the company's share price rose 17.3 percent from a low of 13 cents to a high of 15.25 cents on September 23, 2020 and noted a "significant increase" in trading volume.

Murray Cod said it was aware that it was the subject of a recent, non-commissioned research report by Melbourne-based fund manager Ord Minnett, dated September 23, that was prepared using the company's public statements and assumptions made by Ord Minnett.

The company said it had been provided with a draft of Ord Minnett's report to review for factual accuracy, but that it did not take any responsibility for the report's contents nor endorse, confirm or express a view as to the accuracy of the report's forecasts.

Murray Cod was up one cent or 6.45 percent to 16.5 cents with 1.2 million shares traded.

NANOLLOSE

Nanollose has requested a trading halt "pending an announcement regarding a capital raising and complementary investment".

Trading will resume on October 1, 2020 or on an earlier announcement.

Nanollose was unchanged at 6.8 cents.

THC GLOBAL GROUP

THC says it has received orders from the Federal Court of Australia relating to the cleansing notice for its June 2020 placement and sellers' disclosure obligations.

In June, THC said it had raised \$6.6 million through a placement to institutional and sophisticated investors at 30 cents a share and in July, said it had raised \$1,535,000 through a share purchase plan at the same price (AVW: Jun 26, Jul 17, 2020).

Today, the company said that following becoming aware of an issue with the cleansing notice, it re-lodged the notice as a cleansing prospectus with the Australian Securities and Investments Commission and made an application to the Federal Court that the placement not be ruled invalid.

THC was up one cent or 3.9 percent to 26.5 cents.

APIAM ANIMAL HEALTH

Apiam says it will release 2,894,060 shares from voluntary escrow on October 1, 2020.

According to Apiam's most recent Appendix 2A, the company had 116,597,135 shares on issue, including the 2,894,060 voluntary escrow shares to be released on October 1, and a further 2,894,060 voluntary escrow shares to be released on October 1, 2021.

Last year, Apiam said it had acquired Animal Consulting Enterprises Laboratories

Services for \$16 million, including \$2,475,000 in shares, with half held in voluntary escrow for 12 months and the balance for a further 12 months (AVW: Sep 6, 2019).

Apiam was untraded at 64 cents.

BEGA CHEESE

Ethical Partners Funds Management says it has reduced its substantial shareholding in Bega from 19,296,325 shares (9.01%) to 16,650,905 shares (7.74%).

The Sydney-based Ethical Partners said that between February 27 and September 16, 2020 it acquired 1,451,246 shares for \$6,521,007 or \$4.49 a share and disposed of 4,096,666 shares for \$20,495,240 or \$5.00 a share.

Bega was unchanged at \$5.23 with 499,018 shares traded.

TASSAL GROUP

JP Morgan Chase & Co says it has ceased to be a substantial shareholder in Tassal.

Last week, New York's JP Morgan Chase said it had become a substantial shareholder in Tassal with 14,202,087 shares or 6.79 percent of the company (AVW: Sep 18, 2020).

Today, JP Morgan Chase said that it bought, sold, borrowed and returned shares between September 15 and 16, 2020 at prices ranging between \$3.50 and \$3.57 a share, with 2,057,467 shares remaining.

Ag & Vet Weekly calculates that JP Morgan Chase holds 0.98 percent of Tassal.

Tassal fell 11 cents or three percent to \$3.53 with 1.4 million shares traded.

TASSAL GROUP

Sumitomo Mitsui Trust Holdings and its subsidiaries say they have become substantial shareholders in Tassal with 10,558,852 shares or 5.05 percent of the company.

The Tokyo-based Sumitomo Mitsui said that between May 21 and September 21, 2020 its subsidiaries, Sydney's Nikko AM and Tokyo's Nikko Asset Management acquired a total of 5,801,563 shares for \$21,005,318 or an average of \$3.62 a share.

HUON AQUACULTURE GROUP

Regal Funds Management says it has increased its substantial shareholding in Huon from 7,399,630 shares (8.47%) to 10,627,964 shares (9.73%).

The Sydney-based Regal Funds said that between March 16 and September 16, 2020 it bought 3,831,105 shares for between \$3.00 and \$3.85 a share, and between March 17 and May 29, 2020 it sold 602,771 shares for between \$3.33 and \$3.92 a share.

Huon was unchanged at \$2.95.

ALTHEA GROUP HOLDINGS

PAC Partners Securities says it has ceased to be a substantial shareholder in Althea.

Last year, Melbourne's PAC said it had reduced its holding in Althea to 14,029,902 shares or 6.0 percent of the company.

This week, PAC said that on September 21, 2020 it ceased to be an associate of Mancann Pty Ltd, which held 10,000,000 shares, due to the end of voluntary escrow share arrangements and Ag & Vet Weekly calculates that PAC holds 1.7 percent of Althea.

Althea was unchanged at 55.5 cents.

FOOD REVOLUTION GROUP

Food Revolution says it has appointed Jianping (Rocky) Zou as a non-executive director.

Food Revolution said that Mr Zou had experience selling health and skincare products in China and Australia.

OPYL

Opyl says it has appointed Mark Ziirsen as a non-executive director, Damon Rasheed, appointed an executive director.

Opyl said Mr Ziirsen would replace Mr Rasheed as chair of its audit and risk committee.

The company said that Mr Ziirsen was most recently the chief financial officer and company secretary of Wiseway, had been a director of Respiro and chief financial officer of Anteris (then Admedus) and previously the director of finance and information technology for the Asia Pacific at Cochlear, a director of Orcoda, and had held financial roles at Aristocrat Leisure, Coca-Cola Amatil and Goodman Fielder.

Opyl said Mr Ziirsen held a Bachelor of Commerce from the University of Queensland and a Master of Business Administration from the University of New England.

Opyl was up one cent or 5.3 percent to 20 cents.

AUSCANN GROUP HOLDINGS

Auscann says non-executive director Dr Marcel Bonn-Miller has resigned effective from October 3, 2020.

Auscann said Dr Bonn-Miller joined the company in October 2019 as a representative director for Canopy Growth and continued after Canopy sold its holding to Merchant Capital (BD: Oct 18, 2019).

Auscann was unchanged at 15 cents.

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