

Ag & Vet Weekly



Monday November 9 - Friday November 13, 2020

All the news on ASX-listed agriculture and veterinary companies

- * **ASX, AVW-44 DOWN: SEAFARMS UP 13%; ANATARA DOWN 10%**
- * **SYNLAIT PLACEMENT RAISES \$170m, PLAN FOR \$19m MORE**
- * **BEGA: HIGH COURT DISMISSES KRAFT-HEINZ APPEAL**
- * **APIAM TO MARKET CEVA FORCERIS FOR PIGLETS**
- * **MIRA (MACQUARIE) FUND OFFERS TO BUY COSTA'S VITALHARVEST**
- * **TASSAL COMPLETES BILLY CREEK ACQUISITION**
- * **AUSCANN SELLS CHILE J-V FOR \$2.1m; 'TRANSACTION' TRADING HALT**
- * **ECOFIBRE AMERICAN DEPOSITORY RECEIPT PROGRAM**
- * **CANNPAL REQUESTS 'TRANSACTION' TRADING HALT**
- * **ELIXINOL REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **MITSUBISHI, MORGAN STANLEY TAKE 7.45% OF A2 MILK**
- * **PERPETUAL REDUCES TO 6% IN BEGA**
- * **ELIXINOL'S PAUL BENHAIM, RAW WITH LIFE REDUCE, TRANSFER TO 15%**
- * **D&G, DAVID NEWMAN, GABRIEL ETTENSON BELOW 5% IN ELIXINOL**
- * **ED HUSIC REPLACES SHADOW AGRICULTURE JOEL FITZGIBBON**
- * **COSTA PROMOTES COO SEAN HALLAHAN TO CEO, ON \$850k**
- * **WATTLE LOSES CEO TONY MCKENNA; GEORGE KARAFOTIAS DIRECTOR**
- * **OCEAN GROWN LOSES CFO, CO-SEC ROMOLO SANTORO**

MARKET REPORT

The Australian stock market fell 0.2 percent on Friday November 13, 2020, with the ASX200 down 13 points to 6,405.2 points. Fourteen of the AVW-44 stocks were up, 18 fell, six traded unchanged and six were untraded.

Seafarms was the best, up 1.1 cents or 12.9 percent to 9.6 cents, with 1.6 million shares traded. Avecho and Murray Cod climbed more than eight percent; Creso improved 6.25 percent; Palla rose 5.2 percent; Elders and Pharmaust were up more than four percent; Nufarm climbed 3.6 percent; Althea, Food Revolution and Ocean Grown were up more than two percent; Ridley and Terragen rose more than one percent; with Clover up 0.6 percent.

Anatara led the falls, down two cents or 10 percent to 18 cents, with 145,487 shares traded. Nanollose fell 7.7 percent; AP Hemp and Roots shed five percent or more; Clean Seas, MGC, Memphasys and Tasfoods lost more than four percent; Next Science was down 2.9 percent; A2 Milk, Bubs, Cann Group, Ecofibre, Huon and Tassal fell more than one percent; with Bega, Costa and Select Harvests down by less than one percent.

SYNLAIT MILK

Synlait says its placement has raised \$NZ180 million (\$A170.2 million) and it hopes to raise \$NZ20 million (\$A18.9 million) through a share plan at \$NZ5.10 (\$A4.82) a share. Synlait said the share price was a 14 percent discount to the last closing price and a 6.6 percent discount to the five-day volume weighted average price to November 9, 2020. The company said the placement was underwritten and it expected \$NZ167.2 million to be settled on November 17, 2020, with the remaining \$NZ12.8 million to be allocated to Bright Dairy Holding by about December 1, 2020. Synlait said both Bright Dairy and the A2 Milk Company would support the capital raising for a precommitment of about \$114 million. The company said the share plan record date was November 9, it would open on November 13 and close on November 25, 2020. Synlait said the funds would be used to complete investment in the company, including customization of its Pokeno and Auckland facilities, and to strengthen its balance sheet. Synlait was unchanged at \$5.26.

BEGA CHEESE

Bega says the High Court of Australia has dismissed Kraft Heinz's appeal over a dismissed litigation effort, allowing it to use its current peanut butter packaging. In May, Bega said Kraft-Heinz had applied to the High Court following a dismissal of its case, by the Federal Court of Australia, which alleged Bega's peanut butter packaging resembled its original Kraft peanut butter packaging, (AVW: May 22, 2020). Bega fell three cents or 0.6 percent to \$5.11 with 481,142 shares traded.

APIAM ANIMAL HEALTH

Apiam says it will distribute Ceva Santé Animale's Forceris single-shot, combination of gleptoferron and toltrazuril to Australian pig farmers to enhance piglet survival. Apiam said that the Libourne, France based Ceva had developed Forceris as a single treatment to prevent iron deficiency anaemia and control coccidiosis, a parasitic disease of the intestinal tract in newborn piglets. The company said it was traditionally administered as a two-pass process as iron in the first 24 to 28 hours of life and as a coccidiostat two to three days later. Apiam said Forceris would be available to its clients from November. Apiam was untraded at 67.5 cents.

COSTA GROUP HOLDINGS

Costa says an agricultural fund managed by Macquarie Infrastructure and Real Assets has offered to buy all of Vitalharvest's issued unites through a trust scheme. Costa said it leased seven farms from Vitalharvest, including three citrus farms in South Australia and four berry farms in New South Wales and Tasmania. The company said it supported any outcome that "provided ongoing certainty" in relation to its leased properties and would be comfortable should the Sydney-based Macquarie Infrastructure and Real Assets' (MIRA) bid be successful, and said it was confident its existing leases could be restructured. Costa said MIRA would acquire all Vitalharvest's assets if the trust scheme was unsuccessful. Costa fell two cents or 0.5 percent to \$3.91 with 1.1 million shares traded.

TASSAL GROUP

Tassal says it has completed its purchase of the 1,300 hectare Billy Creek property neighboring its existing Proserpine, Queensland-based prawn farm.
Last month, Tassal said it had bought Billy Creek for \$7 million (AVW: Oct 30, 2020).
Tassal fell five cents or 1.4 percent to \$3.62 with 1.2 million shares traded.

AUSCANN GROUP HOLDINGS

Auscann says will sell its 50 percent interest in its Chilean joint venture, Dayacann, for \$US1.5 million (\$A2.1 million) to Growforchile and Telor International.
Auscann said the agreement included the transfer of its loan to Growforchile and it would receive a \$US200,000 upfront payment and further payments of \$US1.3 million.
Separately, Auscann requested a trading halt pending an announcement regarding “a potential material transaction”.
Trading will resume on November 17, 2020 or on an earlier announcement.
Auscann last traded at 14 cents.

ECOFIBRE

Ecofibre says the Deutsche Bank Trust Company Americas will operate its American depository receipt (ADR) program to help US investors buy shares in the company.
Ecofibre said ADRs allowed US investors to buy shares in foreign companies through US registered securities, without the need for cross-border or cross-currency transactions.
The company said the program would not involve the issue of new shares or raising of capital and that it was not listed or traded on the Nasdaq.
Ecofibre said each ADR would represent four Australian shares and they would begin trading on November 12, 2020 under the symbol EOFBY.
Ecofibre fell three cents or 1.8 percent to \$1.615.

CANNPAL ANIMAL THERAPEUTICS

Cannpal has requested a trading halt pending an announcement related to a “potential material transaction”.
Trading will resume on November 17, 2020 or on an earlier announcement.
Cannpal was unchanged at 12.5 cents.

ELIXINOL GLOBAL

Elixinol has requested a trading halt for “the purpose of considering, planning and executing a capital raise”.
Trading will resume on November 17, 2020 or on an earlier announcement.
Elixinol last traded at 18.5 cents.

THE A2 MILK COMPANY

Mitsubishi UFJ Financial Group says it has increased its substantial shareholding in A2 Milk from 47,255,990 shares (6.387%) to 55,351,133 shares (7.454%).
The Tokyo-based Mitsubishi said that, with Morgan Stanley, it bought and sold shares between April 27 and November 5, 2020, disclosing more than 800 pages of trades.
A2 Milk fell 23 cents or 1.6 percent to \$14.45 with 2.8 million shares traded.

BEGA CHEESE

Perpetual says it has reduced its substantial shareholding in Bega from 14,594,677 shares (6.81%) to 12,434,048 shares (5.78%).

The Sydney-based Perpetual said that between September 16 and November 10, 2020 it bought and sold shares at prices ranging from \$5.12 to \$5.41 a share.

ELIXINOL GLOBAL

Elixinol co-founder Paul Benhaim and Raw with Life say they have reduced their substantial holding from 54,623,008 shares (28.33%) to 26,523,008 shares (15.31%).

The Mullumbimby, New South Wales-based Mr Benhaim said that between June 17 and November 12, 2020 he sold 12,100,000 shares for \$1,960,000 or 16.2 cents a share and transferred 17,000,000 shares as a "loan security".

ELIXINOL GLOBAL

D&G Health, David Newman and Gabriel David Ettenson say they ceased their substantial holding in Elixinol.

The New York and Boulder, Colorado-based D&G, Mr Newman and Mr Ettenson said they previously held 11,826,243 shares, or 6.133 percent of the company and had retained 9,474,170 shares, or 4.913 percent of the company, and on November 10, 2020 they sold 2,352,073 shares for an average of 18.5 cents a share.

FEDERAL OPPOSITION

Federal Opposition Leader Anthony Albanese has appointed Ed Husic as Shadow Minister for Agriculture and Resources, replacing the Member for Hunter, Joel Fitzgibbon. A spokesman for Mr Albanese told Ag & Vet Weekly that Mr Husic was appointed to the position on November 10, 2020.

According to his Parliamentary website, Mr Husic was first elected to the Western Sydney electorate of Chifley in 2010 and was the Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Broadband from July 1, 2013 to September 18, 2013.

The Parliamentary website said that prior to his election to the House of Representatives, Mr Husic was the chief of staff to the New South Wales Minister for Water Utilities, Regional Development, Small Business and the Illawarra from 2005 to 2006.

The website said Mr Husic held a Bachelor of Arts from the University of Western Sydney.

COSTA GROUP HOLDINGS

Costa says it has appointed chief operating of Sean Hallahan as chief executive officer, effective from March 31, 2021 and starting on a salary of \$850,000 a year.

In May, Costa said its chief executive officer Harry Debney intended to retire within nine months (AVW: May 29, 2020).

This week, the company said Mr Hallahan had been its chief operating officer since October 2017 and previously worked as chief executive officer in other fast-moving consumer goods companies, as well as managing director of Tata Global Beverages (Australia/New Zealand and Indonesia divisions) for seven years.

Costa said Mr Hallahan held a Bachelor of Science and a Master of Sustainability and Responsibility, which according to his LinkedIn profile were from the University of Adelaide and the Hertfordshire, UK-based Ashridge Business School, respectively.

WATTLE HEALTH AUSTRALIA

Wattle Health says chief executive officer Dr Tony McKenna resigned on November 6, 2020, with chief financial officer George Karafotias appointed as an executive director. Wattle Health said Dr McKenna provided valuable contributions to the company despite “significant challenges” faced by the company and Corio Bay Dairy Group.

In January, the company said Corio Bay joint venture chief executive officer Dr McKenna, replaced then chief executive officer Lazarus Karasavvidis (AVW: Jan 20, 2020).

In September, Wattle Health said that Corio Bay had been placed into voluntary administration (AVW: May 22, Jun 19, Sep 4, 2020).

This week, the company said all staff working for the Corio Bay Dairy Group had been “let go”, resulting in Dr McKenna saying “his contribution and interests would be less aligned with the company’s future direction”.

Wattle Health said CDGB administrator David Mutton would lead the board, and that Mr Karafotias’ promotion would not change his remuneration package.

Wattle Health was untraded 53 cents.

OCEAN GROWN ABALONE

Ocean Grown Abalone says chief financial officer and company secretary Romolo Santoro has resigned “to pursue other interests”, effective from November 27, 2020.

Ocean Grown said it would start the search for a replacement immediately.

Ocean Grown was up 0.2 cents or 2.2 percent to 9.2 cents.