

Ag & Vet Weekly



Monday January 18 - Friday January 22, 2021

All the news on ASX-listed agriculture and veterinary companies

- * **ASX, AVW-44 DOWN: FOOD REVOLUTION UP 6%; AP HEMP DOWN 8%**
- * **HUON, NSW POLICE: 5 STAFF CHARGED OVER \$4m FISH THEFT**
- * **AP HEMP \$5.2m PLACEMENT; SHARE PLAN FOR \$1m MORE**
- * **ECOFIBRE H1 RECEIPTS DOWN 28% TO \$17.8m**
- * **ALTHEA SHARE PLAN RAISES \$3.8m, TOTAL \$9.8m**
- * **AP HEMP: WOOLWORTHS TO STOCK MT ELEPHANT BAKING PRODUCTS**
- * **CRESO: VIRBAC ANIMAL MARIJUANA ORDER TAKES H1 TO \$1m**
- * **ECOFIBRE APPOINTS MEDISCA MARIJUANA ANANDA DISTRIBUTOR**
- * **PHARMAUST'S EPICHEM WINS \$200k ELECTRONIC WASTE GRANT**
- * **FIRETRAIL TAKES 8% OF NUFARM**
- * **REGAL FUNDS REDUCES TO 8.3% OF ELIXINOL**
- * **ECOFIBRE: ROBIN SHELDON JOINT CO-SEC, GENERAL COUNSEL**
- * **A2 MILK LOSES EXECUTIVE LISA BURQUEST**

MARKET REPORT

The Australian stock market fell 0.34 percent on Friday January 22, 2021, with the ASX200 down 23.3 points to 6,800.4 points. Eleven of the AVW-44 stocks were up, 23 fell, nine traded unchanged and one was untraded.

Food Revolution was the best, up 0.2 cents or 5.9 percent to 3.6 cents, with 3.3 million shares traded. Cannpal and Memphasys climbed five percent or more; Avecho and Regeneus improved more than four percent; Pharmaust rose two percent; Bubs was up 1.8 percent; with A2, Bega, Fonterra and Synlait up by less than one percent.

AP Hemp led the falls, down four cents or eight percent to 46 cents, with 182,131 shares traded. Nanollose lost 7.7 percent; Creso shed 6.5 percent; Wide Open Agriculture was down 5.75 percent; Roots and Tasfoods fell four percent or more; Apiam and Opyl were down three percent or more; Auscann, Clean Seas, Elixinol and Palla Pharma shed more than two percent; Ecofibre, Cann Group, Clover and Next Science were down more than one percent; with Costa, Elders, Huon, Nufarm, Ridley, Select Harvests and Tassal down by less than one percent.

HUON AQUACULTURE

New South Wales Police say they have charged five people over the theft of up to 250 tonnes of salmon valued at more than \$4 million from Huon's Ingleburn processing plant. In a separate media release, Huon, which produces farmed salmon and ocean trout, said police charged the five employees after it identified about \$2.1 million in missing fish inventory value at its Ingleburn processing plant.

Huon said the period affected was the six months to December 31, 2020 and while sales were unaffected "the book value of inventory and gross margins will be \$2.1 million lower than would otherwise be the case ... [and it would explore] avenues to recover some or all of this amount".

NSW Police said that in December 2020, they were contacted by Huon in relation to possible coordinated criminal conduct of employees.

NSW Police said that Campbelltown detectives were told the company had conducted an internal audit, which revealed a significant reduction in the output of product through their processing plant at Ingleburn, with about 600kg of salmon product unaccounted each day. Police said that on Sunday December 20 they located two female employees, aged 30 and 31, who had allegedly stolen salmon products from the plant and they were issued Court attendance notices "for larceny as clerk/servant" and were due to appear at Campbelltown Local Court on February 22, 2021.

NSW Police said that on December 23, two men were arrested, with a 32-year-old Minto man charged with "steal property as clerk/servant" valued at \$5,000 to \$15,000 and a 49-year-old Cabramatta man was charged with steal property as clerk/servant worth more than \$15,000, and were due to appear at Campbelltown Local Court on January 18, 2021. New South Wales Local Courts media told Ag & Vet Weekly that matter involving the 32-year-old was listed for a mention on February 1 and the 49-year-old's case was listed for a mention on February 8, 2021.

Police said a third man was arrested following his arrival at Sydney Airport from and the 30-year-old Belmore man was charged with steal property as clerk/servant valued at more than \$15,000 and was due to appear at Campbelltown Local Court on February 1, 2021.

NSW Police said they would allege that the syndicate used their roles in the company to falsely grade premium salmon products as waste, which was then removed from the plant and transported for on-sale or traded for other product.

Police said more than 250 tonnes of salmon was allegedly stolen between June and December 2020, with an estimated retail value of more than \$4 million.

Huon said the five employees had been terminated or stood down pending the outcome of the police investigation and ongoing court proceedings.

Huon fell two cents or 0.7 percent to \$2.81.

AUSTRALIAN PRIMARY HEMP

Australian Primary Hemp says it has "firm commitments" to raise about \$5.2 million and hopes to raise a further \$1 million in a share plan at 32 cents a share.

AP Hemp said the share price was a 15.8 percent discount to the last closing price, the share plan record date was January 19, the plan would open on January 27 and close on February 10, 2021.

The company said it would use the funds to buy milling and blending machinery, and for marketing, sales and general working capital.

AP Hemp said Canaccord Genuity (Australia) was the lead manager to the placement and had been appointed corporate advisor.

Australian Primary Hemp fell four cents or eight percent to 46 cents.

ECOFIBRE

Ecofibre says its receipts from customers for the six months to December 31, 2020 were down 28.2 percent to \$17,821,000.

Ecofibre said customer receipts for sales of its marijuana and hemp-based food additives and textiles in the three months to December 31, 2020 were down 4.2 percent to \$10,766,000 compared to the previous corresponding period.

The company said it had cash and cash equivalents of \$13,348,000 at December 31, 2020, compared to \$23,184,000 at December 31, 2019.

Ecofibre fell three cents or 1.6 percent to \$1.87.

ALTHEA GROUP HOLDINGS

Althea says it has raised \$3,781,000 in an over-subscribed share plan at 44 cents a share, taking the total raised to \$9,781,000 (BD: Dec 15, 2020).

Althea said it would use the funds to accelerate growth, including its UK operations and its Althea Concierge for online marijuana sales.

Althea was unchanged at 45.5 cents.

PHARMAUST

Pharmaust says Western Australia has granted \$200,000 to its synthetic and medicinal chemistry subsidiary Epichem to convert electronic waste into useful end products.

Pharmaust said the grant was awarded through the Western Australian Government New Industries Fund to finance the use of oxidative hydro-thermal dissolution technology to recover metals and produce useful chemicals and other products, reducing the amount of electronic waste ending up in landfill.

Epichem chief executive officer Colin La Galia said the technology had potential to deliver benefits for a range of industries and positively impacting the environment.

Pharmaust was up 0.2 cents or two percent to 10 cents with one million shares traded.

AUSTRALIAN PRIMARY HEMP

Australian Primary Hemp says its marijuana-based Mt Elephant baking products will be available in Woolworths supermarkets from March 2021.

AP Hemp said Mt Elephant products used plant-based protein and contained Australian-grown hemp, a source of omega-3, omega-6, magnesium and gamma linoleic acids.

The company said it expected the annual sales value for its Mt Elephant baking products to be \$2.31 million a year from March 2021 in Woolworths shops and online.

CRESO PHARMA

Creso says a Virbac Switzerland CHF171,000 (A\$247,8261) order for its marijuana-based Anibidiol for animal health takes orders for delivery by July to \$1,055,272.

Creso said it had "strong demand for Anibidiol and Cannaxix ... across Europe, Latin America and South Africa", and the Virbac order was a repeat order and non-cancellable.

Creso said that it had finalized delivery of its second order for Cannaxix worth \$318,841 from the South African subsidiary of Lupin International, Pharma Dynamics.

The company said that the orders for more than \$1 million in the first six months of the year was "a major achievement".

Creso fell 1.5 cents or 6.5 percent to 21.5 cents with 16.3 million shares traded.

ECOFIBRE

Ecofibre says it has appointed the Montreal -based Medisca as the distributor of its marijuana-based Ananda products in the US, Canada and Australia.

Ecofibre said Medisca would begin distribution of “full spectrum” cannabidiol Ananda products in the US from February 1, 2021.

The company said the agreement would be for three years with two-year options to extend, and a minimum sales requirement would be “established six months from contract start date”.

NUFARM

Brisbane’s Firetrail Investments says it has increased its substantial shareholding in Nufarm from 25,400,315 shares (6.69%) to 30,241,799 shares (7.96%).

Firetrail said that between October 9, 2020 and January 13, 2021 it bought, sold and transferred in and out shares, with the single largest purchase 440,732 shares for \$1,815,243, or \$4.12 a share.

Firetrail Investments said its shares were held by BNP Paribas Securities Services, NAB Custodial Services, JP Morgan Chase Bank, Citibank, RBC Investor Services Trust, State Street and Northern Trust.

Nufarm fell one cent or 0.2 percent to \$4.74 with 778,583 shares traded.

ELIXINOL GLOBAL

Regal Funds Management says it has reduced its substantial shareholding in Elixinol from 29,611,940 shares (9.45%) to 26,064,192 shares (8.32%).

The Sydney-based Regal Funds said that it sold shares between December 30, 2020 and January 14, 2021, with the single largest sale 1,618,542 shares for \$291,338, or 18 cents a share.

Regal said the shares were held by Credit Suisse AG and CS Third Nominees Pty Ltd. Elixinol fell half a cent or 2.6 percent to 19 cents with 1.7 million shares traded.

ECOFIBRE

Ecofibre says it has appointed Robin Sheldon as general counsel and joint company secretary alongside company secretary and chief financial officer Jonathan Brown.

Ecofibre said Ms Sheldon had 29 years’ experience in corporate law and was previously a senior executive at the Philadelphia, Pennsylvania-based Thomas Jefferson University as well as a partner at Fox Rothschild.

A2 MILK

A2 Milk says its chief people safety and sustainability officer Lisa Burquest has resigned from her role effective from January 31, 2021.

A2 Milk said it would begin a search for her replacement “shortly”.

A2 Milk was up four cents or 0.4 percent to \$10.14 with 3.4 million shares traded.