

Ag & Vet Weekly



Monday April 12 - Friday April 16, 2021

All the news on ASX-listed agriculture and veterinary companies

- * **ASX FLAT, AVW-42 DOWN: FOOD REVOLUTION UP 9%; AUSCANN DOWN 7%**
- * **APIAM RAISES \$6m**
- * **WATTLE \$4.75m FOR BRAND, PHARMA SOLUTIONS; RENAME 'WELLNEX'**
- * **AVECHO APPROVAL FOR PHASE I MARIJUANA TRIAL**
- * **AUSTRALIAN PATENT FOR ANATARA DETACH FOR ANIMAL DIARRHOEA**
- * **CRESO: HALUCENEX, GTR MUSHROOM GENOME SEQUENCING DEAL**
- * **CRESO, CANNABIS QUEEN BILATERAL DISTRIBUTION DEAL**
- * **NANOLLOSE REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **TASFOODS 2nd STRIKE, 855k 'PERFORMANCE' RIGHTS AGM**
- * **ELIXINOL NAME CHANGE, 43% DIRECTORS FEE HIKE AGM**
- * **YARRA TAKES SUMITOMO MITSUI 6.5% OF NUFARM**
- * **YARRA CAPITAL TAKES NIKKO'S 7.9% OF SELECT HARVESTS**
- * **YARRA FUNDS TAKES NIKKO'S 9.7% IN TASSAL**
- * **PETSTOCK TAKES 16.5% OF APIAM**
- * **DR TRACEY MYNOTT, MYENG REDUCE TO 5% OF ANATARA**
- * **TASFOODS: MARTA BUTTON CO SEC, JANELLE O'REILLY GEN COUNSEL**
- * **SYNLAIT TO LOSE CEO LEON CLEMENT**

MARKET REPORT

The Australian stock market edged up 0.07 percent on Friday April 16, 2021, with the ASX200 up 4.9 points to 7,063.5 points. Twelve of the AVW-42 stocks were up, 15 fell, 12 traded unchanged and three were untraded.

Food Revolution was the best, up 0.3 cents or 9.1 percent to 3.6 cents, with 25.9 million shares traded. Anatara climbed 8.3 percent; both Avecho and Creso were up five percent; Huon and Next Science were up more than three percent; Apiam was up 1.2 percent; with Bega, Costa; with Elders, Tassal and Wide Open Agriculture up by less than one percent.

Auscann led the falls, down one cent or 7.1 percent to 13 cents, with 1.1 million shares traded. Regeneus and Ridley fell four percent or more; Elixinol and Epsilon (THC) shed more than two percent; A2 Milk, Althea, Clean Seas, Memphasys, Nufarm, Seafarms and Select were down more than one percent; with Cann Group, Clover and Synlait down by less than one percent.

APIAM ANIMAL HEALTH

Apiam says it has raised \$6 million in a placement to institutional investors at 80 cents a share, a 5.6 percent discount to its 10-day volume weighted average price.

Apiam said the funds would be used to accelerate its regional expansion plans through investment in greenfield clinics and for strategic acquisitions.

Apiam managing-director Dr Chris Richards said there had been a “rapid growth in pet and production animal ownership in regional corridors, particularly as a result of changing population demographics and favorable seasonal conditions”.

Apiam was up one cent or 1.2 percent to 86 cents.

WATTLE HEALTH AUSTRALIA

Wattle Health says it will pay \$4.75 million in cash and shares to acquire the assets of Brand Solutions Australia and has proposed to change its name to Wellnex Life.

Wattle Health said that it would pay \$2.75 million in cash and \$2 million in shares at 15 cents a share for the assets of Brand Solutions Australia and Pharma Solutions Australia, together known as BSA, which included “a diversified range of products in ... consumer health and wellness sectors” along with up to \$500,000 in cash to repay existing debt.

The company said BSA had sales of about \$14.5 million in the financial year to June 30, 2020, and represented its Uganic and Little Innoscents brands.

Wattle Health said that following the acquisition it would have access to BSA’s manufacturing, relationships with retailers and suppliers and sales and marketing team, and it would appoint BSA founder Zack Bozinovski as an executive director.

The company said that it proposed to change the company name to Wellnex Life, subject to shareholder approval, and change its ASX code to WNX.

Wattle Health was in a suspension and last traded at 53 cents.

AVECHO

Avecho says it has approval for a 16-subject, phase I trial of its tocopheryl phosphate mixture (TPM) soft-gel cannabidiol (CBD) at Adelaide’s CMax facility.

Avecho said the trial would measure the safety and absorption profile of its marijuana-based product using its TPM vitamin E-derived drug delivery system and the data would be used for Australian Therapeutic Goods Administration submissions and drug labels.

The company said its cannabidiol formulation was currently manufactured by Somerset, New Jersey-based Catalent Inc as a soft-gel product.

Avecho said the study would compare absorption of soft-gel capsules CBD at 75mg and 150mg doses, “to align with the TGA’s down-scheduling of CBD, which has specified that future over-the-counter CBD products must have a maximum daily dose of 150mg”.

The company said the twice daily dosing of single capsule of 75 milligrams CBD would indicate benefits for prolonged drug delivery like anxiety and consumption of two capsules would indicate higher, single dose like insomnia.

Avecho said that “exact timelines for dosing in the phase I clinical trial are subject to the evolving chemistry, manufacturing and controls work at Catalent, but are anticipated to be early [in the three months to September 30, 2021]”.

The company said it was planning a larger development program beyond the phase I study to include the clinical indication that will be targeted in a future pivotal clinical trial, as well as the regulatory, clinical and safety studies to submit a dossier to the TGA for product registration.

Avecho was up 0.1 cents or five percent to 2.1 cents with 3.35 million shares traded.

ANATARA

Anatara says it has been granted an Australian patent for its pineapple-stem bromelain-derived Detach for livestock diarrhoea.

Anatara said the patent, titled 'Anti-diarrhea formulation which avoids antimicrobial resistance' would protect its intellectual property until August 24, 2038.

The company said the patent covered an oral formulation of bromelain for the treatment and prevention of diarrhea caused by pathogenic microbes.

Anatara said the formulation did not kill pathogenic microbes and would not facilitate the proliferation of anti-microbial resistant organisms.

Anatara was up 1.5 cents or 8.3 percent to 19.5 cents with 6.65 million shares traded.

CRESO PHARMA

Creso says target acquisition Halucenex has an agreement with Growing Together Research Inc for genome sequencing to better understand Psilocybe mushroom.

Creso said the agreement with the Fort Wayne, Indiana-based Growing Together was to explore genome sequencing of natural psilocybin.

The company said that Halucenex would "incorporate the use of additional psychedelic substances" including lysergic acid diethylamide (LSD), ketamine and methylene dioxy-meth-amphetamine (MDMA) for treatment-resistant depression, post-traumatic stress disorder and other mental health illnesses.

The company said Growing Together would assist in creating an intellectual property portfolio to maximize the active ingredients in various strains of magic mushrooms and investigate the elements with the best efficacy for treatment of specific conditions.

Creso chair Adam Blumenthal said Halucenex continued "to achieve a number of key milestones which will lay a strong foundation in its clinical trial schedule and future treatment development initiatives".

"The agreement ... will provide the company with a scientifically backed approach, which allows for a better understanding of the important components of psilocybin mushrooms and how particular components can be used most effectively," Mr Blumenthal said.

Creso was up one cents or five percent to 21 cents with 29.9 million shares traded.

CRESO PHARMA

Creso says Cannabis Queen will distribute its cannabidiol-based products in South Africa and it will distribute Cannabis Queen's marijuana-based products in Europe.

Creso said it had a one-year bilateral commercial agreement with the Johannesburg-based Cannabis Queen for the mutual distribution of products.

The company said Cannabis Queen would distribute its Cannadol-branded cannabidiol (CBD)-based topical products and teas for stress, sleep and "well-being", which it launched earlier this month in Switzerland (BD: Apr 1, 2021).

Creso said that it would concurrently distribute Cannabis Queen's marijuana-based skin and hair oils in Europe and Switzerland.

NANOLLOSE

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

Trading will resume on April 19, 2021 or on an earlier announcement.

Nanollose last traded at 12 cents.

TASFOODS

Tasfoods says it will face a potential annual general meeting spill resolution, following more than 25 percent opposition to last year's remuneration report.

Last year, Tasfoods earned a remuneration report first strike with the annual general meeting voting 58,962,892 votes (63.71%) in favor and 33,579,035 votes (36.29%) against (AVW: Jul 24, 2020).

The Corporations Act (Section 250U) provides for a 'two strikes and re-election' process if a company's remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Tasfoods said the meeting would vote on the remuneration report and to issue managing-director Jane Bennett 854,634 performance rights, with 50 percent vesting when the share price reached 27 cents and the remaining vesting on a pro-rata basis to 100 percent when the shares reached 32 cents each.

The company said shareholder would vote to re-elect director Roger McBain, approve the company rights plan and the proportional takeover provisions.

Tasfoods said that pending the outcome of the remuneration report vote, investors might vote of the board spill resolution.

The meeting will be held at Hotel Grand Chancellor, 29 Cameron St, Launceston, Tasmania on May 20, 2021, at 11am (AEST).

Tasfoods was unchanged at 12.5 cents.

ELIXINOL GLOBAL

Elixinol says its annual general meeting will vote to change the company name to Elixinol Wellness and increase the directors' fee pool by 42.9 percent to \$500,000.

Elixinol said the name change was proposed to "better reflect the company's vision of building a global, hemp-derived health and wellness consumer products business".

The company said investors would vote to increase the pool of directors' fees from \$350,000 a year to \$500,000 a year.

Elixinol said the meeting would vote to re-elect director Paul Benhaim, adopt the remuneration report, approve the equity plan, ratify and approve the previous issue of shares, and approve an additional 10 percent placement capacity.

The online meeting will be held on May 17, 2021 at 10am (AEST).

Elixinol fell half a cent or 2.8 percent to 17.5 cents.

NUFARM

Sumitomo Mitsui Trust Holdings and subsidiaries say they have ceased their substantial holding in Nufarm, with most of their shares taken by Yarra Funds.

The Tokyo-based Sumitomo Mitsui said that between April 1 and 12, 2021 it bought and sold shares, selling 211,387 shares for \$1,137,197 or an average of \$5.38 a share, with its Tokyo and Sydney associates, Nikko AM, Nikko Asset Management Australia and Nikko AM Equities Australia, retaining 24,830,348 shares.

The company said that the Nikko companies "ceased to be a subsidiary and associate following an acquisition by TA Universal Investment Holdings and Yarra Management Nominees.

In a separate announcement, Yarra Management Nominees and TA Universal Investment Holdings said they had acquired 24,830,348 Nufarm shares (6.5385%) "held through a body corporate, Yarra Capital Management ... formerly named Nikko AM".

Nufarm fell eight cents or 1.5 percent to \$5.22 with 398,074 shares traded.

SELECT HARVESTS

Yarra Capital Management says it has become a substantial shareholder in Select Harvests with 9,481,714 shares or 7.8867 percent.

The Sydney-based Yarra Capital Management said it acquired 9,481,714 shares through its acquisition of Nikko AM (see above).

Select Harvests fell seven cents or 1.1 percent to \$6.20.

TASSAL GROUP

Yarra Funds Management says it has increased its substantial shareholding in Tassal from 10,811,182 shares (5.1157%) to 20,501,645 (9.6550%).

The Sydney-based Yarra Funds Management and subsidiaries said they acquired 9,455,671 shares through the acquisition of Nikko AM (see above).

Yarra Funds Management said between March 17 and April 12, 2021 it 238,543 shares for \$784,253 or \$3.29 a share.

Tassal was up one cent or 0.25 percent to \$3.97 with one million shares traded.

APIAM ANIMAL HEALTH

Petstock Investments says it has increased its substantial shareholding in Apiam from 12,000,000 shares (9.93%) to 20,000,000 shares (16.5%).

The Ballarat North-based Petstock Investments said it acquired 8,000,000 shares at 85 cents a share.

ANATARA LIFESCIENCES

Myeng Pty Ltd and Anantara co-founder Dr Tracey Mynott say they have reduced their holding from 4,391,337 shares (8.89%) to 3,580,211 shares (5.09%).

The Brisbane-based Dr Mynott said that between January 21 and April 13, 2021 she sold 811,126 shares for \$176,733 or an average of 21.8 cents each.

TASFOODS

Tasfoods says it has appointed Marta Button as company secretary effective from April 12, 2021, replacing Janelle O'Reilly who continues as general counsel.

Tasfoods said it thanked Ms O'Reilly for "her contribution ... over the last 4.5 years" and for her role in establishing its governance and legal framework.

The company said Ms Button had more than 15 years' experience in governance, investor relations and financial strategy and was currently company secretary for several not-for-profit organizations.

According to her LinkedIn page, Ms Button holds a Bachelor of Commerce and Bachelor of Arts from the University of Sydney and a Master of Applied Finance from Sydney's Macquarie University.

SYNLAIT MILK

Synlait says its chief executive officer Leon Clement has resigned, effective from “the end of April”.

Synlait said Mr Clement was appointed in September 2018 and thanked him for the “major achievements he had overseen”.

The company said that co-founder, director and former chief executive officer John Penno would be the interim chief executive officer effective from May 1 until a permanent replacement was appointed.

Synlait said recruitment would begin “shortly”.

Synlait fell two cents or 0.6 percent to \$3.27.