

Ag & Vet Weekly



Monday August 2 – Friday August 6, 2021

All the news on ASX-listed agriculture and veterinary companies

- * **ASX UP, AVW-42 EVEN: WELLNEX UP 11.5%; CANN GLOBAL DOWN 17%**
- * **ECOFIBRE REVENUE DOWN 43% TO \$29m, PROFIT TO \$7m LOSS**
- * **MURRAY COD RECEIPTS UP 125% TO \$9.4m**
- * **EPSILON H1 RECEIPTS DOWN 2% TO \$3m**
- * **CRESO H1 RECEIPTS DOWN 21% TO \$2m**
- * **APIAM PAYS \$2m FOR GOLDEN PLAINS GROUP**
- * **PHARMAUST'S EPICHEM WASTE-TO-FUEL REACTOR 'OPERATIONAL'**
- * **ANATARA 'SUCCESSFUL' BROMELAIN PIGLET STUDY NOT SIGNIFICANT**
- * **CRESO: HALUCENEX COMPLETING TESTS ON PSILOCYBIN FOR PTSD**
- * **VANGUARD BELOW 5% IN A2 MILK**
- * **VANGUARD BELOW 5%, ABOVE 5% IN ELDERS**
- * **VANGUARD BELOW 5% IN COSTA**
- * **RIC APPOINTS SALLY FREEMAN, MICHAEL CARROLL DIRECTORS**
- * **CLOVER APPOINTS INTERIM ANDREW ALLIBON CFO, CO SEC**

MARKET REPORT

The Australian stock market was up 0.36 percent on Friday August 6, 2021, with the ASX200 up 27.3 points to 7,538.4 points. Fifteen of the AVW-42 stocks were up, 15 fell, and 12 traded unchanged.

Wellnex (Wattle Health) was the best, up 1.5 cents or 11.5 percent to 14.5 cents, with 1.75 million shares traded. Cann Group climbed seven percent; Murray Cod and Terragen improved six percent or more; Avecho and MGC were up more than five percent; Huon was up 3.3 percent; Apiam, Ecofibre and Nanollose rose more than two percent; Nufarm, Pharmaust and Regeneus were up more than one percent; with Bega and Clean Seas up by less than one percent.

Cann Global led the falls, down 0.1 cents or 16.7 percent to 0.5 cents, with 6.1 million shares traded. Anatara and Epsilon lost more than six percent; Clover shed 5.35 percent; Creso fell 4.2 percent; Next Science, Palla Pharma and Wide Open shed more than two percent; A2 Milk, Memphasys and Seafarms were down more than one percent; with Elders, Ridley, Select Harvests and Synlait down by less than one percent.

ECOFIBRE

Ecofibre says revenue for the year to June 30, 2021 was down 43.2 percent to \$28,793,000, with last year's \$13,156,000 profit turned to a loss of \$6,986,000. Ecofibre said revenue from sales of its marijuana and hemp-based food additives were impacted by business disruptions in pharmacies, an underperforming distributor model and price and product competition.

The company said that last year's 4.43 cents diluted earnings per share turned to a 2.16 cents diluted loss per share, net tangible assets per share fell 8.3 percent to 17.64 cents, with cash and cash equivalents of \$8,620,000 at June 30, 2021.

Ecofibre was up two cents or 2.7 percent to 77 cents.

MURRAY COD AUSTRALIA

Murray Cod says receipts from customers for the year to June 30, 2021 was up 124.9 percent to \$9,485,000 compared to the previous corresponding period.

Murray Cod said that receipts from customers for its farmed Aquana Murray cod for the three months to June 30, 2021 was up 91.0 percent to \$2,486,000.

The company said it had 12 quarters of funding available.

Murray Cod was up two cents or 6.45 percent to 33 cents.

EPSILON HEALTHCARE (FORMERLY THE HYDROPONICS CO)

Epsilon says receipts from customers for the six months to June 30, 2021 were down 1.9 percent to \$3,106,000 compared to the previous corresponding period.

Epsilon said that receipts from customers for its marijuana products for the three months to June 30, 2021 were down 30.7 percent to \$1,351,000.

The company said it had 3.3 quarters of funding available.

Epsilon fell one cent or 6.1 percent to 15.5 cents.

CRESO PHARMA

Creso says receipts from customers for the six months to June 30, 2021 were down 21.2 percent to \$2,323,000 compared to the previous corresponding period.

Creso said that receipts from customers for its cannabis-based products for the three months to June 30, 2021 were down 17.4 percent to \$1,243,000.

The company said it had \$13,563,000 in cash and equivalents, an estimated 1.95 quarters of funding and it raised \$2.4 million through the exercise of options in July.

Creso fell half a cent or 4.2 percent to 11.5 cents with 9.9 million shares traded.

APIAM ANIMAL HEALTH

Apiam says it will acquire the Golden Group for \$2.1 million, funded through its cash reserves, generating about \$2.85 million in revenue per year.

Apiam said the Golden Plains Group comprised the Golden Plains Animal Hospital in Bannockburn near Geelong and Smythesdale Animal Hospital near Ballarat, providing services for companion and livestock animals with a team of seven veterinarians.

Apiam managing-director Dr Chris Richards said the acquisition was "an important milestone in expanding our market presence across the Greater Geelong and Ballarat area".

Apiam was up two cents or 2.2 percent to 94.5 cents.

PHARMAUST

Pharmaust says its subsidiary Epichem has completed its benchtop oxidative hydro-thermal dissolution flow reactor to develop waste to fuels technology.

Pharmaust said the benchtop flow reactor located at Epichem's Bentley, Western Australia-based Technology Park would advance the biomass and feedstock flow reactor's material science and had the potential to convert plastics into renewable fuels, coal into diesel or agricultural bio-simulants, rubber tyres into liquid fuels or chemical products, trees into cellulosic ethanol or fine chemicals, and leftover stock or crops into liquid fuel or cellulosic ethanol and agricultural bio-stimulants.

Pharmaust said the flow reactor would be carbon neutral, environmentally sustainable and would use oxygen and water at high temperature and pressure to break down input materials to form useful end products.

Epichem chief executive officer Colin La Galia said the establishment of the operational benchtop reactor was a "milestone".

"Now we move to the next stage of evaluating its potential," Mr La Galia said.

"The flow reactor has the potential to help deal with converting and re-purposing waste," Mr La Galia said.

"It has the ability to create a new innovative and disruptive technology in Australia, can be scaled up for a range of industry partners and create employment," Mr La Galia said.

Pharmaust was up 0.1 cents or 1.1 percent to 9.3 cents.

ANATARA LIFESCIENCES

Anatara says the "successful completion" of a piglet challenge study showed its bromelain formulation combination was better than standard feed, but not significantly so.

Antara said that piglets treated with its bromelain-based formulation (Boniff) and semi-moist extruded creep feed (Smec) were about six percent heavier than piglets on standard feed, while those on Smec alone were about 11 percent heavier ($p > 0.2$).

The company said that its pineapple-stem, bromelain-based Detach was a commercial product registered in Australia for the prevention of post-weaning diarrhoea.

Anatara said that Detach was a paste and required labor and effort to deliver the compound by drenching, whereas Boniff was a revised formulation applied to dry feed for piglets after weaning which reduced labor input and simplified the process.

The company said that given the outcomes, Boniff could be a replacement for a non-physiological level of zinc oxide with commercial levels of additives in Smec.

Anatara said that pigs fed the Boniff-Smec diet performed equally, both with and without entero-toxicogenic *Escherichia coli* inoculation, to pigs fed the Smec diet alone that comprised a pharmacological level of zinc oxide and levels of organic acids and phytogenics seen commercially, to assist in transitioning pigs in the post-weaning period.

"This suggests that at least under the conditions of this experiment, Boniff could be considered as a replacement for these additives," the company said.

Anatara chief executive officer Steve Lydeamore said the company was "pleased to have met its aim to develop alternative administration options and proof-of-concept in another species for its bromelain-based products".

"Anatara's animal health portfolio now includes Detach, ANR-pf for poultry and Boniff, an in-feed formulation for weaner piglets," Mr Lydeamore said.

"With this successful piglet study in hand, commercialization discussions will now commence with pig producers and animal feed [and] nutrition companies," Mr Lydeamore said.

Anatara fell one cent or 6.25 percent to 15 cents.

CRESO PHARMA

Creso says, Halucenex is completing United States Pharmacopeia (USP) protocol conditions to validate the use of its psilocybin.

Creso said that the USP 62 test evaluated a product for the presence or absence of potential pathogens and was necessary for cosmetic and personal products to determine that any micro-organisms that may be present in a product are not specific pathogenic microorganisms of particular concern if found in a consumer product.

The company said that once that test was complete and, if successful, it would deem the product safe for human consumption.

Creso said it was in "advanced discussions with [Canada's] regulatory body regarding the status of its Controlled Drugs and Substances Dealer's licence" which it believed to be "imminent" allowing further steps towards a phase II trial of psilocybin for treatment-resistant post-traumatic stress disorder (PTSD).

Halucenex chief executive officer Bill Fleming said "the work that has gone into these two testing phases should not be underestimated".

"Both datasets will provide significant validation of our psilocybin and also indicate that it is safe for human consumption, prior to the commencement of our planned phase II clinical trial," Mr Fleming said.

A2 MILK

Valley Forge, Pennsylvania-based Vanguard Group says it has ceased its substantial shareholding in A2 Milk, selling 17,467,894 shares at \$6.41 a share.

Vanguard said it reduced its holdings from 51,494,591 shares (7.008%) to 36,889,210 shares (4.962%).

A2 Milk fell 10 cents or 1.65 percent to \$5.97 with 12.1 million shares traded.

ELDERS

The Vanguard Group says it has ceased its substantial shareholding in Elders but continued to hold 4.997 percent of the company.

Vanguard said between February 24, 2020 and July 27, 2021 it bought, sold and transferred shares, at prices ranging from \$7.31 to \$12.75 a share, and ceased to be the investment manager for an unnamed institutional client.

Elders fell four cents or 0.35 percent to \$11.44 with 313,656 shares traded.

ELDERS

The Vanguard Group and its controlled entities say they have become substantial shareholders in Elders with 7,854,196 shares or 5.019 percent.

Vanguard said that between April 6 and July 30, 2021, it bought and sold shares at prices ranging from \$10.97 to \$12.75 a share.

The company said the registered holders included Brown Brothers Harriman, Bank of New York Mellon, JP Morgan Chase Bank. State Street Bank and Trust Co and various others.

COSTA GROUP HOLDINGS

The Vanguard Group says it has ceased its substantial shareholding in Costa but continues to hold 4.924 percent of the company.

Vanguard said between July 7 and 27, 2021 it bought and sold shares, at prices ranging from \$3.24 to \$3.37 a share, and ceased to be the investment manager for an unnamed institutional client.

Costa was unchanged at \$3.28 with 1.9 million shares traded.

FEDERAL GOVERNMENT, REGIONAL INVESTMENT CORP

The Federal Government says it has appointed Sally Freeman and Michael Carroll as Regional Investment Corporation directors, replacing Lucia Cade and Mark Lewis.

The Government said Ms Freeman and Mr Carroll were appointed, effective from July 20, 2021.

CLOVER CORPORATION

Clover says it has appointed Andrew Allibon as chief financial officer and company secretary.

Clover said that Mr Allibon had been its acting as chief financial officer and company secretary since Paul Sherman left the company in May (AVW May 7, 2021).

The company said that Mr Allibon was an accountant with 30 years of experience and most recently was Leef Independent Living Solutions chief financial officer and company secretary, and previously worked with Amcor.

Clover fell 9.5 cents or 5.35 percent to \$1.68.