

Ag & Vet Weekly



Monday November 15 – Friday November 19, 2021

All the news on ASX-listed agriculture and veterinary companies

- * **ASX, AVW-42 UP: CANN GLOBAL UP 33%; ROOTS DOWN 11%**
- * **FEDERAL \$5.1m FOR 60 SCHOOL LEAVERS TO TRY AGRICULTURE**
- * **MURRAY COD RAISES \$30m**
- * **NUFARM REVENUE UP 13% TO \$3b, LOSS TO \$65m PROFIT**
- * **ELDERS REVENUE UP 22% TO \$2.6b, PROFIT UP 22% TO \$150m**
- * **AFP, ASIC RAID EVERBLU CAPITAL; CRESO, ROOTS**
- * **CRESO PLEADS SCHULTZ TO ASX 18% FALL QUERY; ASIC**
- * **ROOTS TO APPOINT AVITAL FOR SERIBIA RTZO SALES**
- * **APIAM \$4.8m FOR AGNES BANKS EQUINE CLINIC**
- * **US EPA OKAYS APIAM PARTNER AURORA XTEND21**
- * **PHARMAUST EXPANDS DOG LYMPHOMA TRIAL TO NEW ZEALAND**
- * **PHARMAUST MONEPANTEL TRIALS 'ON-TRACK' FOR 2022**
- * **A2 MILK 25% OPPOSE DIRECTOR WARWICK EVERY-BURNS**
- * **FONTERRA CAPITAL STRUCTURE SPECIAL MEETING, AGM**
- * **NUFARM \$698k M-D GREG HUNT 'DEFERRED RIGHTS' AGM**
- * **ALTHEA: 900k M-D JOSHUA FEGAN PERFORMANCE RIGHTS AGM**
- * **TASSAL M-D MARK RYAN UPDATED PAY STARTS ON \$861k**
- * **MGC RELEASES 15m VOLUNTARY ESCROW SHARES**
- * **MACQUARIE GROUP TAKES 5% OF A2 MILK**
- * **TATTARANG, DR ANDREW 'TWIGGY' FORREST TAKE 6.5% OF RIDLEY**
- * **ABARES APPOINTS DR JARED GREENVILLE EXECUTIVE DIRECTOR**

MARKET REPORT

The Australian stock market was up 0.23 percent on Friday November 19, 2021, with the ASX200 up 17.3 points to 7,396.5 points. Sixteen of the AVW-42 stocks were up, 14 fell, 11 traded unchanged and one was untraded.

Cann Global was the best on no news, up 0.1 cents or 33.3 percent to 0.4 cents, with 29.2 million shares traded. Sustainable Nutrition (formerly AP Hemp) climbed 14.6 percent; Auscann, Memphasys and Palla were up more than six percent; Elixinol improved 4.3 percent; Clean Seas, Ridley and Tasfoods rose more than two percent; A2 Milk and Select Harvests were up more than one percent; with Bega, Bubs, Costa, Fonterra and Wide Open up by less than one percent.

Roots led the falls, down 0.1 cents or 11.1 percent to 0.8 cents, with 2.4 million shares traded. Avecho and Wellnex fell five percent or more; Ecofibre shed 2.2 percent; Althea, Cann Group, Clover, Murray Cod, Next Science and Synlait were down more than one percent; with Cobram, Elders, Nufarm and Tassal down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government says it will provide \$5.1 million in grants for up to 60 recent school leavers “to start a career in agriculture in their gap year”.

A media release from the Minister for Agriculture David Littleproud said that ‘Agcareerstart’ “would give recent school leavers opportunities, experience and skills to enter the agriculture sector and provide long-term pathways to agricultural careers”.

“An agricultural gap year opens up a whole universe of amazing careers in this thriving, important sector, from livestock and cropping to technology, innovation and entrepreneurship,” Mr Littleproud said. “This new pilot program, to be delivered by an industry consortium led by the National Farmers Federation, is a structured employment program to help young Australians to start a career in agriculture in their gap year.”

“It’s about encouraging young Australians to give working in the agriculture sector a go and provide a taste of what a regional lifestyle can offer,” Mr Littleproud said.

The media release said that participants would be employed by the agricultural sector under award wages, be fully supported throughout the pilot, including relocation assistance, ongoing pastoral care and provided accredited training in operational skills important to safely working on an operational farm.

For more information, go to: <https://www.agcareerstart.com.au/homevisit>.

MURRAY COD AUSTRALIA

Murray Cod says that it has completed its fully-underwritten, institutional placement, raising \$30.0 million at 33.5 cents a share.

Murray Cod said that the placement “received strong interest from both existing institutional shareholders and new investors, with demand to participate in the placement in excess of the funds that [the company] sought to raise”.

Last week, the company said it was book-building for an underwritten placement to raise \$30 million at 33.5 cents a share and hoped to raise a further \$3 million in a non-underwritten share purchase plan at the same price (AVW: Nov 12, 2021).

Murray Cod fell half a cent or 1.4 percent to 35.5 cents.

NUFARM

Nufarm says revenue from July 31, 2020, to September 30, 2021, was up 12.9 percent to \$3,215,651,000 with net loss after tax turned to a profit of \$65,128,000.

Nufarm said revenue included \$2,777,315 from crop protection with \$858,407 from Asia Pacific, \$1,112,423 from North America and \$806,485 from Europe, \$240,621 from seed technologies as well as \$197,715 from its corporate segment.

The company said a dividend of four cents a share for the record date of November 26 to be paid on December 17, 2021.

diluted loss per share of 24.5 cents turned to earnings of 15.1 cents, net tangible asset backing per share rose 20.94 percent to \$2.31 and it had cash and cash equivalents of \$724,215,000 on September 30, 2020, compared to \$505,687,000 on July 31, 2020.

Nufarm fell two cents or 0.4 percent to \$4.81 with 1.9 million shares traded.

ELDERS

Elders says revenue for the year to September 30, 2021 was up 21.8 percent to \$2,582,924,000, with net profit after tax up 21.8 percent to \$149,777,000.

Elders said the revenue was from the sale of seeds, fertilizers, agricultural chemicals, animal health products and general rural merchandise, with retail sales of chemical and fertilizer products driving growth.

The company said it would pay a partly-franked, final dividend of 22 cents a share for holders on the record date of November 23, on December 17, 2021.

Elders said diluted earnings per share was up 41.3 percent to 95.5 cents, net tangible asset backing per share was up 29.2 percent to \$2.17 and it had cash and equivalents of \$48,063,000 at September 30, 2021, compared to \$50,741,000 at September 30, 2020.

Elders fell 10 cents or 0.8 percent to \$11.79 with 612,465 shares traded.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

AUSTRALIAN FEDERAL POLICE, EVERBLU CAPITAL

CRESO PHARMA, ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES

The Australian Securities and Investments Commission (ASIC) has told Ag & Vet Weekly that with the Australian federal Police it raided the offices of Everblu Capital on Tuesday. Everblu is an investor in Creso Pharma and Roots Sustainable and the chair of Everblu, Adam Blumenthal, is the chair of Creso and Roots.

A spokesperson for ASIC told Ag & Vet Weekly on Tuesday November 16, 2021 that the Australian Federal Police exercised warrants on behalf of the Commission in relation to "certain market activities, among other things".

On November 17, the ASIC spokesperson told Ag & Vet Weekly that the Australian Federal Police had raided five locations in Sydney, one in Brisbane and one in Queensland's Gold Coast.

At the time of publication no one had been charged and there was no further information available.

Creso was unchanged at 10 cents with 13.5 million shares traded.

Roots fell 0.1 cents or 11.1 percent to 0.8 cents with 2.4 million shares traded.

CRESO PHARMA

Creso 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 fell 2.4 cents or 17.86 percent from an intra-day high of \$1.24 to an intra-day low of \$1.06, yesterday November 16, 2021, and noted a "significant increase" in trading volume.

Creso said it was "aware of two articles published by the Australian Financial Review ... which reported that the Australian Federal Police were executing a search warrant at the Sydney offices of Everblu Capital".

"The company is yet to be able to independently verify the nature of the enquiry or determine whether the matter relates to Creso Pharma," the company told the ASX.

"The company confirms, however, that it has not been served with any notices from any regulatory body in connection with the matter," Creso said.

"As a result, the company does not consider there to be any basis for it to make public announcement in relation to this matter," Creso said.

ROOTS SUSTAINABLE AGRICULTURE

Roots says it has a letter of intent with Avital to distribute, sell and market its Root Zone Temperature Optimisation heat exchange probe system in the Balkans.

Roots said the agreement with the Belgrade, Serbia-based Avital included an initial installation of the technology at the Ivan Leposavic Blueberry nights farm.

The company said it would receive licence fees for each complete system sold by Avital at a fixed percent of the end-user price, with aggregate sales to be no less than EUR1.0 million (\$A1.56 million) over three years.

Roots chief executive officer Boaz Wachtel said the agreement was "another key milestone in our strategy to extend our reach across key international markets".

"Serbia represents a significant market with the country reliant on the economic benefits their agriculture and food trade brings.," Mr Wachtel said.

"The sale into our first blueberry farm will act as a catalyst for further uptake from similar growers in the region and provide us with additional opportunities," Mr Wachtel said.

APIAM ANIMAL HEALTH

Apiam says it will pay \$4.8 million in cash and scrip for the Agnes Banks Equine Clinic, 70 kilometres north-west of Sydney.

Apiam said the acquisition employed 14 equine veterinarians and would add \$4.7 million in revenue and \$750,000 in earnings before interest, taxation, depreciation and amortization (Ebitda).

The company said it would pay \$4.1 million in cash and \$700,000 in shares.

The company has bought seven other veterinary clinics this year in Victoria and Queensland (AVW: May 28, Jul 2, Aug 6, 27, Oct 29, 2021).

Apiam managing-director Dr Chris Richards said the acquisition "aligns with our equine strategy to operate high performance cornerstone clinics in key regions for the Australian equine industry".

"These large cornerstone facilities are expected to provide a base for further expansion into the equine veterinary sector on a regional basis," Dr Richards said.

Apiam was unchanged at 92 cents.

APIAM ANIMAL HEALTH

Apiam says US partner Aurora Pharmaceutical has US Environmental Protection Agency approval for its Zoono anti-microbial surface protectant, to be known as Xtend 21.

In 2019, Apiam said it had an agreement with Sydney's Zoono Group to distribute its protection and disinfectant technology system for livestock (AVW: Nov 29, 2019).

The company said at that time that Zoono's technology was an alternative to chemicals able to sanitize and protect livestock against pathogens including H1N1 influenza by "providing ongoing mechanical activity" and had been subject to more than 150 tests by third-party laboratories.

This week, Apiam said that the Northfield, Minnesota-based Aurora was a veterinary pharmaceutical company with more than 10,000 customers and would market the anti-microbial disinfectant as Xtend 21.

The company said that trials of Xtend 21 were conducted at Iowa State University and showed antimicrobial protection lasting 21 days after application.

Apiam said Xtend 21 had the potential to be applied to air filters, cool cells, loadout chutes, cabins and on trailers of livestock vehicles, enhancing antimicrobial surface protection.

PHARMAUST

Pharmaust says it is expanding its trial of monepantel for dog lymphoma trial to New Zealand in preparation of a pivotal trial expected in May next year.

Pharmaust said it had signed agreements with Veterinary Specialists Auckland's Dr Mike Coleman and Dr Tommy Fluen, who were able to "accept dog lymphoma referrals from in New Zealand's North Island, with recruitment to begin in December.

Pharmaust was unchanged at 10 cents.

PHARMAUST

Pharmaust says that the manufacture of monepantel for Covid-19 and motor neurone disease trials is on track with a trial to begin in May 2022.

Pharmaust said the shipment was expected at the end of December 2021 with the demonstration batch tablet manufacture for the smaller size tablets starting this week.

The company said it had completed primary diligence on potential trial sites for Covid-19, with six centres expressing interest, and it was preparing the trial design while engaging local contract research associates to assist running the trials.

A2 MILK CO

A2 Milk says its annual general meeting passed all resolution but the election of directors Warwick Every-Burns and Bessie Lee faced moderate opposition.

A2 said the re-election of Mr Every-Burns was opposed by 86,428,996 votes (24.72%) with 263,204,696 votes (75.28%) in favor, while the election of Ms Lee was opposed by 13.50 percent of the meeting.

The company said the resolutions to fix the fee of company auditors Ernst & Young and the election of David Bortolussi as a director were passed overwhelmingly.

According to its most recent filing, A2 Milk had 743,656,528 shares on offer meaning that the votes against Mr Every-Burns amounted to 11.6 percent of the company, sufficient to requisition extraordinary general meetings.

A2 Milk was up seven cents or 1.1 percent to \$6.21 with 3.3 million shares traded.

FONTERRA SHAREHOLDERS FUND

Fonterra says it will hold a special meeting with its annual general meeting to vote on a new capital structure.

Fonterra said the share standard of one share per one kilogram of milk solids supplied would remain, but the minimum shareholding requirement would be set at 33 percent of the share standard, or around one share per three kilogram of milk solids supplied.

The company said that the maximum holding would increase to four times the share standard, so farmer shareholders “would have more flexibility around increasing and decreasing their shareholding during their farming career”.

The company said the overall limit on the fund size in the constitution would reduce from 20 percent to 10 percent of total shares on issue.

Fonterra said its annual general meeting would vote on the remuneration of directors, co-operative councillors and remuneration committee members, the ratification of appointment of Clinton Dines as director, approve the program and budget, as well as three special resolutions on the constitution.

Fonterra said the meeting will be held at ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill, New Zealand and virtually on December 9, 2021, at 1pm (NZ DST).

Fonterra was up two cents or 0.6 percent to \$3.58.

NUFARM

Nufarm says its annual general meeting will vote to grant deferred rights worth \$697,766 to managing-director Greg Hunt.

Nufarm said the value of Mr Hunt’s short term incentive plan award for the year 2020-’21 would be \$1,395,531 and delivered 50 percent in cash and 50 percent in deferred rights vesting subject to a two-year service period.

The company said shareholders would vote on the remuneration report and the election of David Jones as director.

The virtual meeting will be held on December 17, 2021, at 10am (AEDT).

ALTHEA GROUP

Althea says its annual general meeting will vote to issue managing-director Joshua Fegan a total of 901,173 short and long-term incentive performance rights.

Althea said it proposed to issue Mr Fegan 601,142 short-term rights and 300,571 long-term performance rights.

The company said the performance rights would vest based on the absolute total shareholder return.

Althea said shareholders would vote on the remuneration report, the 10 percent placement capacity and amendments to the constitution.

The virtual meeting will be held on December 15, 2021, at 5pm (AEDT).

Althea fell half a cent or 1.8 percent to 27 cents.

TASSAL GROUP

Tassal says managing-director Mark Ryan’s updated remuneration package will be \$861,000 a year including superannuation and motor vehicle maintenance.

Tassal did not mention short-term and long-term incentives in its announcement.

Tassal fell one cent or 0.3 percent to \$3.39 with 516,935 shares traded..

MGC PHARMACEUTICALS

MGC says 15,151,515 shares will be released from voluntary escrow on November 24, 2021.

According to its most recent filing, MGC had 2,404,095,855 shares available for trading, with none in ASX escrow.

MGC was unchanged at 4.6 cents with two million shares traded.

A2 MILK COMPANY

Sydney's Macquarie Group says it has become a substantial shareholder in A2 Milk with 37,978,806 shares or 5.107 percent.

Macquarie Group said it bought, sold, borrowed and transitioned shares between July 13 and November 12, 2021, in more than 3,100 individual transactions, including for single shares, at prices ranging between \$5.27 and \$7.44 a share.

RIDLEY CORP

Tattarang Pty Ltd and Dr Andrew 'Twiggy' Forrest say they have increased their holding in Ridley Corp from 16,368,156 shares (5.12%) to 20,864,186 shares (6.53%).

Tattarang is a private investment group owned by the Forrest family.

Tattarang said that as a trustee for the Peepingee Trust and Dr Forrest, between February 4 and November 16, 2021 it bought 4,496,030 shares for \$4,979,922 or \$1.12 a share.

Ridley was up three cents or 2.3 percent to \$1.34.

BUREAU OF AGRICULTURAL AND RESOURCE ECONOMICS AND SCIENCES

Abares says it has promoted acting executive director Dr Jared Greenville to the Bureau's executive director.

The secretary of the Department of Agriculture, Water and Environment Andrew Metcalfe said Dr Greenville would bring "a wealth of experience and expertise to the role".

Mr Metcalfe said that Dr Greenville had been acting in the role since early 2021 and had led the economic, scientific, forecasting and data-related work of Abares, as well as overseeing changes in work practices, culture and data and analytics infrastructure.

Mr Metcalfe said that Dr Greenville would continue "to develop the Bureau's capability as an innovative and trusted provider of high-quality services and products, and making this information accessible and understandable".

Abares said that prior to joining the Bureau in 2018, Dr Greenville worked for the Paris-based Organisation for Economic Co-operation and Development in agriculture and food trade policy, global value chains in agriculture and food security and risk.

The Bureau said that Dr Greenville previously worked for the Australian Productivity Commission on bilateral and regional trade agreements, domestic drought support policy, infrastructure policy and the challenges of an ageing population.

Abares said that Dr Greenville held a Bachelor of Agricultural Economics and a Doctor of Philosophy from the University of Sydney.