

# Ag & Vet Weekly



Monday November 1 – Friday November 5, 2021

*All the news on ASX-listed agriculture and veterinary companies*

- \* **ASX, AVW-44 UP: AVECHO UP 12.5%; CANN GLOBAL DOWN 25%**
- \* **GOODBYE HUON; COURT OKAYS JBS TAKEOVER; DELISTING**
- \* **MEMPHASYS COMPLETES FELIX VALIDATION AND VERIFICATION**
- \* **NEXT SCIENCE, TELA BIO US 'WHITE LABEL' DEAL**
- \* **PHARMAUST RIGHTS OPTIONS RAISE \$514k**
- \* **ETHICS APPROVAL FOR MGC CIMETRA DOSING STUDY**
- \* **MGC BUILDS MALTA CIMETRA FACTORY; \$4.8m GRANT**
- \* **CRESO, INNUANA TO GROW MARIJUANA, SWISS DISTRIBUTION**
- \* **GOLDMAN SACHS TAKES 8.2% OF A2 MILK**
- \* **AUSTRALIAN SUPER INCREASES, DILUTED TO 10.7% IN MURRAY COD**
- \* **PERENNIAL TAKES 7.5% OF ECOFIBRE**
- \* **TASSAL LOSES CHAIR ALLAN MCCALLUM**
- \* **SEAFARMS: MICK MCMAHON CHAIR, IAN BRANNAN DIRECTOR, CO SEC**
- \* **BUBS APPOINTS DYLAN LU CHINA M-D; PROMOTIONS; COUNCIL**
- \* **CRESO: WA LEGALISE CANNABIS MLC DR BRIAN WALKER ADVISOR**

## MARKET REPORT

The Australian stock market was up 0.39 percent on Friday November 5, 2021, with the ASX200 up 28.9 points to 7,456.9 points. Twenty-four of the AVW-44 stocks were up, 14 fell, five traded unchanged and one was untraded.

Avecho was best, up 0.2 cents or 9.1 percent to 12 cents, with 11.5 million shares traded. Pharmaust rose 10 percent; Epsilon was up 9.1 percent; Harvest Tech and Memphasys improved more than six percent; Ocean Grown and Wellnex were up five percent or more; Food Revolution and Nanollose improved four percent or more; Althea, Anatara, Botanix and Terragen were up more than three percent; Murray Cod and Wide Open rose two percent or more; Costa, Elders, Nufarm and Select Harvests were up more than one percent; with A2, Clean Seas, Clover, Fonterra and Ridley up by less than one percent.

Cann Global led the falls, down 0.1 cents or 25 percent to 0.3 cents, with 31.5 million shares traded. Seafarms fell 5.3 percent; Bubs, MGC and Sustainable Nutrition (formerly AP Hemp) lost four percent or more; Auscann and Next Science shed more than two percent; Apiam, Cann Group, Elixinol, Palla and Tasfoods were down one percent or more; with Cobram and Tassal down by less than one percent.

## HUON AQUACULTURE

Huon says the Federal Court has approved the primary scheme meeting for the JBS (Australia) takeover, with ASX trading suspended and delisting expected later this month. Huon said the Federal Court of Australia made orders on Wednesday November 3 approving the primary scheme to acquire its shares and “as a result, the takeover bid will not proceed and an application will be made to the Australian Securities and Investments Commission to formally withdraw the takeover bid”.

Huon said its shares were suspended from the close of trading on November 3, 2021.

Huon deputy chief executive officer Philip Wiese told Ag & Vet Weekly that delisting from the ASX was expected “towards the end of November”.

The company said the 12.5 cents special dividend record date was November 2 for payment on November 9, with the implementation date November 17 for payment of \$3.72 a share, being the \$3.85 takeover bid minus the 12.5 cents special dividend.

Huon last traded at \$3.71.

## MEMPHASYS

Memphasys says it has completed verification and validation assessments for the Felix sperm separation device.

In March, Memphasys said a flaw was found in the validation process and would delay production and commercial sales (BD: Mar 8, 2021).

In September, the company said Hydrix agreed to pay \$500,000 and issue 1,000,000 Hydrix shares for the rectification of an “engineering flaw” (BD: Sep 1, 2021).

Today, Memphasys said verification confirmed the specified design requirements had been fulfilled, while validation confirmed requirements for specific intended use could be consistently fulfilled, with both required for commercial sales to begin.

The company said that 25 in-vitro samples per “key opinion leader” had been “positive and in-line with Memphasys’ expectations”.

Memphasys said the preliminary results demonstrated the device’s ability to rapidly and consistently select cells with low levels of DNA fragmentation and could be used with a wide range of semen samples, including viscous samples and samples with low sperm counts, poor motility and high DNA fragmentation levels.

The company said commercial discussions were underway with its key opinion leaders.

Memphasys executive chair Alison Coutts said the company believed that “a maiden commercial sale can be made prior to the end of the calendar year”.

Memphasys was up half a cent or 6.8 percent to 7.9 cents with 1.3 million shares traded.

## NEXT SCIENCE

Next Science says it has a 10-year contract with Tela Bio for US distribution of a white label version of its Xperience “no rinse” anti-microbial surgical wash.

Next Science said the agreement would provide exclusive distribution rights to the Malvern, Pennsylvania-based Tela Bio across the US plastic and reconstructive surgery market, included an annual licencing fee, a transfer price arrangement and minimum order requirements, but did not specify to value or volume.

The company said Tela Bio had first right of negotiation for distribution on similar terms in the European Union when Xperience had Conformité Européenne (CE) mark approval.

Next Science said that Tela Bio would market Xperience under the name Protex plastic surgical solution.

Next Science fell three cents or 2.4 percent to \$1.23.

### PHARMAUST

Pharmaust says it has raised \$514,144 of a hoped for \$792, 281 in its one for four entitlement options offer (AVW: Oct 1, 2021).

Pharmaust said the options were exercisable at 20 cents by October 31, 2023.

The company said JP Equity Partners was the lead manager to the offer and would allocate and issue the shortfall.

Pharmaust was up one cent or 10 percent to 11 cents.

### MGC PHARMACEUTICALS

MGC says it has ethics approval for a 240-patient, 28-day dosing study of its Cimetra compound for Covid-19 at the Haifa, Israel-based Rambam Medical Centre.

MGC said the study would establish the most effective concentrations of Cimetra's active ingredients, including Curcuma longa, or turmeric, and Boswellia serrata, or Indian frankincense, and include safety and pharmacokinetic profiling.

MGC said that the double-blind, placebo-controlled study would compare spray administration of low dose Cimetra against high dose Cimetra and a placebo – all “as an add-on therapy” for patients with Covid-19.

MGC fell 0.2 cents or four percent to 4.8 cents with two million shares traded.

### MGC PHARMACEUTICALS

MGC says it has completed construction and the implementation phase of its Cimetra production factory in Malta.

MGC said it received a EUR3.1 million (\$A4.8 million) cash grant from the Maltese Government through Malta Enterprise to fund the majority of the costs.

The company said the factory would produce more than 20,000 units per day of its liquid dose Cimetra and would be its European manufacturing hub.

### CRESO PHARMA

Creso says the Turbenthal, Switzerland-based Innuana AG will grow and market marijuana for the Swiss medicinal cannabis market.

Creso said the two companies signed a letter of intent “following recent amendments to the Swiss Narcotics Act in March 2021” allowing patient access to medicinal cannabis.

The company said that the legislative shifts would enable it to expand its Swiss operations and enter into the Swiss medicinal cannabis market.

Creso said that Innuana would produce medical marijuana to Creso's specifications, which Creso would then distribute in Switzerland.

Creso was unchanged at 13.5 cents with 10.3 million shares traded.

### A2 MILK CO

Goldman Sachs and subsidiaries say they have increased their shareholding in A2 Milk from 53,304,073 shares (7.1683%) to 61,085,032 shares (8.2146%).

The company said it bought, sold, borrowed and returned shares between October 11 and October 22, 2021, with the single largest purchase 750,000 shares for \$NZ5,587,068 (\$A5,366,850) or \$A7.1558 a share.

A2 Milk was up five cents or 0.8 percent to \$6.39 with four million shares traded.

### MURRAY COD AUSTRALIA

Australian Super says it has increased and been diluted in Murray Cod Australia from 5,881,720 shares (11.69%) to 61,837,695 shares (10.67%).

Australian Super said it bought, sold and converted shares between December 18, 2019 and September 7, 2021 at prices ranging from 13 cents to 47 cents a share.

The company was diluted in a number of share issues.

Murray Cod was up one cent or 2.6 percent to 39 cents.

### ECOFIBRE

Perennial Value Management says it has increased its substantial shareholding in Ecofibre from 22,040,638 shares (6.46%) to 26,276,118 shares (7.53%).

The Sydney-based Perennial Value Management said it bought and sold shares between September 27, 2021, and October 28, 2021 with the single largest purchase 1,437,991 shares for \$965,574 or 67.15 cents a share.

Ecofibre was unchanged at 78 cents.

### TASSAL GROUP

In an Appendix 3Z Final Director's Interest notice, Tassal chair Allan McCallum said he resigned as a director, effective on October 28, 2021.

Tassal said in the publication of the chairman's address on September 24, that Mr McCallum would resign at the company's annual general meeting on October 28, 2021.

Tassal fell two cents or 0.6 percent to \$3.50 with 831,754 shares traded.

### SEAFARMS GROUP

Seafarms says chief executive officer Mick McMahon has been appointed executive chair on \$1.25 million a year and he has begun a review of Project Sea Dragon.

Seafarms said the annual salary was for both roles, with outgoing executive chair and major shareholder Ian Trahar continuing as a non-executive director.

The company said that chief financial officer Ian Brannan had been appointed as an executive director as well as company secretary, replacing Harley Whitcombe.

Mr Whitcombe told Ag & Vet Weekly that the changes were effective from October 29, 2021 and he would continue supporting the company through the transition and ongoing as a significant shareholder.

Seafarms said that Mr Brannan would be paid a salary of \$750,000 a year and be issued with 66,000,000 options, vesting in three tranches: on starting with the company; the beginning of commercial production for stage 1A of the Project Sea Dragon land-based expansion of black tiger prawn farming, and the start of commercial production at stage 1B of the Project, all exercisable at 7.15 cents each, expiring on August 31, 2026, January 31, 2028 and January 31, 2030, respectively.

The company also said that the review of Project Sea Dragon was expected to take several months.

Seafarms said that it was "not considered feasible to finalize debt and equity funding arrangements before the end of the calendar year, and this delay in funding arrangements will consequently lead to delays in the project schedule."

Seafarms fell 0.2 cents or 5.3 percent to 3.6 cents with 9.7 million shares traded.

### BUBS AUSTRALIA

Bubs says it has appointed Dylan Lu as managing-director of Greater China effective immediately, has promoted two staff and joined the Infant Nutrition Council.

Bubs said Mr Lu had 23 years' experience with consumer brands in the UK and China, most recently with A2 Milk and previously with the Pennsylvania-based Hershey Co.

The company said Mr Lu held a Bachelor of Science from the Beijing University of Technology and a Master of Business Administration at England's Manchester University. Bubs said the head of marketing Vivian Zurlo was promoted to chief marketing and innovation officer, and the head of dairy Richard Paine was promoted to a chief manufacturing officer.

Bubs said it was a member of the Canberra-based Infant Nutrition Council.

Bubs fell 2.5 cents or 4.4 percent to 54.5 cents with 1.6 million shares traded.

### CRESO PHARMA

Creso says it has appointed Western Australia Legalise Cannabis MLC Dr Brian Walker as a consultant and chair of its Scientific Advisory Committee.

Creso said Dr Walker was a medical practitioner, elected to the Western Australian Legislative Council for the East Metropolitan Region in March 2021, with his term beginning on May 24, 2021.

The company said Dr Walker would oversee and provide input into its medical marijuana, hemp and psychedelic products.

Creso said that as part of his remuneration package, it would issue Dr Walker 200,000 options, exercisable at 20 cents each by November 3, 2024.