

Ag & Vet Weekly



Monday January 17 – Friday January 21, 2022

All the news on ASX-listed agriculture and veterinary companies

- * **ASX200, AVW-41 DOWN: AVECHO UP 7%; MURRAY COD DOWN 6%**
- * **NUFARM NOTES OFFER FOR \$487m**
- * **CLEAN SEAS H1 REVENUE UP 40% TO \$31.3m**
- * **ALTHEA H1 MARIJUANA RECEIPTS UP 111% TO \$9.9m**
- * **MURRAY COD DIRECTORS EXERCISE \$4.5m OPTIONS; BUY, SELL SHARES**
- * **AUSTRALIAN SUPER INCREASES, DILUTED TO 9.3% OF MURRAY COD**
- * **UNITED SUPER, CBUS TAKE 5.6% OF SELECT HARVESTS**
- * **PETERS BUYS ANDREW GOODALL \$1.4m MEMPHASYS NOTE**
- * **CANN GROUP: RUA INVESTORS APPROVE ZALM ACQUISITION**
- * **CRESO APPOINTS WILLIAM LAY, MICHELINE MACKAY, BRUCE LINTON**
- * **CANN GLOBAL: EX-CHAIR PNINA FELDMAN SHARES; CONSOLIDATION**

MARKET REPORT

The Australian stock market tumbled 2.27 percent on Friday January 21, 2022, with the ASX200 down 166.6 points to 7,175.8 points. Eight of the AVW-41 stocks were up, 24 fell and nine traded unchanged.

Avecho was the best, up 0.1 cents or 6.7 percent to 1.6 cents, with 1.3 million shares traded. Sustainable Nutrition and Terragen climbed more than five percent; Pharmaust improved 4.8 percent; Anatara was up 3.7 percent; Auscann and Rare Foods rose more than one percent; with Synlait up 0.3 percent.

Murray Cod led the falls, down two cents or 6.35 percent to 29.5 cents, with 435,563 shares traded. Clean Sea, Ecofibre and Elixinol lost more than five percent; A2 fell 4.1 percent; Costa, Creso, Nanollose, Seafarms and Wellnex were down three percent or more; Apiam, Bubs, Fonterra, MGC and Nufarm shed more than two percent; Botanix, Cobram, Memphasys, Next Science and Ridley lost one percent or more; with Bega, Elders, Select Harvests and Tassal down by less than one percent.

NUFARM

Nufarm says it hopes to raise \$US350 million (\$A487 million) through the issue of “senior unsecured notes” at five percent interest a year, maturing in 2030.

Nufarm said the offer would be “to qualified institutional buyers” under Rule 144A of the US Securities Act of 1933 and certain persons outside the US.

The company said it intended to use the funds raised together with cash on hand to “fully repay amounts outstanding plus accrued and unpaid interest and premium under the existing senior unsecured notes on issue”, which are due to mature in 2026.

Nufarm fell 13 cents or 2.8 percent to \$4.51 with 740,662 shares traded.

CLEAN SEAS SEAFOOD

Clean Seas says it has had record revenue for the six months to December 31, 2021, up 40 percent to \$31.3 million, compared to the previous corresponding period.

Clean Seas said its receipts from customers for its Yellowtail Kingfish for the six months to December 31, 2021, were up 59.4 percent to \$32,173,000, from \$20,179,000 for the six months to December 31, 2020.

Clean Seas fell 3.5 cents or 5.3 percent to 62.5 cents.

ALTHEA

Althea says customer receipts for the six months to December 30, 2021, was \$9,896,000 compared to \$4,696,000 for the six months to December 31, 2020.

Althea said that for the three months to December 31, receipts from sales of recreational marijuana in Canada amounted to \$2.7 million, with record sales of “pharmaceutical Cannabis” in the UK of \$2.8 million.

The company said it had a cash burn of \$2,177,000 for the three months to December 31, with cash and equivalents of \$10,254,000 at December 31, 2021.

Althea was unchanged at 23.5 cents.

MURRAY COD AUSTRALIA

Murray Cod says directors Mathew Ryan and Roger Commins have exercised 60,000,000 options, raising \$4.5 million, with Mr Commins also trading shares.

Murray Cod said Mr Ryan exercised 40,000,000 options at 7.5 cents each, with Mr Commins exercising 20,000,000 options at 7.5 cents each.

The company said the options were issued as partial consideration for the acquisition of the Murray Cod aquaculture assets and land as part of its 2017 relisting on the ASX.

Murray Cod said that Mr Commins bought 7,000,000 shares in an off-market transaction at 31 cents a share and sold 4,000,000 shares at 5.0 cents a share “to a family member, no longer representing a relevant interest to Mr Commins”, and 544,000 to an entity associated with director Ross Anderson at 31 cents a share.

Murray Cod fell two cents or 6.35 percent to 29.5 cents.

MURRAY COD AUSTRALIA

Australian Super says it has increased and been diluted in Murray Cod Australia from 61,837,695 shares (10.67%) to 71,394,263 shares (9.33%).

Australian Super told Ag & Vet Weekly it acquired 9,556,568 shares at 33.5 cents a share in the recent \$31.5 million capital raising (AVW: Nov 19, Dec 17, 2021).

SELECT HARVESTS

Melbourne's United Super Pty Ltd as trustee for Cbus says it has become substantial in Select Harvests with 6,701,652 shares or 5.57 percent.

United Super said it held 5,642,582 shares and Media Super held 1,059,070 shares and the two funds had "entered into a successor fund transfer deed under which the assets of Media Super will be transferred to United Super".

Select Harvests fell one cent or 0.2 percent to \$5.56 with 430,011 shares traded..

MEMPHASYS

Memphasys says director Andrew Goodall has sold a \$1.35 million convertible note to the Peters Investments, a major shareholder in the company.

Memphasys said that should the note be converted under the company's current capital structure, the Cottesloe, Western Australia-based Peters Investments would own about 32 percent of the company.

In 2019, Peters Investments said it held 205,000,000 Memphasys shares or 27.93 percent of the company (AVW: Nov 22, 2019).

Today, the company said that Mr Goodall had sold the note "to fund the purchase of a rural property" in New South Wales.

Memphasys said that the terms of the note were unchanged.

Last year, Memphasys said that Peters Investments had invested \$1.65 million and Mr Goodall \$1.35 million through convertible notes, at 8.0 percent per annum and a 3.0 percent "facilitation fee", converting at the lower of 6.0 cents a share or a 20 percent discount to any capital raising prior of more than \$1,000,000 prior to the repayment date of December 31, 2022, and with one unlisted option for every dollar, exercisable at six cents each by December 31, 2023 (AVW: May 28, 2021).

Memphasys fell 0.1 cents or 1.2 percent to eight cents.

CANN GROUP

Cann says New Zealand's Rua Biosciences has approved the proposed acquisition of Auckland's Zalm Therapeutics, of which Cann owns 8.36 percent.

In November, Cann said it would sell its interest in Zalm Therapeutics to the Rua marijuana company for scrip (AVW: Dec 3, 2021).

Today, Cann said Rua shareholders voted to approve the proposal.

Cann Group was unchanged at 28.5 cents.

CRESO PHARMA

Creso says it has appointed William Lay as managing-director, Micheline MacKay as executive director and Bruce Linton as a non-executive director.

Creso said that Mr Lay was previously the company's head of strategy, origination and operations, and previously worked at the Montreal, Canada-based BMO Capital Markets, and later at the Smiths Falls, Canada-based Canopy Growth.

The company said that Ms MacKay was currently the corporate manager of Creso's Canadian subsidiary Mernova, and had more than 22 years' experience in regulatory environments.

Creso said that Mr Linton had been appointed director in addition to his role as a consultant for the company, and was the founder and chairman of Canopy Group.

Creso fell 0.3 cents or 3.3 percent to 8.7 cents with 3.3 million shares traded.

CANN GLOBAL

Cann Global says a proposal to issue \$312,000 in shares to former chair Pnina Feldman is part of a settlement negotiated following her resignation on August 30, 2021.

Cann Global said the shares would be issued to Ms Feldman's company, Australian Gemstone Mining Pty Ltd, which until her resignation had provided office administration, accounting, secretarial and geological staff as well as the executive services of Pnina Feldman and ongoing chief executive officer Sholom Feldman to Cann Global through a management services agreement.

The company said that salaries were not paid directly by Cann Global to Ms Feldman or Mr Feldman or to any of the Australian Gemstone Mining staff other than the payments made to Australian Gemstone Mining for their services.

Cann Global said that the share issue to Australian Gemstone Mining was "equivalent to one year's salary to Ms Feldman for her services or six months' payment for both Ms Feldman and Mr Feldman".

The company said it would ask shareholders to vote on a 25-to-one consolidation of its share capital "with a view to increasing the share price, with the intention of having a more solid base with which to attract new investors leading to enhanced liquidity".

Cann Global was unchanged at 0.3 cents with 17.2 million shares traded..