

# Ag & Vet Weekly



Monday October 3 - Friday October 7, 2022

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

- \* **ASX DOWN, AVW-42 EVEN: CRESO UP 25%; NEXT SCIENCE, RLF DOWN 6%**
- \* **A2 MILK, CSFA RENEW 5-YEAR CHINA DISTRIBUTION**
- \* **BUBS: US FDA 'CLEAR PERMANENT PATH' FOR INFANT FORMULA**
- \* **EPSILON: \$600k MISSING FROM \$1.55m PLACEMENT**
- \* **PHARMAUST DOSES 1<sup>st</sup> MONEPANTEL MND PATIENT**
- \* **CRESO RECRUITS PHASE II PSILOCYBIN PTSD TRIAL**
- \* **ANATARA HALTS 100-PATIENT 3FDC TRIAL FOR 'INSUFFICIENT SAMPLE SIZE'**
- \* **ASIC REGISTERS COOKE-TASSAL TAKEOVER SCHEME BOOKLET**
- \* **CANN GROUP: MILDURA MARIJUANA LICENCE EXTENDED**
- \* **ANATARA RECEIVES \$480k FEDERAL R&D TAX INCENTIVE**
- \* **AUSTRALIAN RETIREMENT BELOW 5% IN NUFARM**
- \* **CFO DEBORAH AMBROSINI REPLACES CANN CO SEC GERALDINE FARRELL**
- \* **MGC APPOINTS NEW UK ADVISOR; EXECUTIVE CHANGES**

## MARKET REPORT

The Australian stock market fell 0.8 percent on Friday October 7, with the ASX200 down 54.7 points to 6,762.8 points. Fifteen of the AVW-42 stocks were up, 15 fell, seven traded unchanged and five were untraded.

Creso was the best, up 0.8 cents or 25 percent to four cents, with 86.9 million shares traded. Terragen climbed 20 percent; Althea and Elixinol were up more than 17 percent; Cann Group rose 13.5 percent; Avecho improved 10 percent; Anatara was up 9.1 percent; Memphasys climbed 5.9 percent; both Epsilon and Food Revolution were up 4.35 percent; Wellnex was up 3.85 percent; Murray Cod rose 2.9 percent; Australian Agricultural was up 1.7 percent; with Elders and Nufarm up by less than one percent.

Next Science and RLF led the falls, both down 6.25 percent to 75 cents and 15 cents, respectively, with 45,850 shares and 25,000 shares traded, respectively. Cobram fell 4.2 percent; Botanix was down 3.2 percent; Apiam shed 2.6 percent; Bubs, Costa, Pharmaust, Select Harvests and Tasfoods were down more than one percent; with Bega, Clean Seas, Fonterra, Synlait and Tassal down by less than one percent.

## A2 MILK

A2 Milk says it has renewed its exclusive distribution deal with China State Farm Agribusiness Shanghai for an additional five years, effective from October 1, 2022.

A2 said China State Farm Agribusiness (CSFA) had been its distribution partner in China since 2013 and was its exclusive import agent for its China label products.

A2 managing-director David Bortolussi said the company was “pleased that our long-standing arrangements with China State Farm have been renewed for a term of five years through to the end of September 2027”.

“The extension of arrangements with China State Farm confirms the strength of our relationship with key partners in China,” Mr Bortolussi said.

A2 Milk was unchanged at \$5.51 with 2.7 million shares traded.

## BUBS AUSTRALIA

Bubs says the Food and Drug administration has provided a “cleared regulatory pathway for permanent market access for Bubs infant formula products” in the US.

Bubs said that under the ‘FDA Guidance for Industry Infant Formula Transition Plan for Exercise of Enforcement Discretion’ it would receive a clear regulatory pathway and framework of requirements for its infant formula products to gain permanent access without interruption of supply to American families.

The company said that provided it made “meaningful progress towards compliance with the transition plan” its enforcement discretion would be extended until October 2025.

Bubs chief executive officer Kirsty Carr said the company was “pleased to announce confirmation of our continued commitment to work with the US Food and Drug Administration and welcome this important FDA announcement which provides a clear pathway for a select number of safe, nutritious, international infant formula brands to secure permanent regulatory approval”.

“Since first receiving a green light from the FDA on May 27, 2022, allowing Bubs to import all six of our ... products into the United States, we have worked closely with the [US President Joe] Biden Administration, the US Department of Health and Human Services, the FDA, and leading retailers across the country to ensure continued supply of Bubs Infant Formula were directed to those areas with the greatest need,” Ms Carr said.

“Importantly, the FDA announcement also provides continued support for the ongoing expansion of our US distribution footprint, as we look forward to launching Bubs Infant Formula products in various new retail groups in the months ahead,” Ms Carr said.

Bubs fell one cent or 1.9 percent to 51.5 cents with 1.1 million shares traded.

## EPSILON HEALTHCARE

Epsilon says it has not received \$500,000 of \$1,550,005 raised in its placement at 2.75 cents a share and that an application worth \$99,995 was not executed.

In September, Epsilon said it had “firm commitments” to raise up to \$1.65 million in a placement at 2.75 cents a share (AVW: Sep 2, 2022).

This week, the company said that “one firm applicant” had not provided the funds or executed documents for \$99,995, and it was yet to receive a further \$500,000 and it was “pursuing that applicant for the amount owed to the company”.

Epsilon said that it would find a replacement investor for the applicant and that it would receive and apply the replacement investor’s proceeds against the \$500,000 it was owed.

The company said that it expected to complete the share sale in “the coming weeks”.

Epsilon was up 0.1 cents or 4.35 percent to 2.4 cents.

## PHARMAUST

Pharmaust says it has dosed the first of 12 patients in its phase I/II trial of monepantel for motor neurone disease and has ethics approval for “small amendments” to the protocol. Pharmaust said the trial would assess the safety and tolerability of monepantel in patients living with motor neurone disease, otherwise known as Lou Gehrig’s disease or amyotrophic lateral sclerosis, which along with concurrent animal studies, would determine whether monepantel should proceed to larger phase II studies. In 2020, the company said it had received an \$881,085 grant for a phase I trial of monepantel for motor neuron disease from the charity Fight MND (AVW: Sep 25, 2020). Today, Pharmaust said it had received a third instalment from Fight MND worth \$173,035. Pharmaust fell 0.1 cents or 1.3 percent to 7.6 cents.

## CRESO PHARMA

Creso says its Canadian subsidiary Halucenex Life Sciences has recruited the 20 patients for its phase II trial of synthetic psilocybin for post-traumatic stress disorder. Previously, Creso said Health Canada approved the trial for treatment-resistant post-traumatic stress disorder (PTSD) including cohorts using selective serotonin reuptake inhibitors (SSRIs or anti-depressants) (AVW: Jul 22, Sep 16, 2022). Today, the company said the phase II, single-arm, open-label trial would “determine the feasibility of future trials of psilocybin in this indication” and would include military veterans, police, firefighters, emergency medical responders, psychologists, security officers and solicitors, with each participant exhibiting symptoms associated with PTSD as well as other mental illnesses including anxiety, suicidal thoughts, attention deficit hyperactivity disorder, obsessive compulsive disorder, depression and anger. Creso said that Halucenex would use its psilocybin aqueous solution Lucenex, in 10mg and 25mg formats, and it expected the trial to be completed by December 14, 2022. Halucenex chief executive officer Bill Fleming said his company had “been receiving a steady stream of inquiries since news of the trial was announced and we are very pleased to have completed the patient recruitment process in such an efficient manner”. “Halucenex will now begin preparing its relevant treatment facilities for first dosages, which will be administered within the next two weeks,” Mr Fleming said. Creso was up 0.8 cents or 25 percent to four cents with 86.9 million shares traded.

## ANATARA LIFE SCIENCES

Anatara says it has halted its 100-participant randomized, controlled study of 3FDC in adults with moderate anxiety, stress and depression due to an insufficient sample size. In February, Anatara said the study would be conducted by the Commonwealth Science and Industry Research Organisation in Adelaide (AVW: Feb 18, 2022). This week, the company said “the sample size required to detect a signal in this study may be higher than initially proposed to reach a reliable outcome”, it was common for anxiety and depression trials to have high placebo responses but it chose to halt the study on the balance of outcome probability rather than considering a commitment to significant costs. Anatara said that there were “no concerns around safety or tolerance with 3FDC components to date”. The company said that 3FDC was the subset of three components of the pineapple stem bromelain-based “gastro-intestinal re-programming”, or Garp, compound being investigated for irritable bowel syndrome. Anatara was up 0.5 cents or 9.1 percent to six cents.

### TASSAL GROUP

Tassal says its scheme booklet for the proposed Canada-based Cooke Inc takeover has been registered with the Australian Securities and Investments Commission.

In August, Tassal said that Canada's Cooke had offered \$5.23 a share valuing the company at \$1,123,514,777 (AVW: Aug 19, 2022).

Last week, Tassal said the Supreme Court of New South Wales had approved the meeting for shareholders to vote on the Cooke Inc takeover (AVW: Sep 30, 2022).

Tassal fell one cent or 0.2 percent to \$5.18 with 367,203 shares traded.

### CANN GROUP

Cann Group says the good manufacturing practice licence for its Mildura Marijuana factory has been extended to cover "additional manufacturing capabilities".

In July, Cann said the Australian Therapeutic Goods Administration had granted its Mildura factory a good manufacturing practice (GMP) licence to produce active pharmaceutical ingredients at the factory, manufacture Satipharm capsules, conduct chemical, physical and microbiological tests and distribute its products through the TGA's approved access pathways (AVW: Jul 1, 2022).

Today, the company said the licence extension allowed the Mildura factory to manufacture and release finished dried flower products for patient use.

Cann said that cultivation, manufacturing, testing, and packaging were being offered as a service to commercial clients.

Cann Group was up 3.5 cents or 13.5 percent to 29.5 cents with 1.6 million shares traded.

### ANATARA LIFESCIENCES

Anatara says it has received \$479,984 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Anatara said the rebate related to research and development expenditure for the year to June 30, 2022.

### NUFARM

Australian Retirement Trust Pty Ltd says it has ceased its substantial holding in Nufarm.

In May, the Brisbane-based Australian Retirement Trust said it had become substantial in Nufarm with 19,087,908 shares or 5.023 percent.

Today, the company said that between May 25 and September 29, 2022 it bought and sold shares, with the most recent sale 452,388 shares for an average of \$5.13 a share.

Nufarm was up one cent or 0.2 percent to \$5.05 with 2.5 million shares traded.

### CANN GROUP

Cann Group says chief financial officer Deborah Ambrosini will replace company secretary Geraldine Farrell, effective from October 25, 2022.

Last year, Cann Group said it had appointed Ms Ambrosini as its chief financial officer replacing Greg Bullock (AVW: Aug 27, 2021).

### MGC PHARMACEUTICALS

MGC says it has appointed Hannam & Partners its UK advisor, Yifat Steuer as its chief operating officer, with chair Brett Mitchell moving from executive to non-executive.

In 2021, MGC said it had opened on the London Stock Exchange following a GBP6.5 million (\$A11.6 million) 'oversubscribed' placement at 1.475 British pence (2.64 Australian cents) (AVW: Feb 5, 2021).

The company said at the time, that the capital raising was managed by Turner Pope and its financial adviser was PKF.

This week, MGC said the appointment of Hannam & Partners as its UK financial and corporate advisors would take effect immediately.

The company said Ms Steuer had previously worked for Johnson & Johnson and Glaxosmithkline and held a Bachelor of Arts from Tel Aviv University and a Master of Business studies from London's City University Bayes Business School.

MGC was unchanged at 1.5 cents with three million shares traded.