

Ag & Vet Weekly



Monday November 7 - Friday November 11, 2022

All the news on ASX-listed agriculture and veterinary companies

- * **ASX, AVW-42 UP: WIDE OPEN UP 25%; SEAFARMS DOWN 10%**
- * **NSW COURT APPROVES TASSAL-COOKE SCHEME; GOODBYE TASSAL**
- * **ABARES CONFERENCE 2023: 'GLOBAL UNCERTAINTY, LOCAL CHALLENGES'**
- * **RABOBANK EXTENDS ELDERS LOAN TO \$300m, TERM**
- * **BOTANIX OPENS \$3m SHARE PLAN**
- * **CANN GROUP, GSK OTC MARIJUANA CAPSULES DEAL**
- * **ALTHEA, NIMBUS TO SELL EACH OTHER'S MARIJUANA PRODUCTS**
- * **CRESO, SIERRA SAGE 'GREEN GOO' COSMETICS FOR CANADA**
- * **ECOFIBRE AGM BLOCKS CONSTITUTION CHANGE**
- * **PHARMAUST AGM PASSES ALL VOTES; 14.5% DISSENT**
- * **ALTHEA 8.35m MD JOSHUA FEGAN RIGHTS AGM**
- * **A2 MILK STARTS 37m SHARE BUYBACK**
- * **IOOF, INSIGNIA TAKE 6.1% OF BOTANIX**
- * **FOUNDER, CTO DR MATTHEW MYNTTI REDUCES TO 5.95% IN NEXT SCIENCE**
- * **SG HISCOCK TAKES 7.2% OF ALTHEA**
- * **\$1m DAVID SURVEYOR TO REPLACE SELECT HARVESTS M-D PAUL THOMPSON**
- * **FONTERRA APPOINTS NEIL BEAUMONT CFO**
- * **A2 APPOINTS CHOPIN ZHANG SUPPLY CHAIN CHIEF**

MARKET REPORT

The Australian stock market was up 2.79 percent on Friday November 11, with the ASX200 up 194.0 points to 7,158.0 points. Twenty-three of the AVW-42 stocks were up, six fell, eight traded unchanged and five were untraded.

Wide Open was the best on no news, up six cents or 25 percent to 30 cents, with 473,113 shares traded. Both RLF and Terragen climbed 9.1 percent; Murray Cod was up 7.1 percent; Memphasys improved 6.25 percent; Anatara and Botanix were up more than five percent; Ecofibre and Nufarm climbed more than four percent; Clean Seas, Costa, Creso, Elixinol and Epsilon were up more than three percent; Apiam and Bega rose more than two percent; Althea, Clover, Elders, Fonterra, Select Harvests and Synlait were up more than one percent; with A2 up by 0.2 percent.

Seafarms led the falls, down 0.1 cents or 10 percent to 0.9 cents, with 1.3 million shares traded. Nanollose lost 8.05 percent; MGC fell 7.7 percent; Next Science shed 2.7 percent; with Australian Agricultural and Ridley down by less than one percent.

TASSAL GROUP

Tassal says the New South Wales Supreme Court has approved the Cooke Inc scheme of arrangement to acquire its shares for \$5.23 a share or \$1,123,514,777.

Last week, the company said the scheme meeting overwhelmingly approved the scheme of arrangement for a takeover by the Black's Harbour, New Brunswick-based Cooke Aquaculture (AVW: Aug 19, Nov 4, 2022).

Today, Tassal said it expected its shares to be suspended from trading on the ASX from the close of trading on November 9, 2022.

The company said the implementation date for the scheme, when shareholders would receive \$5.23 for each share was expected to be November 21, 2022.

Tassal closed at \$5.22.

BUREAU OF AGRICULTURAL AND RESOURCE ECONOMICS AND SCIENCES

Abares says the theme for its annual outlook conference in 2023 will be 'global uncertainty, local challenges', and will be held in person after two years online.

The Australian Bureau of Agricultural and Resource Economics and Sciences said the conference would be held in Canberra on March 7 and 8, 2023.

The Bureau said the conference would include speakers at 12 sessions on issues including world economics and international trade.

Abares executive director Jared Greenville said "the return of the physical format will be an opportunity for us to re-connect with our stakeholders and explore the key themes in detail and in person".

"Outlook 2023 will offer informed and expert insight for our producers, industry and government partners as they navigate these uncertain times," Dr Greenville said.

"We're looking forward to people coming together to share their experiences and ideas on how Australian agriculture can drive value and sustainability and innovate, to be successful," Dr Greenville said.

"The Abares Outlook conference has a proud history of over 50 years as the primary agenda-setting event on the agricultural calendar," Dr Greenville said.

"Outlook 2023 will attract delegates from state and federal government departments and agencies, universities, farmers, banking and finance, industry representative bodies and many others," Dr Greenville said.

Dr Greenville said that registration for the March 7 to 8, 2023 would open soon.

ELDERS

Elders says it has refinanced its loan with Rabobank, increasing the limit from \$225 million to \$300 million and extending the term by 12 months to December 31, 2024.

Elders did not disclose the interest rate.

Elders was up 16 cents or 1.2 percent to \$13.25 with 701,247 shares traded.

BOTANIX PHARMACEUTICALS

Botanix says its share plan to raise up to \$3 million, at 6.3 cents a share, has opened.

In October, Botanix said Antares Capital had committed to a \$5 million placement and it would offer a non-underwritten share plan (AVW: Nov 4, 2022).

Today, the company said the record date was October 28 and that the offer would close on November 23, 2022.

Botanix was up 0.3 cents or 5.1 percent to 6.2 cents.

CANN GROUP

Cann Group says it has an agreement with Glaxosmithkline for the commercialization of its over-the-counter Satipharm marijuana cannabidiol (CBD) capsules.

In April, Cann Group said Glaxosmithkline Consumer Healthcare Australia, trading as Haleon, would pay GBP100,000 (\$A173,000) to evaluate its Satipharm capsules and would have 60 days' exclusivity from the delivery of its final phase III Satipharm trial report, expected by early 2023, to evaluate the low-dose product (AVW: Apr 8, 2022). This week, the company said it had a non-binding term sheet for the agreement, granting exclusive rights to Haleon, but did not disclose the commercial terms. Cann Group was unchanged at 23 cents.

ALTHEA GROUP HOLDINGS

Althea says it has a memorandum of understanding with Nimbus Health GmbH, to sell and distribute their marijuana products throughout Europe and other countries.

Althea said the Frankfurt, Germany-based Nimbus Health was the medical marijuana subsidiary of the Hyderabad, India-based Dr Reddy's Laboratories and the companies would 'contemplate' a joint project for products in the US, Australia or Europe.

The company did not disclose the commercial terms of the arrangement but said that it would "equally share in the net profits of all Althea Products sold by Nimbus Health".

Althea was up 0.1 cents or 1.5 percent to 6.9 cents.

CRESO PHARMA

Creso says its subsidiary Sierra Sage Herbs will sell its Green Goo plant-based cosmetic and skin-care product range on Amazon in Canada.

Creso said the announcement followed "an extensive product review and registration process with Health Canada".

Creso managing-director William Lay said "the introduction of the Green Goo range in Canada is a logical progression for Sierra Sage Herbs."

"The initial product launch is already yielding units experiencing pleasing revenue, with multiple stock keeping considerable demand," Mr Lay said. "We anticipate that the pending launch on Amazon may underpin additional sales growth."

Creso was up 0.1 cents or 3.85 percent to 2.7 cents with 18.6 million shares traded.

ECOFIBRE

Ecofibre says a special resolution to change the company constitution at its annual general meeting failed with more than 27 percent of votes against the resolution.

Ecofibre said 56,847,496 votes (27.10%) opposed the constitutional change, with 152,889,421 votes (72.9%) in favor with the resolution requiring 75 percent to pass.

The company's notice of meeting said that the changes to the constitution included allowing for ASX changes to the Chess system to allow up to four individuals, rather than the current three, to be joint holders; as well as allowing for wholly virtual meetings.

Ecofibre said all other votes, including the issue of director options, the remuneration report and the election of directors, passed with more than 99.4 percent of votes.

Ecofibre's most recent filing said it had 349,214,551 shares on offer, meaning the votes opposing the new constitution amounted to 16.3 percent of the company, sufficient to requisition extraordinary general meetings.

Ecofibre was up one cent or 4.3 percent to 24.5 cents.

PHARMAUST

Pharmaust says all three resolutions at its annual general meeting were passed, but with up to 14.5 percent opposition to its remuneration report.

Pharmaust said 13,665,586 votes (14.50%) opposed the adoption of the remuneration report, with 80,604,155 votes (85.50%) in favor.

The company said director Robert Bishop was re-elected with 89.34 percent in favor, while the 10 percent placement facility was passed by 86.88 percent but with 16,051,816 votes against - the largest number of opposition votes.

According to its most recent filing, Pharmaust had 316,912,383 shares on offer, meaning that the 16,051,816 votes against the 10 percent placement facility amounted to 5.065 percent, sufficient to requisition extraordinary general meetings.

Pharmaust was unchanged at 8.2 cents.

ALTHEA GROUP HOLDINGS

Althea says its annual general meeting will vote to issue 8,349,610 performance rights to managing-director Joshua Fegan.

Althea said shareholders would vote to issue 339,844 short-term and 509,766 long-term performance rights to Mr Fegan, vesting on 'absolute total shareholder return' and 7,500,000 long-term performance rights which would vest on the company achieving a minimum of \$100 million in revenue in any 12-month rolling period, all expiring on June 30, 2025.

The company said the meeting proposed to re-elect Alan Boyd as a non-executive director, approve the 10 percent placement facility and adopt the remuneration report.

The meeting will be held online on November 29, 2022 at 5pm (AEDT) at:

<https://us06web.zoom.us/j/4396532796>.

A2 MILK

A2 Milk says it has started its on-market buyback of up to 37,180,621 shares, worth up to \$NZ150 million (\$A138.0 million).

In September, A2 Milk said it expected the buy-back to begin on October 5 and run for 12 months (AVW: Sep 30, 2022).

At that time, A2's most recent filing said it had 743,656,528 shares on issue and Ag & Vet Weekly calculated the buyback would be for about five percent of the company.

A2 Milk was up one cent or 0.2 percent to \$5.84 with 4.7 million shares traded.

BOTANIX PHARMACEUTICALS

Insignia Financial, a subsidiary of the Independent Order of Odd Fellows (IOOF) Holdings, says it has become substantial in Botanix with 70,717,484 shares or 6.117 percent.

The Melbourne-based IOOF said it participated in a placement through the Sydney-based Antares Capital Partners on November 7, 2022 and bought 70,717,484 shares for \$4,455,201 or 6.3 cents a share.

Earlier this month, Last month, Botanix said it had a commitment for a \$5 million placement at 6.3 cents a share to Antares Capital (AVW: Nov 4, 2022).

NEXT SCIENCE

Founder and chief technology officer Dr Matthew Myntti says he has reduced his holding in Next Science from 14,068,000 shares (7.11%) to 12,774,989 shares (5.95%).

Dr Myntti said between November 5, 2021, and November 4, 2022, he sold, transferred and was diluted, with the largest sale 430,000 shares for \$346,946, or 81 cents a share. Next Science fell two cents or 2.7 percent to 71 cents.

ALTHEA GROUP

Sydney's SG Hiscock says it has increased its substantial holding in Althea from 18,969,215 shares (6.07%) to 27,540,850 shares (7.24%).

SG Hiscock did not disclose acquisition details as required by the Corporations Act 2001.

SELECT HARVESTS

Select Harvests says David Surveyor will replace managing director and chief executive officer Paul Thompson "in early 2023".

Select Harvests said Mr Thompson had been with the company for 10 years at July 16, 2022 and would remain to assist the company with the transition.

The company said Mr Surveyor was currently Alliance Group's chief executive, was previously Laminex general-manager, had worked for BHP Australia and Bluescope Lysaght and held a Bachelor of Economics from the University of Western Australia.

Select Harvests said Mr Surveyor would receive total fixed remuneration of \$1,050,000 including superannuation, with short-term incentives up-to 80 percent of that total and long-term incentives up to 160 percent, subject to conditions and shareholder approval. Select Harvests was up six cents or 1.1 percent to \$5.48 with 220,758 shares traded.

FONTERRA SHAREHOLDERS FUND

Fonterra says it has appointed Neil Beaumont as its chief financial officer to replace acting chief financial officer Chris Rowe, effective from February 2023.

In August, Fonterra said group finance director Mr Rowe had been appointed interim chief financial officer following the resignation of Marc Rivers (AVW: Aug 26, 2022).

The company said that Mr Beaumont was most recently the Canada Pension Plan Investment Board senior managing-director, had worked for BHP Billiton and KPMG and held a Bachelor of Commerce from the University of Saskatchewan.

Fonterra was up four cents or 1.45 percent to \$2.79.

A2 MILK CO

A2 Milk says it has appointed Chopin Zhang as its Auckland-based chief supply chain officer, effective November 14, 2022.

A2 Milk said Mr Zhang had 35 years' experience in supply chain management, most recently as Yashili chief executive officer and executive director, Food Union greater China chief executive officer, and Danone operations and supply chain director.