

Ag & Vet Weekly



Monday February 27 - Friday March 3, 2023

All the news on ASX-listed agriculture and veterinary companies

- * ASX UP, AVW-41 DOWN: SUSTAINABLE NUTRITION UP 18%; EPSILON DOWN 8%
- * TASFOODS REVENUE UP 2% TO \$71.6m, LOSS UP 53% TO \$16.5m
- * BUBS H1 REVENUE DOWN 6% TO \$31.5m, LOSS UP TO \$44.4m
- * FOOD REVOLUTION H1 REVENUE UP 12% TO \$24m, LOSS UP 17% TO \$1m
- * SEAFARMS H1 REVENUE UP 4.8% TO \$16m, LOSS DOWN 67% TO \$12.5m
- * ALTHEA H1 REVENUE UP 26% TO \$11.8m, LOSS UP 33% TO \$9.4m
- * NEXT SCIENCE REVENUE UP 31% TO \$17m; LOSS UP 36% TO \$19m
- * MURRAY COD H1 REVENUE UP 25% TO \$6m, LOSS DOWN 88% TO \$365k
- * ELIXINOL REVENUE DOWN 24.5% TO \$7.05m, LOSS DOWN 40% TO \$10.65m
- * CRESO REVENUE UP 40% TO \$8.7m, LOSS UP 9.2% TO \$33m
- * EPSILON REVENUE UP 26% TO \$7m, LOSS DOWN 15.4% TO \$12.6m
- * RLF H1 REVENUE DOWN 15.7% TO \$2.8m, LOSS DOWN 5% TO \$3.2m
- * ELDERS BUYS EMMS MOONEY LIVESTOCK, REAL ESTATE
- * CANN SETTLES \$5.5m SOUTHERN FACILITY SALE TO SATIVITE
- * WIDE OPEN: \$12m NAB LOANS FOR PLANT-BASED DRINKS
- * MGC UK BROKER CHANGE; ROWAN HARLAND, ARRON CANICAIS CO CO SECS
- * PHARMAUST MONEPANTEL MND TRIAL INTERIM ANALYSIS
- * PHARMAUST MONEPANTEL FOR CANCER EURO PATENT
- * ROOTS 12-TO-1 CONSOLIDATION EGM
- * CITIGROUP TAKES 6.5% OF COSTA
- * PERPETUAL TAKES 7.4% OF CLOVER
- * RLF APPOINTS RAJ AGGARWAL CARBON STRATEGIST
- * SELECT HARVESTS LOSES DIRECTORS FIONA BENNETT, FRED GRIMWADE
- * MEMPHASYS APPOINTS DR DAVID ALI BUSINESS DEVELOPMENT DIRECTOR
- * LEONIE GUINEY REPLACES FONTERRA MILK PRICE PANEL BRENT GOLDSACK

MARKET REPORT

The Australian stock market was up 0.39 percent on Friday March 3, 2023, with the ASX200 up 28.2 points to 7,283.6 points. Ten of the AVW-41 stocks were up, 15 fell, nine traded unchanged and seven were untraded.

Sustainable Nutrition was the best, up 0.3 cents or 17.65 percent to two cents, with 60,541 shares traded. Althea climbed 8.9 percent; Pharmaust was up 6.25 percent; Wellnex was up 4.55 percent; Cann Group and Rare Foods were up more than one percent; with Cobram, Costa, Elders and Select Harvests up by less than one percent.

Epsilon led the falls, down 0.2 cents or 8.3 percent to 2.2 cents, with 360,240 shares traded. Tasfoods lost 5.1 percent; Next Science fell 4.2 percent; Murray Cod was down 3.3 percent; Botanix, Bubs, Ecofibre, RLF and Wide Open shed two percent or more; Bega and Nanollose were down more than one percent; with A2, Australian Agricultural, Nufarm and Ridley down by less than one percent.

TASFOODS

Tasfoods says revenue for the year to December 31, 2022 was up 2.2 percent to \$71,615,000 with net loss after tax up 53.4 percent to \$16,478,000.

Tasfoods said revenue included \$31,213,000 from sales of its dairy products, \$39,858,000 from sales of poultry and \$423,000 from sales of wasabi and other products.

The company said diluted loss per share was up 32.1 percent to 4.03 cents, net tangible assets per share fell 35.1 percent to 3.7 cents, and it had cash and cash equivalents of \$351,000 at December 31, 2022 compared to \$1,450,000 at December 31, 2021.

Tasfoods fell 0.2 cents or 5.1 percent to 3.7 cents.

BUBS AUSTRALIA

Bubs says revenue for the six months to December 31, 2022 was down 6.4 percent to \$31,483,624 with net loss after tax up from \$601,925 to \$44,398,464.

Bubs said the loss included a \$20.0 million non-cash impairment of "certain intangible assets" from its subsidiary Melbourne-based Deloraine Dairy, due to its resubmission of its Chinese State Administration for Market Regulation registration application that would allow it to sell its goat-milk infant formula in China.

The company said cost of sales increased \$8 million, with administrative and other costs up \$9 million.

Bubs said revenue came from sales of its infant formula, with 31 percent from the US, but had been impacted by supply disruptions due to increased Covid outbreaks in China.

Bubs said that in the US since June 2022, it had "rapidly scaled its retail footprint, which now stands at over 6,500 stores across 42 states, including the four largest retailers of infant formula: Walmart, Target, Kroger and Albertsons-Safeway, as well as health food chains like Whole Foods, baby chains, drug stores, and [electronic] commerce marketplaces like Amazon".

The company said diluted loss per share was six cents, down from zero cents at December 31, 2021, with net tangible assets per share up 58.0 percent to 11.9 cents.

The company said it had cash and cash equivalents of \$51,415,682 at December 31, 2022, compared to \$30,630,197 at December 31, 2021.

Bubs fell half a cent or two percent to 25 cents with 1.75 million shares traded.

FOOD REVOLUTION GROUP

Food Revolution says revenue for the six months to December 31, 2022 was up 12.1 percent to \$24,363,492, with net loss after tax up 16.6 percent to \$1,167,108.

Food Revolution said revenue came primarily from sales of its Juice Lab branded juice, co-packing and ingredient sales and warehousing.

The company said diluted loss per share was up 9.1 percent to 0.12 cents, with net tangible assets per share down 42.35 percents to 0.49 cents.

Last year, Food Revolution said its net tangible assets per share was 0.21 cents, while this week's half year report said it was 0.85 cents (AVW: Feb 25, 2022).

The company said it had cash and cash equivalents of \$733,941 at December 31, 2022, compared to \$878,258 at December 31, 2021.

Food Revolution was unchanged at 2.6 cents.

SEAFARMS GROUP

Seafarms says revenue for the six months to December 31, 2022 was up 4.8 percent to \$15,925,138 with restated net loss after tax down 67.3 percent to \$12,640,637.

Seafarms said revenue came primarily from the sale of black tiger and banana prawns but that "all construction work on Project Sea Dragon has ceased and the company continues to undertake works to maintain all permits and approvals".

In February, the company said that it had requested a voluntary suspension from the ASX and that its subsidiary Project Sea Dragon Pty Ltd had been placed in voluntary administration (AVW: Feb 17, 2023).

Today, Seafarms said that its net loss after tax for the six months to December 31, 2022 was "\$24,862,326 lower than [the] prior period primarily due to a reduction of construction expenditure on Project Sea Dragon".

Seafarms said diluted loss per share was down 69.4 percent to 0.26 cents with net tangible assets per share down 60.0 percent to 0.8 cents.

The company said it had cash and cash equivalents of \$20,426,850 at December 31, 2022 compared to \$69,991,695 at December 31, 2021.

Seafarms was in a suspension and last traded at 0.8 cents.

ALTHEA GROUP HOLDINGS

Althea says revenue for the six months to December 31, 2022 was up 25.9 percent to \$11,810,000 with net loss after tax up 32.9 percent to \$9,360,000.

Althea said revenue came from its sales and distribution of recreational marijuana and medical marijuana products in Australia, the UK and Canada, primarily through its Concierge prescription platform.

The company said that employee benefits increased, along with distribution expenses and "professional services".

The company said diluted loss per share was up 16.7 percent to 2.80 cents with net tangible backing per share down 33.3 percent to 4.77 cents.

Last year, the company said that net tangible asset backing per share was 8.76 cents which would mean that the net tangible asset backing per share fell 45.5 percent to 4.77 cents (AVW: Feb 25, 2022).

Althea said it had cash and cash equivalents of \$3,095,000 at December 31, 2022, compared to \$9,874,000 at December 31, 2021.

Althea was up 0.4 cents or 8.9 percent to 4.9 cents with 1.6 million shares traded.

NEXT SCIENCE

Next Science says revenue for the year to December 31, 2022 was up 30.9 percent to \$US11,712,722 (\$A17,354,000) with net loss after tax up 35.7 percent to \$US12,683,312 (\$A18,792,000).

Next Science said its revenue mainly came from its Xperience, Bactisure, Blastx and Surgx products to counter biofilms in chronic wound care and post-operative surgical complications, as well as product sales through its durable medical equipment business in October, 2022.

The company said diluted loss per share was up 26.9 percent to 6.03 US cents, with net tangible assets per share down 37.0 percent to 2.62 US cents.

Next Science said it had cash and cash equivalents of \$US5,073,625 at December 31, 2022 compared to \$US7,000,869 at December 31, 2021.

Next Science fell three cents or 4.2 percent to 69 cents.

MURRAY COD AUSTRALIA

Murray Cod says revenue for the six months to December 31, 2022 was up 25.0 percent to \$6,053,724, with net loss after tax down 88.0 percent to \$365,892.

Murray Cod says revenue was primarily from sales of its Aquana-branded Murray cod fish. The company said diluted loss per share was down 89.3 percent to 0.046 cents, with net tangible assets up 11.1 percent to 10.0 cents.

Murray Cod said it had cash and cash equivalents of \$17,034,086 at December 31, 2022, compared to \$29,299,013 at December 31, 2021.

Murray Cod fell half a cent or 3.3 percent to 14.5 cents.

ELIXINOL GLOBAL

Elixinol says revenue for the year to December 31, 2022 was down 24.4 percent to \$7,055,000 with net loss after tax down 37.9 percent to \$10,571,000.

Elixinol said revenue was from sales of its marijuana and hemp-based food additives and cosmetics.

The company said diluted loss per share was down 38.3 percent to 3.34 cents, with net tangible assets down 50.7 percent to 3.04 cents.

Elixinol said it had cash and cash equivalents of \$2,864,000 at December 31, 2022, compared to \$12,649,000 at December 31, 2021.

Elixinol was unchanged at 2.5 cents.

CRESO PHARMA

Creso says revenue for the year to December 31, 2022 was up 39.7 percent to \$8,689,000 with net loss after tax up 9.2 percent to \$32,782,000.

Creso said its revenue mainly came from the sales of its marijuana products, including Mernova Medicinal recreational marijuana, Sierra Sage beauty products, and its Switzerland production and distribution operations.

Creso said diluted loss per share fell 17.3 percent to 2.24 cents, with net tangible asset backing per share down 76.8 percent to 0.35 cents.

Creso said it had cash and cash equivalents of \$1,388,000 at December 31, 2022, compared to \$7,184,000 at December 31, 2021.

Creso was unchanged at 1.3 cents with 15.6 million shares traded.

EPSILON HEALTHCARE (FORMERLY THE HYDROPONICS CO)

Epsilon says revenue for the year to December 31, 2022 was up 29.4 percent to \$7,112,194 with net loss after tax up 51.7 percent to \$12,667,469.

Epsilon said revenue for its hydroponics equipment, materials and nutrients rose 1.0 percent to \$2,861,800, but medical marijuana fell 13.1 percent to \$4,251,125.

The company said basic loss per share was up 42.3 percent to 6.56 cents, net tangible assets per share fell 36.2 percent to 4.44 cents, and it had cash and cash equivalents of \$861,985 at December 31, 2022 compared to \$2,335,569 at December 31, 2021.

Epsilon fell 0.2 cents or 8.3 percent to 2.2 cents.

RLF (RURAL LIQUID FERTILISERS) AGTECH

RLF says revenue for the six months to December 31, 2022 was down 15.7 percent to \$2,778,000 with net loss down 5.4 percent to \$3,242,000.

RLF said revenue came primarily from the sale of liquid plant nutrition products.

The company said that its China business faced disruptions due to Covid-19 which "impacted the timing of delivering products before the end of December to customers, which affected [its] revenues by 16 percent".

RLF said that since January, 2023 "operations in China have returned to normal levels of operating activity, as the country removed their extensive Covid-19 restrictions".

RLF said that basic loss per share fell 24.1 percent to 1.64 cents, net tangible asset backing per share was up 7,750 percent to 1.57 cents, and it had cash and equivalents of \$5,146,000 at December 31, 2022, compared to \$2,005,000 at December 31, 2021.

RLF fell half a cent or 2.6 percent to 19 cents.

ELDERS

Elders says it has acquired livestock and real estate agency business Emms Mooney, but did not disclose how much it would pay for the company.

Elders said that the purchase consideration was subject to "earn out performance over the next two years" and would be funded using existing debt facilities.

The company said Emms Mooney was expected to add about \$4.3 million earnings before income tax, with locations in Orange, Bathurst, Oberon, Blayney, Molong and Cowra.

The company said that over the last three years, Emms Mooney transacted about 50,000 head of cattle, 190,000 head of sheep and over \$250 million in real estate turnover.

Elders was up three cents or 0.3 percent to \$9.25 with 440,100 shares traded.

CANN GROUP

Cann says it has completed the settlement for the sale of its southern cultivation and manufacturing facility to Brisbane's Sativite Pty Ltd for \$3.1 million.

In December, Cann said Sativite would buy its Melbourne 'Southern' growing and manufacturing facility and associated assets for a total \$5,480,000 (AVW: Jan 23, 2023).

Today, the company said Sativite agreed to acquire its southern facility land and building for \$3.1 million and its business assets for an additional \$1.9 million.

Cann said it would be contracted to manufacture at the facility on behalf of Sativite until it obtained the necessary regulatory approvals to begin manufacturing of its own.

Cann said it would be paid \$480 in access rights by Sativite for certain genetic strains over the next two years.

Cann was up 0.25 cents or 1.45 percent to 17.5 cents.

WIDE OPEN AGRICULTURE

Wide Open says it has four loans worth up-to a total \$12 million from the National Australia Bank to “manufacture plant-based beverages in Australia”.

Wide Open said it had an \$8 million corporate markets loan for the domestic production of its oat milk substitute product, at the floating rate plus 3.25 percent interest over three years.

The company said it had a one year, \$1.5 million “overseas bills purchased facility” and a \$1.0 million “trade refinance facility”, both at the floating rate plus 2.7 percent interest.

Wide Open said it had a \$1.5 million “invoice finance facility”, at 8.24 percent interest over one year.

Wide Open chief executive officer Jay Albany said “the access to debt funding will allow us to continue to grow our presence in plant-based food and beverages and follow through on our commitment to domestic production concurrent with our launch of Buntine protein enhanced oat milks”.

Wide Open fell half a cent or 2.4 percent to 20.5 cents.

MGC PHARMACEUTICALS

MGC says it has UK-based Peterhouse Capital will replace Turner Pope as its lead broker on the London Stock Exchange.

MGC said that Rowan Harland and Arron Canicaïs from Perth’s Smallcap Corporate Pty Ltd would replace David Lim as its Australian joint company secretaries.

In 2021, the company said it has 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, 12, 2021).

At that time, according to the London Stock Exchange, MGC closed on Tuesday night at 2.38 pence (4.25 Australian cents).

Last night, MGC closed on the London Stock Exchange at 0.45 pence (0.8 Australian cents).

MGC was unchanged at 0.8 cents.

PHARMAUST

Pharmaust says it will conduct an interim analysis following dosing the second cohort of its 12-patient, phase I/II trial of monepantel for motor neurone disease.

In February, Pharmaust said it had begun dosing the second cohort with participants receiving 4mg/kg monepantel which was twice the dose of the first patient in the first cohort (AVW: Feb 24, 2023).

Last year, the company said it had completed dosing the first cohort of six patients in its trial for motor neuron disease or amyotrophic lateral sclerosis (AVW: Dec 2, 2022).

This week, Pharmaust said the interim analysis was an approved amendment to the initial protocol and would include treatment-related changes from baseline, analysis of function rating scales, quality of life, cognitive assessment, prognostic indicators and the measurement of several disease-related biomarkers.

Pharmaust said that following the amendment, it would continue with monepantel dose escalation for patients in the third and fourth cohort, subject to safety committee reviews, and that the process may facilitate the optimum dose level or range for a phase II trial.

Pharmaust was up half a cent or 6.25 percent to 8.5 cents.

PHARMAUST

Pharmaust says that the European Patent Office has issued a notice to grant a patent relating to the use of monepantel combinations in cancer.

Pharmaust said that, when granted, the patent, titled 'Pharmaceutical combinations for the treatment of cancer' would protect its intellectual property until October 31, 2034.

The company said that the grant would extend its patent coverage, including granted patents in Australia, the US, China, Japan, Korea, Canada and New Zealand.

ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES

Roots says an extraordinary general meeting will vote to conduct a 12-to-one consolidation, as well as nine resolutions to ratify the issuing of shares and options.

Roots said the annual general meeting would be held at Suite 11, Level 2, 23 Railway Road, Subiaco, Perth Western Australia on March 20, 2023 at 2.30pm (AWST).

Roots was untraded at 0.1 cents.

COSTA GROUP HOLDINGS

Citigroup Global Markets Australia says it has increased its substantial share-holding in Costa from 24,865,374 shares (5.3526%) to 30,008,335 shares (6.4597%).

Today, Citigroup said that on February 23, 2023 it increased and decreased its holdings in multiple transaction but failed to specify the consideration for shares as required under the Corporations Act 2001.

Costa was up two cents or 0.8 percent to \$2.54 with 729,241 shares traded.

CLOVER CORPORATION

Sydney's Perpetual says it has increased its substantial holding in Clover from 10,304,968 shares (6.19%) to 12,371,752 shares (7.408%).

Perpetual said it bought and sold shares between August 24, 2022 and March 1, 2023 with the single largest purchase 681,476 shares for \$804,142, or \$1.18 a share.

Clover was untraded at \$1.25.

RLF (RURAL LIQUID FERTILISERS) AGTECH

RLF says it has appointed Raj Aggarwal as its manager of carbon strategy and corporate development.

RLF said Mr Aggarwal would be responsible for commercializing RLF's provisional patent, titled 'A Methodology for Accumulating Carbon in Soils', in order to generate Australian Carbon Credit Units (ACCUs).

The Australian Energy Regulator website said that an ACCU was an issued credit representing one tonne of carbon dioxide equivalent, stored or avoided by a project.

RLF said that Mr Aggarwal had more than 18 years of experience in energy transition, including work for Macquarie Capital, Woodside Energy, Synergy, and Select Carbon.

The company said that as Select Carbon's head of business development and chief financial officer, he "played a pivotal role in facilitating and managing the sale of Select Carbon to Shell Australia" for the Shell Nature Based Solutions business.

Mr Aggarwal holds a Bachelor of Commerce and a Bachelor of Engineering from the University of Western Australia.

SELECT HARVESTS

In two separate Appendix 3Z final director's notices, Select Harvests directors Fred Grimwade and Fiona Bennett said they had resigned on February 27, 2023. Select Harvests was up two cents or 0.5 percent to \$4.13.

MEMPHASYS

Memphasys says it has appointed Dr David Ali as its director of business development, effective from March 27, 2023.

Memphasys said that Dr Ali would lead business development, sales and marketing activities for all products in development, with initial focus on the Felix sperm separation device.

The company said that Dr Ali had more than 40 years' experience in medical management, business development, sales and marketing for pharmaceutical, medical device and diagnostic companies in human and animal reproduction.

Memphasys said that Dr Ali previously worked for the Commonwealth Scientific and Industrial Research Organisation, Bayer, Astrazeneca, Novo Nordisk and Biogen.

The company said that Dr Ali held a Bachelor of Science Degree and a Doctor of Philosophy from Macquarie University.

Memphasys was untraded at 1.6 cents.

FONTERRA SHAREHOLDERS FUND

Fonterra says director Leonie Guiney will replace Brent Goldsack on its Milk Price Panel. Fonterra was unchanged at \$2.82.