

Ag & Vet Weekly



Monday July 17 - Friday July 21, 2023

All the news on ASX-listed agriculture and veterinary companies

- * **ASX DOWN, AVW-42 UP: ORIGINAL JUICE UP 20.5%; EPSILON DOWN 7%**
- * **QUEENSLAND \$79m FOR START-UPS, INNOVATION**
- * **OZFISH TRIALS SUSTAINABLE BAG-TO-YIELD NATIVE OYSTERS**
- * **WESTERN AUSTRALIA \$5m FOR WIDE OPEN BUNTINE PROTEIN FACTORY**
- * **ECOFIBRE: 132t HEMP SEED DAMAGED IN US TRANSIT**
- * **BOTANIX RAISES \$12.5m TO BUY ROYALTIES**
- * **ALTHEA, TWEED MARIJUANA DRINKS**
- * **FEDERAL COURT ELIXINOL, SUSTAINABLE NUTRITION AUGUST 7 DATE**
- * **L1 TAKES 12% OF NUFARM**
- * **SCOBIE DICKINSON WARD INCREASES, DILUTED TO 16% TERRAGEN**
- * **SAM BROUGHAM, STAMINA, CROFTON DILUTED TO 6% OF TERRAGEN**
- * **PREMIER TAKES 9.9% OF MGC**
- * **BRETT HALL REPLACES CLIMATE ACTION FARMERS CHAIR CHARLIE PRELL**
- * **OSCAR PEARSE REPLACES NSW FARMERS DIRECTOR HELEN CARRIGAN**
- * **CHARLES DARWIN UNI: PAUL BURKE APPOINTED RINA HEAD**

MARKET REPORT

The Australian stock market fell 0.15 percent on Friday July 21, 2023, with the ASX200 down 11.1 points to 7,313.9 points. Eighteen of the AVW-42 stocks were up, seven fell, seven traded unchanged and 10 were untraded.

The Original Juice Co was the best, up 1.7 cents or 20.5 percent to 10 cents, with 287,677 shares traded. Avecho and Roots both climbed 20.0 percent; Althea was up 11.1 percent; Elixinol rose 8.3 percent; Melodiol (Creso) was up 5.6 percent; Ecofibre improved 3.2 percent; Bubs rose two percent; Australian Agricultural, Clover, Elders and Ridley were up one percent or more; with A2 Milk, Apiam, Bega, Cobram, Costa and Select Harvests up by less than one percent.

Epsilon led the falls, down 0.2 cents or 7.4 percent to 2.5 cents, with 42,801 shares traded. Botanix lost 6.9 percent; Next Science shed 2.6 percent; Clean Seas and Pharmaust were down more than one percent; with Nufarm and Synlait down by less than one percent.

QUEENSLAND GOVERNMENT

The Queensland Government says it has a \$4 million innovation grant program, as well as a \$75 million investment that had been “at least” matched by firms.

The Government said more than 80 venture capital firms and accelerators had applied to partner with its \$75 million Queensland Venture Capital Development Fund to accelerate support for local start-ups.

The Queensland Government said the development fund had a “strong focus” on health technology, agricultural technology, climate energy and water sectors.

In addition to the development fund, the Government said its \$4 million strategic initiatives program had opened on July 20, 2023 and would deliver grants of up-to \$300,000 to existing Queensland innovation precincts to develop “best-practice governance frameworks”, and investment attraction and operational assessment strategies.

The Queensland Government said the strategic initiatives program was the first stream of its three-year \$15 million Queensland Innovation Precincts and Places Fund, which aimed to help with the commercialization, adoption and diffusion of innovation-related ideas.

The State Government said the latter two streams of the Queensland Innovation Precincts and Places Fund would open “later this year”.

OZFISH UNLIMITED

Ozfish Unlimited says it will trial a bio-polymer, 100-percent vegetation-based mesh bag to grow native oyster clusters in the Queensland’s Maroochy River and Moreton Bay.

The Ballina, New South Wales-based Ozfish said it would use the trial to see if the mesh bags could be used a lightweight alternative to existing oyster baskets, used to restore shellfish populations, but were much heavier, expensive and time consuming to construct. The organization said the bags had been placed in inter-tidal areas and that it would not know until the end of the year at the earliest whether the trial had been successful.

Ozfish said that if the trial was successful, the bags could be deployed in coastal and inland areas throughout Australia.

The organization said that since European settlement, shellfish had nearly been wiped out in many areas, with an estimated “96 to 99 percent” of oysters gone from Moreton Bay.

Ozfish said the project was co-funded by the Healthy Land and Water, the Federal Government’s Landcare Program and Boating, Camping, Fishing.

WIDE OPEN AGRICULTURE

Wide Open says the Western Australia government has granted it \$5 million to build a production factory for its lupin-based Buntine Protein oat milk.

Wide Open said the Western Australian Government’s Investment Attraction Fund grant would fund and accelerate the development of the factory, with initial production potentially beginning in 2023 and further expansion expected through 2024 and 2025.

The company said the factory would be adjacent to its Buntine Protein pilot plant and was expected to produce a range of oat milks in one litre and “ready-to-drink” formats.

Wide Open said the grant would be disbursed in stages dependent on the achievement of milestones and fulfilment of reporting requirements, with Wide Open to match each instalment with equal funding as according to terms of its financial assistance agreement.

The company said milestones included execution of the financial assistance agreement, as well as obtaining regulatory and planning approvals for the plant.

Wide Open said it had manufactured a ready-to-drink prototype of its Buntine oat milk.

Wide Open was in a suspension at 32.5 cents.

ECOFIBRE

Ecofibre says a 132-tonne shipment of hemp fibre planting seed exported to the US was damaged in transit, causing a \$1 million to \$2 million financial impact.

Ecofibre said that seed germination rates were tested at the time of dispatch and exceed the industry benchmark of 85 percent.

The company said the issue had not previously occurred and it was under investigation with the transport company and Ecofibre's marine transit insurers.

Ecofibre said sales previously invoiced to growers affected by the damage will be credited as at June 30, 2023, and money paid to growers for the financial year to June 30, 2024 will either be refunded or held pending replacement seed supply.

The company said it would provide a further update once its insurance claim was finalized. Ecofibre was up half a cent or 3.2 percent to 16 cents.

BOTANIX PHARMACEUTICALS

Botanix says it has "firm commitments" to raise \$12.5 million through a non-underwritten placement to institutional investors at 12.0 cents a share.

Botanix said the share price was a 13.4 percent to the five-day volume weighted average price.

The company said the proceeds would extinguish future milestone and royalty payments due to the Boulder, Colorado-based Fresh Tracks Therapeutics Inc from whom it had bought its sofipironium bromide topical gel.

In 2022, Botanix said that it would pay the Miami, Florida-based Brickell Biotech up to \$US17 million (\$A25 million), plus royalties for sofipironium bromide gel for excessive underarm sweating (AVW: May 6, 2022).

According to the Fresh Tracks website Brickell Biotech rebranded to Fresh Tracks on September 7, 2022.

In September, Botanix said it filed a new drug application to the US Food and Drug Administration for sofipironium bromide for excessive sweating (AVW: Sep 30, 2022).

Today, Botanix said it was obliged to pay Fresh Tracks \$US4 million on FDA approval of the gel, \$US4 million if approval was extended to another indication (such as for palmar or plantar hyperhidrosis) and \$US4 million for approval in the UK or Europe.

The company said it was obliged to pay sales milestones of up to \$US160 million on reaching milestones, including the first \$US75 million of net sales and up to \$1.8 billion of sales, as well as royalties ranging from 12 percent to 20 percent on net sales.

Botanix said that in exchange for \$US8.25 million "all of these future financial obligations due would be extinguished".

Botanix executive chair Vince Ippolito said the company was "extremely pleased to announce this placement ... to fund the buyout of the financial obligations that we owed to Fresh Tracks".

"By providing a single upfront payment now, we have potentially saved up to \$US160 million in milestone and royalty payments that would have otherwise been payable on future milestones events and sales," Mr Ippolito said.

"Not only does this remove a substantial financial obligation and allow us to retain, significantly, all of the revenue from [sofipironium bromide] gel, it makes the product and Botanix much more attractive as an acquisition target by consolidating the revenue benefits of [sofipironium bromide] gel together with the asset rights in Botanix," Mr Ippolito said.

Botanix fell one cent or 6.9 percent to 13.5 cents with 7.9 million shares traded.

ALTHEA GROUP HOLDINGS

Althea says subsidiary Peak Processing Solutions has a deal with the Smiths Falls, Ontario-based Tweed Inc to produce “cannabis-infused” beverages in Canada. Althea said Tweed was a subsidiary of Canopy Growth Corp and produced iced teas and lemonades infused with between 2.5mg and 7.5mg of tetrahydrocannabinol (THC), as well as a carbonated high-dose beverages that included 10mg of THC. Althea did not disclose the commercial terms of the agreement. Althea was up half a cent or 11.1 percent to five cents with 1.35 million shares traded.

THE SUSTAINABLE NUTRITION GROUP, ELIXINOL WELLNESS

Sustainable Nutrition says a second hearing to approve its acquisition of Elixinol Wellness will take place at Melbourne’s Federal Court of Australia on August 7, 2023. In November, Elixinol said it would acquire Sustainable Nutrition through a scheme of arrangement for about \$4 million in scrip (AVW: Dec 2, 2022). Sustainable Nutrition was unchanged at 0.9 cents.

NUFARM

L1 Capital says it has increased its shareholding in Nufarm from 41,575,833 shares (10.93%) to 46,082,514 shares (12.11%). The Melbourne-based L1 Capital said that between June 22 and July 20, 2023 it bought and sold shares, with the single-largest purchase on June 30 of 798,824 shares for \$4,064,257 or \$5.09 a share. Nufarm fell five cents or 0.9 percent to \$5.48 with 721,459 shares traded.

TERRAGEN HOLDINGS

Scobie Dickinson Ward says he has increased his shareholding in Terragen but been diluted, from 33,345,761 shares (17.56%) to 39,597,631 shares (16.33%). In June, Terragen said its \$3.7 million placement was “strongly supported” by Mr Ward and it expected him to join the board (AVW: Jun 9, 2023). Earlier this month, Terragen said it had raised \$466,000 through a share plan at 2.4 cents a share, in addition to a \$3.7 million placement (AVW: Jul 7, 2023). The Dunedin, New Zealand-based Mr Dickinson Ward said he bought 5,001,870 shares in the placement and 1,250,000 shares for \$30,000 in the share plan. Terragen was untraded at 3.4 cents.

TERRAGEN HOLDINGS

Terragen director Sam Brougham, Stamina Pty Ltd and Crofton Park Development Pty Ltd say their 15,178,718 shares have been diluted from 8.96 percent to 6.26 percent.

MGC PHARMACEUTICALS

London’s Premier Fund Managers says it has increased its substantial shareholding in MGC from 175,552,618 shares (5.59%) to 383,885,951 shares (9.82551%). Premier said it bought 208,333,333 shares in a placement for GBP250,000 (\$479,335) or 0.12 pence (0.23 Australian cents) a share (AVW: Jul 14, 2023). MGC was unchanged at 0.3 cents with four million shares traded.

FARMERS FOR CLIMATE ACTION

Farmers for Climate Action says director Brett Hall will replace chair Charlie Prell, effective from July 17, 2023.

Farmers for Climate Action said Mr Prell had brought forward his planned departure to allow the new chair to help select the new chief executive officer.

The organization said the Derwent Valley, Tasmania-based Mr Hall was a cattle farmer and had been a director of the organization since 2017, as well as director of the Cattle Council of Australia and the Tasmanian Farmers and Graziers Association.

According to his LinkedIn page, Mr Hall held a Master of Business Administration from the University of Tasmania.

NEW SOUTH WALES FARMERS

New South Wales Farmers says Moree-based cropper Oscar Pearse will replace retiring director Helen Carrigan, effective from July 19, 2023.

Mr Pearse said that a “sustainable future for farming was critical to feed families and protect the country”.

“I’m a big believer in farmers being part of their landscape, and being good stewards of the land in a way where we can generate real returns,” Mr Pearse said.

According to his LinkedIn page, Mr Pearse held a Bachelor in Agribusiness from the University of New England.

New South Wales Farmers said Ms Carrigan, a wool producer, was moving interstate to be closer to family.

CHARLES DARWIN UNIVERSITY, NORTHERN TERRITORY FARMERS

Charles Darwin University says that former Northern Territory Farmers chief executive officer Paul Burke will lead the Research Institute of Northern Agriculture (RINA).

Charles Darwin University said Mr Burke’s promotion followed his appointment as the independent chair of the steering committee.

The University said Mr Burke was “instrumental” in helping the Northern Territory agriculture industry during the lockdowns, finding mango pickers to fulfil supply needs.

Mr Burke said the Research Institute of Northern Agriculture was “the vehicle to deliver evidence-based research for a range of issues with agriculture in the Northern Territory as we look for opportunity for growth”.

“I expect research at the institute to have [an] impact not only across Northern Australia, but also across south-east Asia,” Mr Burke said.

Charles Darwin University said RINA was based at its Casuarina, Northern Territory campus and had been established this year with the appointment of researchers in biosecurity, broadacre cropping, pastoral and aquaculture.