

31 January 2018 | CannPal Animal Therapeutics Limited ACN: 612 791 518 | ASX:CP1

## ***CannPal Animal Therapeutics 4C Quarterly Cash Flow Report***

### **Highlights for the quarter ending 31 December 2017**

- Successfully listed on the ASX (Australian Stock Exchange)
- Received Ethics approval to commence initial pharmacokinetic and observational studies in dogs, commencing CY Q1 2018
- Secured NSW State Department of Health and APVMA (Australian Pesticides & Veterinary Medicines Authority) prohibited substance permits
- Granted annual import license for medical cannabis with the ODC (Office of Drug Control)
- Appointed ex Elanco director as Head of Clinical Development and R&D
- Advanced research through agreement with the University of Queensland
- Received confirmation of SME (small and medium enterprise) status, with the EMA (European Medicines Agency)

Animal health company **CannPal Animal Therapeutics Limited (ASX:CP1)** ("CannPal" or "the Company") has released its Appendix 4C Quarterly Cash Flow report for the period ending 31 December 2017.

The Company had a cash balance of \$5.67 million with operating cash outflows totaling \$368,000 for the quarter, primarily related to administration, staff and corporate costs, including costs associated with the IPO (Initial Public Offering). The Company received an R&D tax rebate of \$129,000 related to costs for the development of the Company's lead drug candidate, CPAT-01, and other related R&D expenses.

CannPal listed on the ASX on 23 October 2017 and has made significant progress in the quarter, receiving state, federal and animal health regulatory permits to allow the Company to import, possess and supply medical cannabis oils for the clinical phase of the Company's research.

The Company built on its extensive network of research partners with an agreement with the University of Queensland and added to its management team with the appointment of ex Elanco Director Dr Margaret Curtis, as Head of Clinical Development and R&D.

The Company also further developed its regulatory communication strategy, with the confirmation of SME (small and medium enterprise) status with the European Medicines Agency. CannPal has now opened communication lines with animal health regulators in Northern America, Europe and Australia in preparation for the commencement of the Company's clinical phase for the development of its therapeutic pipeline.

The Company was able to significantly progress both its pharmaceutical and nutraceutical research programs in the previous quarter, and is looking forward to commencing the pharmacokinetic and observational studies planned for CY Q1 2018 for CPAT-01.



## About CannPal Animal Therapeutics

CannPal Animal Therapeutics Limited (ASX: CP1) is a pharmaceutical-focused animal health Company researching the benefits of medical cannabis for companion animals.

CannPal is researching and developing medicines derived from cannabinoids to provide veterinarians with clinically validated and standardised therapeutics to treat animals in a safe and ethical way.

CannPal has identified a significant opportunity to benefit from the rapidly growing medical cannabis and health markets by developing innovative therapeutics derived from the cannabis plant. The Company is working closely with regulatory authorities and veterinary research organisations conducting clinical trials to commercialise therapeutic products that will meet regulatory approval and support the health and well-being of companion animals.

To learn more please visit: [www.cannpal.com](http://www.cannpal.com)

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## For further information, please contact:

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

CannPal Animal Therapeutics Limited

**ABN**

88 612 791 518

**Quarter ended ("current quarter")**

31 December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(19)	(44)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(18)	(51)
(d) leased assets		
(e) staff costs	(71)	(129)
(f) administration and corporate costs	(260)	(635)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	13
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	129	129
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(229)</b>	<b>(717)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>		

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	5,640	5,640
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>5,640</b>	<b>5,640</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	266	754
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(229)	(717)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,640	5,640

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>5,677</b>	<b>5,677</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,677	266
5.2 Call deposits	4,000	
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,677</b>	<b>266</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	42
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	260
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	10
9.4 Leased assets	
9.5 Staff costs	96
9.6 Administration and corporate costs	195
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>561</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:  
Company Secretary

Date: 31 January 2018

Print name: Baden Maxwell Bowen

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.