

20th November 2018 | CannPal Animal Therapeutics Limited ACN: 612 791 518 |
ASX:CP1

Chairman's Address for CannPal Animal Therapeutics 2018 AGM

Animal health company **CannPal Animal Therapeutics Limited (ASX:CP1)** ("CannPal" or "the Company") is pleased to provide the following extract from the Chairman's Address to the 2018 Annual General Meeting to be held this morning.

"Hello and welcome to CannPal Animal Therapeutics 2018 Annual General Meeting (AGM), we are pleased to have you join us.

Although this was only our first year as a listed company, we are proud of the company's many achievements and the progress we made across all aspects of our operations. We are continuing to focus on driving value for our stakeholders and paving the way for the development of our therapeutic products.

Our vision is to be a global leader in the development of therapeutic products for companion animals using plant compounds that influence the endocannabinoid system, and our mission is to provide veterinarians and pet owners with safe and innovative therapeutic products that can address clear unmet needs.

To achieve this, we developed a strategic plan which includes the appointment of a highly talented research team, agreements with strategic research partners and a robust development plan for our lead therapeutic products. We are pleased to report that the company achieved each of these objectives in the 2018 financial year.

Our achievements since listing on the ASX can be divided into three categories: regulatory, collaborative and operational.

On the regulatory front, we established communications with the two largest animal health regulatory organisations, having received an official sponsor fee waiver from the United States Food and Drug Administration along with SME status (small and medium enterprise) with the European Medicines Agency earlier in 2018.

We also commenced a highly robust development program for our lead pain and inflammation drug, as well as securing the licences to import, supply and possess the clinical trial material required for our studies.

With regards to our collaborative efforts, we entered into a number of strategic agreements to advance our cause. These include agreements with leading and globally recognised research organisations such as the CSIRO.

Operationally, we made key hires and laid the groundwork for the commencement of our clinical research. We built a highly experienced drug development team, headed by three industry veterans formerly of global health company Elanco, to lead the development of our therapeutic products, and chose a world class site for our first clinical study.

We are pleased to report that we successfully completed our Phase 1A study and are midway through Phase 1B. We hope to update the market on our progress in due course.



We also made significant progress in our nutraceutical program, having completed the formulation development for DermaCann, and are exploring additional opportunities for the development of new functional supplements for companion animals, by leveraging the work we are doing with our research partners, including the CSIRO.

The companion animal drug market is a large and growing one, with an estimated size of approximately US\$12 billion for dogs and cats alone. In the US and Europe, which accounts for over three-quarters of the global market, there are over 150 million dogs and over 160 million cats.

This market is underpinned by favourable industry trends and key growth drivers, reflected in the US pet drug market growing by more than 20 per cent from 2015 to 2017. Accompanying this is an increase in pet ownership levels, increased pet lifespans and higher prevalence of ailments such as arthritis, and thus a greater need for medications.

These underlying dynamics give management the confidence that CannPal is operating in a very healthy market, and we're excited to continue making progress that can eventuate in CannPal commercialising products to address clear unmet needs for pets.

We're entering into our next full year of operations in a strong position with \$4.5m in cash in the bank, and we have the runway required to commit to the research activities that we communicated to shareholders throughout the year. The company's short-term objective is to continue to place focus on our core R&D programs, including CPAT-01, and to rapidly progress our nutraceutical portfolio to provide revenue generating opportunities for the Company in 2019.

Finally, turning our attention to board appointments and renewal, Max Johnston will be standing for re-election at today's meeting. Max was initially appointed as an independent non-executive director in 2017 and is Chairman of the Audit Committee. Max has extensive pharmaceutical and business experience at both executive and board levels.

We'd like to take this opportunity to thank all of CannPal's shareholders for continuing with us on this journey. The CannPal team continues to invest significant resources in the achievement of its goals and looks forward to sharing further progress updates with you."

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