

## Appendix 4D

### Half Year Report to the Australian Stock Exchange

**Name of Entity** CannPal Animal Therapeutics Limited

**ABN** 88 612 791 518

**Half Year Ended** 31 December 2019

**Previous Corresponding Reporting Period** 31 December 2018

### Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	696	99%
Profit / (loss) from ordinary activities after tax attributable to members	(513)	(28%)
Net profit / (loss) for the period attributable to members	(513)	(28%)

Dividends (distributions)	Amount per security	Franked amount per security
Dividend 31/12/19	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	

#### Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The principal activity of the Company is that of an animal therapeutics company. For the period ended 31 December 2019, the Company focussed on the research and development of animal health products, which included research and development costs of **\$764,152** (*up from \$529,697*), resulting in a research and development tax refund of **\$654,421** (*2018: \$297,300*). The result for the period was a loss of **\$512,534**, (*down from \$707,328*), including an increase in expenses related to intellectual property and an expense of **\$63,351** for share based payments.

### Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

## Appendix 4D

### Half Year Report to the Australian Stock Exchange

#### NTA Backing

	Current Period	Previous corresponding Period
Net tangible asset backing per ordinary security	2.97 cents	4.75 cents

#### Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	None
Date control gained	N/A
Consolidated profit/(loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit/(loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

#### Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	None
Date control lost	N/A
Consolidated profit/(loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit/(loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

#### Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
None	N/A	N/A	N/A	N/A
<b>Aggregate Share of Net Profits</b>	N/A	N/A	N/A	N/A

#### Foreign Entities Accounting Framework

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)	N/A
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## Appendix 4D

### Half Year Report to the Australian Stock Exchange

#### Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)

The accounts have been audited ☐

The accounts have been subject to review ☒

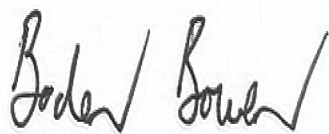
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:

N/A

#### Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By Company Secretary



Baden M Bowen  
Date: 26 February 2020





CannPal Animal  
Therapeutics Limited

# **Financial Statements**

for the half year ended 31 December 2019

# Corporate Directory

CannPal Animal Therapeutics Limited  
ABN 88 612 791 518

## Directors

Geoff Starr  
(Non-Executive Chairman)

Layton Mills  
(CEO and Managing Director)

Robert Maxwell Johnston  
(Non-Executive Director)

Robert Clifford  
(Non-Executive Director)

Dr Kate Adams  
(Non-Executive Director)

## Company Secretary

Baden Bowen

## Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

## Registered Office

Level 3  
45a Bay Street  
DOUBLE BAY NSW 2028  
Telephone: +61 2 6108 3622  
Email: [info@cannpal.com](mailto:info@cannpal.com)  
Website: [www.cannpal.com](http://www.cannpal.com)

## Share Registry

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace  
PERTH WA 6000

## Auditor

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

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# Directors' Report

Your directors present their report with respect to results of CannPal Animal Therapeutics Limited (the “company” or “CannPal”) for the half year ended 31 December 2019 and the state of affairs for the Company at that date.

## Directors

The following persons were directors of CannPal Animal Therapeutics Limited during the whole of the financial period to the date of this report (unless otherwise stated):

- **Geoff Starr**  
(Non-Executive Chairman)
- **Robert Clifford**  
(Non-Executive Director)
- **Robert Maxwell Johnston**  
(Non Executive Director)
- **Layton Patrick Mills**  
(CEO and Managing Director)
- **Kathryn Claire Adams**  
(Non-Executive Director)

## Dividends

No dividends have been paid by the Company or declared by the directors since the commencement of the financial period ended 31 December 2019.

## Corporate Information

CannPal Animal Therapeutics Limited is incorporated and domiciled in Australia. The registered office is located at Level 3, 45a Bay Street, Double Bay NSW.

### Principal activity and Review of Operations

The principal activity of the Company is that of an animal therapeutics company. For the period ended 31 December 2019, the Company focussed on the research and development of animal health products, which included research and development costs of **\$764,152** (*up from \$529,697*), resulting in a research and development tax refund of **\$654,421** (*2018: \$297,300*). The result for the period was a loss of **\$512,534**, (*down from \$707,328*), including an increase in expenses related to intellectual property and an expense of **\$63,351** for share based payments.

### Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the period.

### Significant Changes After Balance Date

The Directors are not aware of any matter or circumstance that has significantly or may significantly affect the operation of the Company or the results of those operations, or the state of affairs of the Company in subsequent financial years.



### **Indemnification of Directors and Officers**

During the period the Company paid for Directors' & Officers' insurance in the normal course of business.

### **Auditor Independence**

The Directors have obtained an independence declaration from the Company's auditors, BDO Audit (WA) Pty Ltd, as presented on page 6 of this financial report.

On behalf of the Board

CannPal Animal Therapeutics Limited



**Geoff Starr**  
**Chairman**

Sydney, NSW  
26 February 2020

# Auditor's Independence Declaration to the Directors of CannPal Animal Therapeutics Limited



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Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF CANNPAL ANIMAL THERAPEUTICS LIMITED

As lead auditor for the review of CannPal Animal Therapeutics Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish at the end.

**Neil Smith**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, 26 February 2020

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# Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2019

	Notes	31 December 2019 \$	31 December 2018 \$
<b>Income</b>			
Research & Development tax refund		654,421	297,300
Interest income		42,055	52,379
<b>Total income</b>		<b>696,476</b>	<b>349,679</b>
<b>Expenses</b>			
Research & Development		764,152	529,697
Employee expenses		52,551	52,200
Directors fees		42,000	42,000
Legal & Professional		228,882	195,198
Share based payments	7	63,351	125,638
Corporate & Administration		58,074	112,274
<b>Total expenses</b>		<b>(1,209,010)</b>	<b>(1,057,007)</b>
Loss before income tax		<b>(512,534)</b>	<b>(707,328)</b>
Income tax benefit/(expense)		—	—
Loss after income tax		<b>(512,534)</b>	<b>(707,328)</b>
<b>Net loss for the period attributable to members of CannPal Animal Therapeutics Limited</b>		<b>(512,534)</b>	<b>(707,328)</b>
Other comprehensive income, net of tax		—	—
<b>Total comprehensive loss for the period attributable to the members of CannPal Animal Therapeutics Limited</b>		<b>(512,534)</b>	<b>(707,328)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings/(loss) per share attributable to the ordinary equity holders of the company:</b>			
<b>Basic earnings/(loss) per share</b>		<b>(0.55)</b>	<b>(0.76)</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

As at 31 December 2019

		31 December 2019 \$	30 June 2019 \$
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,419,778	3,304,878
Trade and other receivables	4	680,491	53,513
<b>Total current assets</b>		<b>3,100,269</b>	<b>3,358,391</b>
<b>Total assets</b>		<b>3,100,269</b>	<b>3,358,391</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5	305,451	110,304
Employee benefits provisions		30,229	34,315
<b>Total current liabilities</b>		<b>335,680</b>	<b>144,619</b>
<b>Total liabilities</b>		<b>335,680</b>	<b>144,619</b>
<b>Net assets</b>		<b>2,764,589</b>	<b>3,213,772</b>
<b>EQUITY</b>			
Issued capital		6,975,607	6,975,607
Reserves	6	1,691,370	1,628,019
(Accumulated losses)	6	(5,902,388)	(5,389,854)
<b>Total equity</b>		<b>2,764,589</b>	<b>3,213,772</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## Statement of Changes in Equity

For the half year ended 31 December 2019

	Notes	Issued capital \$	Share based payments reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2019</b>		<b>6,975,607</b>	<b>1,628,019</b>	<b>(5,389,854)</b>	<b>3,213,772</b>
Total Comprehensive Income					
Loss for the period		–	–	(512,534)	(512,534)
<b>Total comprehensive loss for the period</b>		<b>–</b>	<b>–</b>	<b>(512,534)</b>	<b>(512,534)</b>
<i>Transactions with owners in their capacity as owners</i>					
Share based payment reserve	6	–	63,351	–	63,351
<b>Balance at 31 December 2019</b>		<b>6,975,607</b>	<b>1,691,370</b>	<b>(5,902,388)</b>	<b>2,764,589</b>
<b>Balance at 1 July 2018</b>		<b>6,975,607</b>	<b>1,416,448</b>	<b>(3,382,566)</b>	<b>5,009,489</b>
Total Comprehensive Income					
Loss for the period		–	–	(707,328)	(707,328)
<b>Total comprehensive loss for the period</b>		<b>–</b>	<b>–</b>	<b>(707,328)</b>	<b>(707,328)</b>
<i>Transactions with owners in their capacity as owners</i>					
Share based payment reserve	6	–	125,638	–	125,638
<b>Balance at 31 December 2018</b>		<b>6,975,607</b>	<b>1,542,086</b>	<b>(4,089,894)</b>	<b>4,427,799</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

For the half year ended 31 December 2019

	Notes	31 December 2019 \$	31 December 2018 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(927,155)	(906,967)
Research & Development tax refund		—	297,300
Interest received		42,055	52,379
<b>Net cash outflows to operating activities</b>		<b>(885,100)</b>	<b>(557,288)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(885,100)</b>	<b>(557,288)</b>
Cash and cash equivalents at the beginning of the financial period		3,304,878	5,114,239
<b>Cash and cash equivalents at end of period</b>		<b>2,419,778</b>	<b>4,556,951</b>

*The above statement of cash flow should be read in conjunction with the accompanying notes.*

# Notes to the Financial Statements

31 December 2019

## 1 Corporate information

The financial report of CannPal Animal Therapeutics Limited (the “Company”) for the period ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 26 February 2020.

CannPal Animal Therapeutics Limited is a company limited by shares, incorporated and domiciled in Australia.

The nature of the operations and principle activities are described in the Directors’ report. The Company is a listed public company limited by shares and trading on the Australian Securities Exchange.

## 2 Summary of significant accounting policies

### (a) Basis of preparation

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, with the adoption of new and amended standards as set out below.

#### *New accounting standards and interpretations*

The Company has adopted all new accounting standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for annual reporting periods beginning 1 July 2019. The adoption of these new and revised standards and interpretations did not have any effect on the financial position or performance of the Company.

### (b) Statement of compliance

This interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’. This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report. It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by CannPal Animal Therapeutics Limited up to the date of this report in accordance with

the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### *Basis of measurement and reporting convention*

This interim financial report has been prepared on an accruals basis and are based on historical cost. The interim financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

### (c) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business.

The financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

## 3 Segment Reporting

The Company’s operations are based in Australia. Given the nature of the Company, its size and current operations, the Company’s management does not treat any part of the Company as a separate operating segment. Internal financial information used by the Company’s decision makers is presented on a “whole of entity” manner without dissemination to any separately identifiable segments.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

# Notes to the Financial Statements

31 December 2019

## 4 Trade and other current receivables

	31 December 2019 \$	30 June 2019 \$
Other debtors*	654,421	647
GST receivable	26,070	52,866
	<b>680,491</b>	<b>53,513</b>

\* The other debtors at 31 December 2019 is related to the company's research & development tax refund for the year ended 30 June 2019. The refund was approved by the tax authority at 31 December 2019 and received by the company on 10 January 2020.

## 5 Trade and other payables

	31 December 2019 \$	30 June 2019 \$
Payroll accruals	11,373	9,741
Audit fees	10,000	13,726
Trade creditors and accruals	259,353	68,112
Director's fees	24,725	18,725
	<b>305,451</b>	<b>110,304</b>

Due to the short-term nature of these payables, their carrying value approximates their fair value.

## 6 Reserves and accumulated losses

	31 December 2019 \$	30 June 2019 \$
<b>(a) Reserves</b>		
Share based payment reserve		
Opening balance	1,628,019	1,416,448
Expense for the period	63,351	211,571
<b>Closing balance</b>	<b>1,691,370</b>	<b>1,628,019</b>

The share based payment reserve is used to record the value of share based payments provided to third parties for services rendered or employees as part of their remuneration.



# Notes to the Financial Statements

31 December 2019

	31 December 2019 \$	30 June 2019 \$
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## (b) Accumulated losses

Movements in accumulated losses were as follows:

Opening balance	5,389,854	3,382,566
Net loss after tax attributable to members of the Company	512,534	2,007,288
Closing balance	5,902,388	5,389,854

## 7 Share-based payments

A summary of the shares-based payments expenses recognised during the period is as follows:

Option Type	Class	Number	FY	Grant Date	Vesting Date	Expiry Date	Exercise price \$	Fair Value \$	SBP expense 31/12/2019	SBP reserve 31/12/2018
Advisors	C	1,500,000	2018	10/07/2017	09/07/2020	09/07/2020	0.25	0.1163	\$29,323	\$144,066
Employee	E	250,000	2018	09/11/2017	09/11/2018	08/11/2022	0.20	0.1239	–	\$30,980
Employee	E	250,000	2018	20/11/2017	Lapsed	Expired	–	0.1239	(\$14,967)	–
Employee	E	250,000	2018	20/11/2017	31/12/2019	31/12/2024	0.20	0.1239	\$21,016	\$30,980
Employee	E	250,000	2018	20/11/2017	31/12/2019	31/12/2024	0.20	0.1239	\$18,524	\$30,980
<b>Total</b>									<b>\$53,896</b>	<b>\$237,006</b>
Performance Rights	F	625,000	2018	01/07/2017	01/07/2017	30/06/2022	–	0.15	–	\$93,776
Performance Rights	F	625,000	2018	01/07/2017	30/06/2022	30/06/2022	–	0.15	\$9,455	\$46,914
<b>Total</b>									<b>\$9,455</b>	<b>\$140,690</b>

### Advisors (Class C)

These advisor options are issued to advisors of the Company in consideration for the advisors providing their experience, knowledge, assistance and access. These options are exercisable at \$0.25 on or before three years from the date of issue and will automatically lapse if the option holder ceases to be an advisor of the Company, which implies that there is a service based condition attached to the advisor options, therefore it has been expensed over the vesting period.

### Employee (Class E)

These Employee options are issued to Margaret Curtis (Head of Clinical Development and R&D) in consideration for the following three conditions stated in the employee contract:

- 250,000 Options to be issued on the execution date of the employee contract with an exercise price of \$0.20 each and an expiry date of 8 November 2022. These Options will vest on the date that is 12 months after their date of issue, therefore it has been fully expensed in prior periods.
- 250,000 Options to be issued upon the Company submitting an application to have a nutraceutical product registered with the APVMA (Australian Pesticides and Veterinary Medicines Authority) or equivalent as an animal food product in Australia or other target region. These Options will vest on the date that is 24 months after their date of issue. This condition is not met and expired during the period, therefore the expense recognised in prior period is fully reversed in current period.

## Notes to the Financial Statements

31 December 2019

### 7 Share-based payments (continued)

- 250,000 Options to be issued upon the Company commencing a target animal safety study for CPAT-01 within 24 months of the commencement date. These Options will vest on the date the condition is achieved and it is achieved in current period, therefore it has been fully expensed in current period. The options were issued on 31 December 2019.
- 250,000 Options If the Company commences the CPAT-01 field trials with a final formulation within 30 months of the commencement date. These Options will vest on the date the condition is achieved and it is achieved in current period, therefore it has been fully expensed in current period. The options were issued on 31 December 2019.

#### Performance Rights (Class F)

These Performance Rights are issued to Layton Mills in consideration for the following four performance milestones that will expire on the date that is five years from the date of issue if the relevant milestone attached to that Performance Right has not been achieved.

The vesting conditions (non-market) and performance milestones are listed below:

- 625,000 Class A Performance Rights shall convert into an equal number of ordinary shares upon the Company receiving conditional approval to commence trading on the Australian Securities Exchange (ASX) and the completion of a capital raise of at least \$4,000,000. This milestone was granted during the prior period upon successful completion of the initial public offering of the Company. The expense is fully recognised in prior periods.
- 625,000 Class B Performance Rights shall convert into an equal number of ordinary shares upon the Company entering into a commercial licencing agreement for the commercialisation of any of its products. This milestone was granted during the period as it was assessed by management as more than likely to be met.
- 625,000 Class C Performance Rights shall convert into an equal number of ordinary shares upon the Company achieving revenue from sales or licensing of its products of \$1,000,000 or more within 36 months of successfully listing on the ASX. This milestone hasn't been granted as it is not yet known that this will be met as assessed by management.
- 625,000 Class D Performance Rights shall convert into an equal number of ordinary shares upon the Company acquiring regulatory approval from the US Food & Drug Administration, including approval under the Minor Use/ Minor Species Animal Health Act of 2004 (US) (or equivalent) for any of the Company's products. This milestone hasn't been granted as it is not yet known that this will be met as assessed by management.

### 8 Related party transactions

Other than the share based payment transactions disclosed in Note 7, transactions with related parties are consistent with those disclosed in the 30 June 2019 annual report.

### 9 Events occurring after reporting date

The directors are not aware of any matter or circumstance that has significantly or may significantly affect the operations of the company or the results of those operations, or the state of affairs of the company in subsequent financial years.

### 10 Commitments and contingencies

There has been no significant change in commitments or contingencies since the last annual reporting date.

## Directors' Declaration

31 December 2019

In accordance with a resolution of the directors of CannPal Animal Therapeutics Limited, I state that:

- (a) The financial statements and notes of the Company set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including
  - (i) Giving a true and fair view of the financial position as at 31 December 2019 and of its performance for the period ended on that date of the Company.
  - (ii) Complying with *Australian Accounting Standards* AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

CannPal Animal Therapeutics Limited



**Geoff Starr**  
Chairman

26 February 2020  
Sydney, NSW



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Australia

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CannPal Animal Therapeutics Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of CannPal Animal Therapeutics Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a faint, stylized BDO logo.

**Neil Smith**

**Director**

Perth, 26 February 2020



**CannPal Animal Therapeutics**

ACN 612 791 518

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