

26th November 2019 | CannPal Animal Therapeutics Limited ACN: 612 791 518 |
ASX:CP1

Chairman's Address for CannPal Animal Therapeutics 2019 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 2019 Annual General Meeting to be held this morning.

"Hello and welcome to CannPal Animal Therapeutics 2019 Annual General Meeting (AGM), we are pleased to have you join us.

This was our second year as a listed company and we are pleased to report that it's been a year of transition, focus and transformation. We are transitioning from a research Company to a product development Company and we have remained focused as we work towards transforming CannPal into a revenue generating business as a result of our high quality and applied research.

We are entering into the new calendar year with some exciting milestones ahead which will set the path for the Company over the next 12 months.

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

To advance this mission, CannPal developed a strategic plan which revolved around refined focus in the last 12 months. The Company made the decision to pause its non-core research programs, to allow Management to maximize shareholder capital and focus the Company's resources towards progress across CannPal's core research projects.

As a result of this focus, we were able to achieve the tasks that we promised shareholders at our first AGM, while bringing the Company much closer towards the commercialisation of its products in development.

We completed the first phase of our research for CPAT-01, our lead pharmaceutical product, and were delighted to receive acknowledgement by our peers with the acceptance of our first research abstract for publication. We've commenced our Phase 2 pilot studies and remain fully funded to complete that research which we believe could provide significant value for our shareholders.

The Company has also commenced discussions with key regulatory authorities in Australia to discuss the approval pathway for DermaCan, our lead nutraceutical, having now commenced our field efficacy study for the product.

In addition, we have opened up the potential for additional revenue generating opportunities through the Company's ongoing research and development on drug delivery technologies, through our work with CSIRO (Commonwealth Scientific and Industrial Research Organisation). We are excited to continue exploring the commercial opportunities that may be available in the following year as a result of this research.



Operationally, we strengthened our global team and network in important regulatory and manufacturing environments, which has enabled the Company to commence parallel research and development activities on three different continents without diluting Managements time and focus.

The pet market continues to grow with significant momentum. The total U.S pet industry expenditure for 2018 was US\$72.56 billion dollars, up from US\$69 billion in 2017, representing over 25 years of consistent year on year growth.

In addition, the veterinary market for cannabinoid-derived therapeutic products is also showing significant growth. New Frontier data, the leading resource for cannabinoid based market research, has indicated that the pet market is forecasted to be one of the largest growing markets in the emerging cannabidiol industry.

These underlying dynamics continue to give management the confidence that CannPal is operating in a very healthy market and we believe that we are well positioned to capitalise on the opportunity to fill an important void for hemp and cannabis-derived, regulatory compliant and evidence-based therapeutic products for pets.

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."

END

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