



6th January 2020 | CannPal Animal Therapeutics Limited | ASX: CP1
ASX ANNOUNCEMENT

CannPal Enters into Exclusive Licencing Agreement with CSIRO

Key Highlights

- CannPal has completed its evaluation into the microencapsulation of hemp-derived oils with the Commonwealth Scientific and Industrial Research Organisation (CSIRO);
- CSIRO has granted CannPal an exclusive global licence to commercialise their patented MicroMAX[®] microencapsulation technology in the field of Animal Therapeutics;
- Developed through extensive research and development, MicroMAX[®] protects sensitive oils from oxidation and enables them to be incorporated into a wide range of end applications;
- Pre-clinical data has also confirmed significant anti-inflammatory activity in CannPals hemp-derived oil formulation used in the Technology evaluation;
- The Company has filed a patent application for the anti-inflammatory formulation and will commence a small-scale commercial evaluation of a new product format in Q1 2020.

6th January 2020: Animal health company **CannPal Animal Therapeutics Limited (ASX:CP1)** ("CannPal" or "the Company") is pleased to announce that following an 18 month evaluation, it has been granted exclusive global rights to commercialise patented MicroMAX[®] microencapsulation technology by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) for use in the field of Animal Therapeutics.

MicroMAX[®] is CSIRO's patented microencapsulation technology platform designed to encapsulate microscopic droplets of oil in a special food grade material, to protect bioactive ingredients from oxidation and help deliver them to the gastrointestinal (GI) tract.

Microencapsulation is a process widely used in food and drug manufacturing that protects the integrity of functional ingredients and helps maintain the nutritional value, shelf-life and flavour of the finished product, while enhancing the delivery of the active compounds.

CannPal has been evaluating the Technology with CSIRO to develop new and innovative product formats using less regulated compounds from the hemp plant, as part of the Company's near-term revenue generation strategy to support its ongoing pharmaceutical research and development.

The 18-month evaluation demonstrated that MicroMAX[®] can successfully encapsulate CannPals oil formulations with superior protection capabilities and substantial improvement in oxidative stability, enabling CannPal to add hemp and cannabis oils to a wider range of innovative new product applications for companion animals.

The licence provides CannPal with the exclusive global rights to apply the Technology to proprietary oil formulations for the development and commercialisation of novel animal health products, using plant-derived compounds from hemp and cannabis.

The Company is also pleased to announce that it has confirmed significant anti-inflammatory activity in the hemp-derived oil formulation used during the evaluation of MicroMAX®.

Pre-clinical data from an *in-vitro* canine inflammation model confirmed the oil formulation significantly reduced the expression of pro-inflammatory biomarkers when compared to control (P value <0.0001). The data has been used to file a new patent application, strengthening the Company's growing IP portfolio.

Additionally, the formulation contains compounds from the hemp plant which are already approved for use in consumer products, providing CannPal with a path to market for complementary evidence-based product formats without the need for regulatory approval.

The Company will commence a small-scale commercial trial to market test a new product format combining MicroMAX® with the anti-inflammatory formulation, in a select consumer group in Q1 2020, to complement CannPals regulatory focused lead products which remain the Company's core priority.

CannPal Managing Director, Layton Mills

"After 18 months of due diligence, I'm delighted to announce that we've been granted the exclusive rights to CSIRO's patented MicroMAX® technology platform for use in the animal health market. It's a highly effective technology with unmatched stability and protection capabilities, enabling us to deliver hemp and cannabis compounds to pets in a new and innovative way.

Additionally, it's exciting to see significant anti-inflammatory activity in the hemp-derived formulation used during the evaluation. This gives us confidence to explore the ways in which we can commercialise complementary products for the animal health market with high quality evidence-based formulations using some of the less regulated compounds in the hemp plant, to support CannPals ongoing pharmaceutical development which remains our core focus."

CSIRO project leader, Dr Netsanet Shiferaw Terefe

"With our experts in microencapsulation and bioactive delivery, and our patented Micromax® technology, we were able to transform CannPals therapeutic oil formulation into a format suitable for use as a bioactive ingredient in pet supplements. We're pleased that we were able to help CannPal on their commercialisation journey."

About CSIRO

CSIRO is Australia's national science research agency and has been since 1916. CSIRO help shape the future by using innovative science and technology to solve real issues and unlock a better future for our community, our economy, our planet.

CSIRO advances Australia with inventions and innovations that have a positive impact on people's lives around the world. They work with leading organisations around the world, and are recognised internationally for their quality research in agriculture, food, space, climate, energy, health and more.

About CannPal Animal Therapeutics

CannPal Animal Therapeutics Limited (ASX: CP1) is an animal health Company with a mission to provide pet owners and veterinarians with access to high quality, evidence based, plant derived therapeutic products to promote better health and well-being for animals.

Presently, the Company is focused on the development of pharmaceutical and nutraceutical products for dogs, for commercialisation in various markets around the world, using compounds derived from the hemp and cannabis plant.

To learn more please visit: www.cannpal.com

This announcement has been approved and authorised to be given to ASX by Mr Geoff Starr, the Chairman of Animal Therapeutics Limited.

ENDS

For further information, please contact:

CannPal Animal Therapeutics

Layton Mills

Managing Director

M: 0431 302 667

E: Layton@cannpal.com

For personal use only