

29th January 2021

ASX Announcement

QUARTERLY ACTIVITIES, CASHFLOW REPORT and OPERATIONS UPDATE

Quarter ended 31st December 2020

Lifespot Health Ltd (ASX:LSH) (“Lifespot” or “the Company”) is pleased to provide the quarterly activities and cash flow report and an update of operations.

Operational highlights are as follows:

- Cash reserves as at 31st December 2020 were \$1.718m
- Net cash used in the quarter for operating activities was \$207k
- Cash receipts for the quarter were \$73k
- Private Placements to Cannvalate Pty Ltd and M I D Wealth completed raising \$1.68m
- Rights Issue announced and closed in December raising \$1.56m (Funds received in January 2021)
- Rights Issue shortfall placed in January 2021 to Ela Capital raising \$793k (Funds received in January 2021)

Net cash outflow from operating activities during the quarter was \$207k, reflecting the ongoing lean Australian operational model with investments focused on product development and business development activities.

Sales of Medihale

Sales of the new Medihale inhaler device were \$73k in the quarter to EC Pharma Pty Ltd (‘EC Pharma’) as the Company commences supply of devices for SAS (Special Access Scheme) medical cannabis inhaler products. EC Pharma will be supplying their proprietary cannabinoid e-liquid for use in Lifespot’s new vape inhaler device. The two products will be sold via a distribution agreement between EC Pharma and Cannvalate Pty Ltd’s prescribing, sales and distribution network across Australia.

R&D

Lifespot Health’s inhaler device clinical trial program development continued in Qtr 4 of 2020 with the identification and assessment of priority medical target indications, further development of the draft clinical trial program and early stage clinical trial protocols.

During Quarter 1 of 2021 the Company plans to complete the submission of the Therapeutic Goods Administration (TGA) clinical trial packages for the 3 target therapeutic indications currently under development in Australia.



Research and Development costs of the Medihale inhaler device and Fevertel Fit to Work projects totalled approximately \$33k.

Sales of Fevertel system

Competitive pricing and aggressive promotions have impacted on the sales of the Fevertel system to consumers and organisations. The Company has completed development of this product and will make a strategic assessment of Fevertel in Q1 of 2021.

Capital raising and Rights issue

On 2 October 2020, the Company announced that it has issued 24,000,000 ordinary shares A\$0.04 (4 cents) per share to Cannvalate Pty Ltd raising \$960,000.

On 4 November 2020, the Company announced a placement 13,100,000 ordinary shares at an issue price of A\$0.055 (5.5 cents) per share to M I D Wealth Pty Ltd ("MID"), raising \$720,500. The Placement Shares are subject to voluntary escrow for a period of six (6) months from the date of issue.

MID is an investment vehicle owned by a network of service providers to healthcare professionals who make targeted investments in the Australian healthcare industry.

In December 2020 the Company conducted a rights issue receiving applications from Eligible Shareholders for 22,363,891 ordinary shares at \$0.07 per share, raising \$1,565,472.37 (before expenses). The issue of 22,363,891 ordinary shares was completed on 5 January 2021. The resulting shortfall from the Rights Issue was 11,329,573 ordinary shares.

On 19 January 2020, the Company announced the placement of 11,329,573 ordinary shares pursuant to the rights issue shortfall offer raising \$793,070. The shortfall shares were issued to a strategic investor, Ela Capital, an investment and advisory firm that provides capital and services to companies in the cannabis, medical devices, and life science industries.

Funds raised under the rights issue and shortfall offer were received by the Company in January 2021.

Payments to Directors

Cash payments to directors during the quarter totalled \$46k, being fees paid to Non-Executive Directors.

Use of funds

During the quarter funds spent on operating activities were comprised of approximately \$33k in research and development for the Fevertel and Medihale projects, \$31k for the purchase of inventory, \$34k for advertising and marketing which includes website development, investor relations and media costs for the Company and brand development costs for the Fevertel and Medihale projects, \$26k in CEO wages and \$153k in general corporate costs.

The Company will provide further updates in due course.



Authorised by the Board of Directors.

For further information:

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About Lifespot Health Ltd.

CONNECTING HARDWARE WITH SOFTWARE – DIGITAL TECHNOLOGY FOR BETTER HEALTHCARE

Our core expertise is in connecting medical diagnostic devices and digital medicine delivery systems via Bluetooth and Smart device APPs to our cloud based ISO13485 accredited Bodytel patient management system. Our systems and applications are cloud and smartphone-based and easy to use.

We provide our diagnostic systems and medicine delivery platforms to healthcare enterprises for own branding white label contracts. Our German based BodyTel™ system is based on modern and future-proof internet technology utilizing advanced technologies such as document-based databases and biological neural networks.

Our German based Seng-Vital is specialized in development of hardware in the medical and non-medical Cannabis categories. In 2019 the company launched Medihale®, a digitally integrated medical cannabis vaporiser hardware and software solution that incorporates Bodytel App's to be the world's first fully integrated vaporising system. The Company continues to lead the way in innovative vaporiser hardware and software for OEM clients.