



26th April 2019

**ASX Announcement - Quarter 1 Update:
Medical and Recreational Cannabis Vape Business Development Progress**

Lifespot Health Ltd ("Company") is pleased to provide the Appendix 4C for the March 2019 quarter.

Operational highlights are as follows;

- Ongoing containment of operational expenditure with focus on business development
- Strong cash reserves \$1,789k
- Revenues of \$26k reflecting ongoing challenges in Metabolic Syndrome diagnostics
- Recruitment of Business Development lead to service North American clients
- Strong Business Development network and negotiation progress
- Strong outlook in vaping category - \$48 Billion by 2025

Cost Containment - Company Focussed on Business Development

As previously reported the Company continues to tightly manage quarterly expenditure and continues to maintain the primary focus on Business Development and device prototype development for key North American and European clients. Quarter 1 net cash from operations was (\$526k), with increased sales & marketing and client directed prototype development, offset by reduced ongoing staffing and administration costs.

Weak revenues \$26k for the period reflected the challenges both our Company and our clients have experienced from diagnostic software sales and subscription models in the metabolic syndrome category. We are in discussions with our key diagnostic hardware clients to work together on more mutually beneficial revenue models.

Business Development Update

The focussed business development activity during Q1 2019 has resulted in a strong new client base which now requires full time servicing. The Company has therefore commenced recruitment of Business Development Lead to service US and Canadian clients with the intention of having this role filled as soon as possible during the second quarter of 2019.

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The Company also launched the first hardware product Medihale® Medical Cannabis Vaporiser system in the quarter. This is the first fully integrated vaporiser solution to enter the market, powered by Bodytel® and supported by the Seng Vital Cannabis APP. In this short period, we have numerous devices and accompanying software undergoing extensive evaluation with some of the major Global Cannabis companies.

In addition, we have made significant progress with recreational cannabis brands who seek to utilise the child protection features of our unique finger print system and the benefits of the Bluetooth® connectivity with our proprietary APP's. We are in advanced discussions with major companies in this segment and have already provided a "reference standard" device from our slim line recreational system for client approval ahead of a potential supply contract.

Strong Outlook in Vaping - \$48 Billion by 2025

According to the Nicholas Hall Group of Companies*, a leading consumer healthcare industry consulting organisation, the vaping category will grow in the next 4-5 years to be valued at \$48 billion by 2025 with \$8 billion in the Pharmacy OTC channel. The Company's Medical and Recreational products and software solutions are suitable for both prescription (Rx), Over the Counter Pharmacy (OTC), Consumer Health and Recreational markets.

The team at Lifespot believe we are well poised to be a leading player in the vaping segment and look forward to providing further updates.

Go to www.lifespot-health.com

Follow us on Twitter - @LifespotH

*Nicholas Hall and Company has 40 years of benchmarking OTC markets and providing business solutions to the consumer healthcare industry and other interested stakeholders, including investors, technology companies, retailers and media agencies.



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 worlds first fully integrated vaporising system. The Company continues to lead the way in innovative vaporiser hardware and software for OEM clients.