

Lifespot Health Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity: Lifespot Health Ltd
ABN: 90 611 845 820
Reporting period: For the half-year ended 30 June 2021
Previous period: For the half-year ended 30 June 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	100.0% to	-
Loss from ordinary activities after tax attributable to the owners of Lifespot Health Ltd	up	19.5% to	(557,036)
Loss for the half-year attributable to the owners of Lifespot Health Ltd	up	19.5% to	(557,036)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$557,036 (30 June 2020: \$466,023).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.86</u>	<u>0.98</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Lifespot Health Ltd for the half-year ended 30 June 2021 is attached.

12. Signed

Signed  _____

Sean Williams
Chairman

Date: 31 August 2021

Lifespot Health Ltd

ABN 90 611 845 820

Interim Report - 30 June 2021

Lifespot Health Ltd
Corporate directory
30 June 2021

Directors	Sean Williams - Non-Executive Chairman Andrew Saich - Non-Executive Director Darryl Davies - Non-Executive Director
Company secretaries	Nova Taylor and Elizabeth Spooner
Registered office	Suite 103, Level 1 2 Queen Street, Melbourne VIC 3000 Ph : 03 8395 5446
Principal place of business	Suite 103, Level 1 2 Queen Street, Melbourne VIC 3000
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Vic 3067 Ph : 03 9415 5000
Auditor	HLB Mann Judd (Vic Partnership) Level 9 575 Bourke Street Melbourne Vic 3000
Stock exchange listing	Lifespot Health Ltd shares are listed on the Australian Securities Exchange (ASX code: LSH)
Corporate Governance Statement	Refer to www.lifespot-health.com

Lifespot Health Ltd
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Lifespot Health Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

Directors

The following persons were directors of Lifespot Health Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Sean Williams - Non-Executive Chairman (appointed 27 July 2021)
Andrew Saich - Non-Executive Director (appointed 20 July 2021)
Darryl Davies - Non-Executive Director (appointed 20 July 2021)
Rodney Hannington - Executive Chairman (resigned 27 July 2021)
Francesco Cannavo - Executive Director (resigned 20 July 2021)
Justyn Stedwell - Non-Executive Director (resigned 20 July 2021)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- developing and seeking to commercialise its Medihale technology.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$557,036 (30 June 2020: \$466,023).

During Q1 & Q2 2021, the company continued to investigate the available regulatory pathways and clinical trial design requirements for Medical Cannabis Inhalers using cannabis liquid formulations (c-liquids), to achieve successful registration in the shortest possible time. The company partnered with Cannvalate's MCRC division (Medical Cannabis Research Collaboration) to engage with the TGA and seek regulatory guidance. During this discovery phase it was established that the TGA's current pathway was uncertain and would increase the potential risks of investing in clinical trials. As a result of the uncertain TGA regulatory pathway and the shift in the political environment in the USA, it was decided to investigate the potential for registration via the FDA regulatory pathways. Investigation into the FDA pathway has resulted in a much clearer defined regulatory pathway for inhaled Medical Cannabis offering the company greater clinical trial guidance and as a result, reduced clinical trial investment risk.

In Q1 & Q2 2021, the company continued to work closely with EC Pharma to develop cannabinoid formulations suitable for use in the Medihale inhaler device. This included viscosity testing, and matching pod apertures to differing EC Pharma formulations. As a result EC Pharma commenced sales to patients in May 2021. The company also worked towards identifying suitably licensed Contract Manufacturing organisations in order prepare for GMP Validation of its e-liquid automated pod fill machines. EC Pharma also purchased an additional \$117,879 of Medihale stock in preparation for its commercial launch.

The company also commenced working with consultants and medical engineers to research and develop an accurately dosed medical thermal inhalation device that will meet the medical device requirements need for regulatory approval with government agencies such as the TGA, FDA and EMA.

Significant changes in the state of affairs

On 5 January 2021, the company issued 22,363,891 fully paid ordinary shares valued at \$0.07 per share, raising \$1,565,472 before costs. Of this amount \$87,500 was received before 31 December 2020 and recognised as a current liability at that time and has transferred to issued capital in current financial half-year.

On 19 January 2021, the company issued 11,329,573 fully paid ordinary shares valued at \$0.07 per share, raising \$793,070 before costs.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

Since 1 July 2021 the entire board of directors comprising Rodney Hannington, Francesco Cannavo and Justyn Stedwell, have resigned. They have been replaced by Sean Williams, Andrew Saich and Darryl Davies.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Lifespot Health Ltd
Directors' report
30 June 2021

Impact of COVID 19 pandemic

During the current financial half-year the COVID 19 pandemic has continued to have a significant impact on the global economy.

The consolidated entity's operations are of a scale that they have been able to be easily amended to adapt to various restrictions that have been imposed with minimal impact.

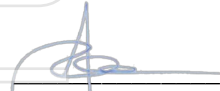
The statement of financial position at 30 June 2021 does not include material physical and intangible non-current assets that are required to be reviewed for impairment. For this reason the pandemic has not had an impact on the judgements and estimates that have been made in preparing these financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Sean Williams
Chairman

31 August 2021

Auditor's Independence Declaration

As lead auditor for the review of the interim financial report of Lifespot Health Ltd and the entities it controlled for the half-year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lifespot Health Ltd and the entities it controlled during the period.



HLB Mann Judd
Chartered Accountants



Nick Walker
Partner

Melbourne
31 August 2020

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Lifespot Health Ltd
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30 June 2021

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General information

The financial statements cover Lifespot Health Ltd as a consolidated entity consisting of Lifespot Health Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Lifespot Health Ltd's functional and presentation currency.

Lifespot Health Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 103, Level 1
2 Queen Street, Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2021.

Lifspot Health Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2021

	Note	Consolidated June 2021 \$	Consolidated Jun 2020 \$
Revenue		-	3,322
Other income		3,671	-
Interest revenue calculated using the effective interest method		240	125
Expenses			
Cost of sales		-	(104)
Consulting fees		(180,232)	(99,837)
Legal fees		(54,270)	(39,644)
Employee benefits expense		(105,373)	(27,937)
Audit fees		(25,608)	(16,742)
Depreciation and amortisation expense		(262)	-
Insurance		(29,153)	(30,364)
Directors' fees		(90,482)	(82,971)
Travel expenses		(128)	(836)
Impairment of intangible assets		(1,650)	-
Product development expenditure		(18,606)	(124,859)
Other expenses		(55,183)	(46,176)
Loss before income tax expense		(557,036)	(466,023)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Lifspot Health Ltd		(557,036)	(466,023)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		32,098	(2,853)
Other comprehensive income for the half-year, net of tax		32,098	(2,853)
Total comprehensive income for the half-year attributable to the owners of Lifspot Health Ltd		(524,938)	(468,876)
		Cents	Cents
Basic earnings per share from continuing operations	9	(0.33)	(0.55)
Diluted earnings per share from continuing operations	9	(0.33)	(0.55)

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

Lifespot Health Ltd
Statement of financial position
As at 30 June 2021

	Note	Consolidated June 2021 \$	December 2020 \$
Assets			
Current assets			
Cash and cash equivalents		3,451,190	1,719,479
Trade and other receivables		69,281	74,400
Other - prepayments and deposits		118,449	105,840
Total current assets		<u>3,638,920</u>	<u>1,899,719</u>
Non-current assets			
Property, plant and equipment		10,236	-
Intangibles		3,402	4,302
Total non-current assets		<u>13,638</u>	<u>4,302</u>
Total assets		<u>3,652,558</u>	<u>1,904,021</u>
Liabilities			
Current liabilities			
Trade and other payables		305,926	404,340
Contract liabilities		192,101	84,938
Employee benefits		10,146	3,323
Other		-	87,500
Total current liabilities		<u>508,173</u>	<u>580,101</u>
Total liabilities		<u>508,173</u>	<u>580,101</u>
Net assets		<u>3,144,385</u>	<u>1,323,920</u>
Equity			
Issued capital	4	12,800,305	10,454,902
Reserves		(955,713)	(987,811)
Accumulated losses		(8,700,207)	(8,143,171)
Total equity		<u>3,144,385</u>	<u>1,323,920</u>

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

Lifespot Health Ltd
Statement of changes in equity
For the half-year ended 30 June 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2020	8,243,190	(965,211)	(6,937,896)	340,083
Loss after income tax expense for the half-year	-	-	(466,023)	(466,023)
Other comprehensive income for the half-year, net of tax	-	(2,853)	-	(2,853)
Total comprehensive income for the half-year	-	(2,853)	(466,023)	(468,876)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	610,001	-	-	610,001
Balance at 30 June 2020	<u>8,853,191</u>	<u>(968,064)</u>	<u>(7,403,919)</u>	<u>481,208</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2021	10,454,902	(987,811)	(8,143,171)	1,323,920
Loss after income tax expense for the half-year	-	-	(557,036)	(557,036)
Other comprehensive income for the half-year, net of tax	-	32,098	-	32,098
Total comprehensive income for the half-year	-	32,098	(557,036)	(524,938)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 4)	2,345,403	-	-	2,345,403
Balance at 30 June 2021	<u>12,800,305</u>	<u>(955,713)</u>	<u>(8,700,207)</u>	<u>3,144,385</u>

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

Lifespot Health Ltd
Statement of cash flows
For the half-year ended 30 June 2021

	Consolidated	
	June 2021	Jun 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	117,879	4,998
Payments to suppliers and employees (inclusive of GST)	<u>(636,491)</u>	<u>(555,190)</u>
	(518,612)	(550,192)
Interest received	240	125
Other income	<u>3,671</u>	<u>-</u>
Net cash used in operating activities	<u>(514,701)</u>	<u>(550,067)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(10,498)	-
Payments for intangibles	<u>(750)</u>	<u>(1,650)</u>
Net cash used in investing activities	<u>(11,248)</u>	<u>(1,650)</u>
Cash flows from financing activities		
Proceeds from issue of shares	2,271,672	634,248
Share issue transaction costs	<u>(13,769)</u>	<u>(24,247)</u>
Net cash from financing activities	<u>2,257,903</u>	<u>610,001</u>
Net increase in cash and cash equivalents	1,731,954	58,284
Cash and cash equivalents at the beginning of the financial half-year	1,719,479	424,922
Effects of exchange rate changes on cash and cash equivalents	<u>(243)</u>	<u>3,851</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>3,451,190</u></u>	<u><u>487,057</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated, throughout the body of the report.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and there was no impact on applying these standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business, for a period of at least 12 months from the date the financial report is authorised for issue.

As at 30 June 2021 the consolidated entity had a net asset position of \$3,144,385 and its current assets exceeded its current liabilities by \$3,130,747. During the financial half-year, the consolidated entity had cash outflows from operating activities of \$514,701, and incurred a net loss from operating activities of \$557,036.

Management has prepared a cash flow forecast for the period ending 31 December 2022, which indicates that the consolidated entity has sufficient funds to meet its expenditure commitments and to support its current level of corporate overheads.

Note 2. Impact of COVID 19 pandemic

During the current financial half-year the COVID 19 pandemic has continued to have a significant impact on the global economy.

The consolidated entity's operations are of a scale that they have been able to be easily amended to adapt to various restrictions that have been imposed with minimal impact.

The statement of financial position at 30 June 2021 does not include material physical and intangible non-current assets that are required to be reviewed for impairment. For this reason the pandemic has not had an impact on the judgements and estimates that have been made in preparing these financial statements.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment. The operating segment is development of medical technologies. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Equity - issued capital

	June 2021 Shares	Consolidated December 2020 Shares	June 2021 \$	December 2020 \$
Ordinary shares - fully paid	<u>168,466,957</u>	<u>134,773,493</u>	<u>12,800,305</u>	<u>10,454,902</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2021	134,773,493		10,454,902
Issue of shares	5 January 2021	22,363,891	\$0.070	1,565,472
Issue of shares	19 January 2021	11,329,573	\$0.070	793,700
Less cost of capital raised		-	\$0.000	<u>(13,769)</u>
Balance	30 June 2021	<u>168,466,957</u>		<u>12,800,305</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt. There has been no change to capital risk management policies during the period.

Note 5. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 6. Contingent assets and liabilities

In the opinion of the directors, the consolidated entity did not have any contingencies at 30 June 2021 (31 December 2020: none).

Note 7. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated June 2021 \$	Jun 2020 \$
Payment for goods and services:		
Product development expenditure incurred with an entity related to key management personnel	17,204	-

Note 7. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	December
	June 2021	2020
	\$	\$
Current payables:		
Fees payable to key management personnel	21,580	-
	-	-
Other balances:		
Prepayment of product development expenditure paid to an entity related to key management personnel	32,796	50,000
Receipts from a director related entity recognised as contract liability	172,271	65,109

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 8. Events after the reporting period

Since 1 July 2021 the entire board of directors comprising Rodney Hannington, Francesco Cannavo and Justyn Stedwell, have resigned. They have been replaced by Sean Williams, Andrew Saich and Darryl Davies.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 9. Earnings per share

	Consolidated	Jun 2020
	June 2021	Jun 2020
	\$	\$
Loss after income tax attributable to the owners of Lifespot Health Ltd	<u>(557,036)</u>	<u>(466,023)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>166,659,877</u>	<u>84,596,552</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>166,659,877</u>	<u>84,596,552</u>
	Cents	Cents
Basic earnings per share from continuing operations	(0.33)	(0.55)
Diluted earnings per share from continuing operations	(0.33)	(0.55)

Lifespot Health Ltd
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Sean Williams
Chairman

31 August 2021

Independent Auditor's Review Report to the Members of Lifespot Health Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lifespot Health Ltd ("the company") and its consolidated entities ("the Group"), which comprises the consolidated interim statement of financial position as at 30 June 2021, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Conclusion

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 Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group 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 gives a true and fair view and 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 Group's financial position as at 30 June 2021 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 Group, 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

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would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
31 August 2021



**Nick Walker
Partner**

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