



ASX ANNOUNCEMENT

14 February 2017

ESENSE-LAB COMMENCES TRADING ON ASX

- *esense-Lab (ASX: ESE) commences trading on the ASX today, after successfully raising A\$3.5 million through an oversubscribed Initial Public Offer*
- *esense-Lab is a life sciences company commercialising proprietary phytochemical plant profiling technology*
- *This technology reverse engineers rare or high value plants, and reconstructs the valuable components using alternate natural sources, in a more cost effective and sustainable way*
- *First commercial order signed with Allor Vaporizers*

Life sciences company **esense - Lab Ltd ("esense" or the "Company")**, today listed on the Australian Securities Exchange ("ASX") under the code "ESE". The Company raised A\$3.5 million through an oversubscribed Initial Public Offer at an issue price of \$0.20 per Share. The funds raised will be used to facilitate esense's first commercial sale with Allor Vaporizers, ramp up its in house production capabilities, and further marketing of its technology.

Headquartered in Israel, with global target markets, esense has developed a proprietary **plant profiling technology** that can be used to generate a comprehensive model of targeted plants. This model is used to "**reverse engineer**" and reconstruct the terpene profile of that plant, using alternate natural sources, in a more cost effective and sustainable way.

Terpenes are naturally occurring compounds (classified as phytochemicals) which account for the flavour and fragrance of plants, as well as the health benefits. The reconstructed terpene profile replicates the flavour, fragrance and other desired characteristics of the targeted plant to a similarity of 99.9%. esense's initial focus has been on the cannabis plant, however future high value target plants also include ginseng, saffron, and other medicinal plants and spices.

Cannabis is a high value target plant market due to stringent regulatory requirements, limited supply, and many medical and industrial applications. esense aims to make cannabis phytochemical profiles available as a scalable and commercially viable solution for cannabis related product manufacturers for the first time ever, servicing the growing legal cannabis and para-cannabis industries around the world. As they are produced from alternate plant sources, esense's products do not contain any cannabis extracts or cannabinoids, and are therefore not subject to the same regulations as cannabis.

The high cost of source plants translates into a very high cost of cannabis derived terpenes, providing a significant market disruption opportunity for esense. The Company can manufacture high quality cannabis terpene profiles from alternate plant sources at a fraction of the cost of cannabis derived terpene profiles, typically 1% to 10%.

Pathway to Commercialisation

esense has already developed terpene profiles for 10 strains of cannabis plant with another 20 in progress. A promising initial application for these profiles is the rapidly growing e-liquids market, used in e-cigarettes, vaporizers and diffusers. In the US alone, it is estimated e-liquids could surpass consumption of conventional cigarettes in by 2023¹. esense has obtained first sales from Allor Vaporizers, a US electronic vaporizer

¹ P Gardiner (2015). E-cigarettes: The vapor this time? Policy and regulatory sciences program officer, tobacco related disease research program (TRDRP), University of California Office of the President. First 5 California Commission Meeting – April 23, 2015, California.



company, for the supply of e-liquids comprising the Company's reconstructed cannabis terpene profiles. The order valued at US\$470,000 (approx. 50 litre delivery) is expected to be fulfilled by April 2017.

Future market applications for esense's cannabis profiles include:

- **Medical Cannabis**, total annual retail sales of medical and recreational cannabis is forecast to reach \$11 billion in 2020²
- **Additives**, edibles and drinks, to be used as a food and scent additive
- **Cannabis Concentrates**, essential oils, globally the consumption of essential oils is growing at over 10% annually
- **Cannabis Topicals**, including creams and lotions

Commenting on the ASX listing, CEO Haim Cohen, said: *"Today marks an important and exciting day for esense – Lab, our first as a newly listed company. We are extremely pleased by the progress we have made to date developing a first-in-kind plant profiling technology.*

"Our technology has the potential to significantly disrupt existing plant product markets that use rare or high value source plants, by offering indistinguishable quality, greater consistency, significantly lower costs, and using more sustainable plant sources.

Our aim is to make the essence of these plants accessible and affordable to the broad market. We welcome our new shareholders and will continue to keep the market updated as we progress with commercialising our technology."

Ends

About esense - Lab

esense - Lab (ASX: ESE) is a life sciences company specialising in the commercialisation of the phytochemical profiling of plants. The Company combines genetics, mRNA, protein expression and phytochemical profiles to generate a comprehensive model of rare or high value plants. esense – Lab can then use this model to 'reverse engineer' a terpene profile, which is a naturally occurring formulation of different individual terpenes which together, exactly replicate the flavour, fragrance and other desired characteristics of the targeted plant, at a more sustainable and cheaper cost.

To learn more about esense – Lab, visit www.esense-lab.com

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² Marijuana Business Daily (2016). Marijuana Business Fact Book 2016.