

ESENSE-LAB QUARTERLY ACTIVITIES REPORT

- *Commences delivery of commercial order for US\$470,000 signed with Allor Vaporizers*
- *MOU signed with US manufacturer, Healthy Chocolate Florida LLC*
- *MOU signed with US product development firm, Beyond Brands*
- *MOU signed with US State Licensed Medical Cannabis Laboratory, 374 Labs*
- *Ongoing product development with clients of Allor Vaporizers*
- *Ongoing commercialisation discussions with samples shipped to over 200 potential customers*

Life sciences company **eSense-Lab Ltd** ("**eSense**" or the "**Company**"), (**ASX: ESE**), is pleased to provide an update on the Company's activities for the quarter ended 30 June 2017, along with the Appendix 4C.

During the period eSense launched its commercialization phase with the first batch of units of its e-Liquid products being delivered to Allor Vaporizers (Allor).

eSense also entered into a number of agreements with key partners in the US, to advance the Company's product development, manufacturing, distribution and marketing efforts within the territory for the e-Liquid and Food & Beverage (edibles) markets.

These agreements also provide eSense access to its partners' current expansive client base, allowing for potential further "off-take" opportunities for eSense as a provider of its unique and superior terpene profiles as an alternate or complimentary ingredient to the clients' existing formulations and products.

eSense-Lab is a life sciences company commercialising proprietary plant profiling technology that can be used to generate a comprehensive model of targeted plants. This technology "reverse engineers" rare or high value plants, and reconstructs the terpene profile of that plant, using alternate natural sources, in a more cost effective and sustainable way.

Terpenes are naturally occurring compounds, and account for the flavour, fragrance and other desired characteristics, as well as many of the medical and health benefits. eSense's replicated terpene profiles reconstruct the targeted plant to a similarity of 99.9%.

The Company's initial focus is on the cannabis plant, and has commenced product development and sales and distribution of its terpene profiles in the rapidly growing world-wide market for e-liquids, used in e-cigarettes, vaporizers and diffusers, as well as the Food & Beverage (edibles) market.

eSense had cash reserves of US\$1.91 million as at 30 June 2017 and will continue to actively pursue its commercialisation strategy.

Commenting on the quarterly, CEO Haim Cohen, stated: *"We are very pleased to have commenced the commercialization of our products within our first 6 months of listing. This is a great achievement for our team understanding the challenges of bringing a new technology and product offering to market in such a short space of time, and highlights the potential of our products to be rapidly accepted and adopted."*

The batch delivery of specific profiles for our first commercial order with Allor are ongoing, and we are also in the process of working with our distributor's extensive client base in developing and finalizing unique formulations for their client's specific brands and individual applications. As one can appreciate, there is a lead time for any 'Brand', from product development through to having the end-product on shelf, and we are excited to assist with the development and to see our clients bring their envisioned products to market for their consumers."

The response received from the sample recipients of our currently available terpene profiles has been extremely encouraging and continues to open new discussions with our Company, and has already lead to many formal engagements, as highlighted in our recent announcements."

We look forward to updating the market on new partnerships and the expansion of our existing agreements."

The following activities occurred during the quarter

- eSense commenced the delivery of batches of its commercial order signed with Allor Vaporizers, a US electronic vaporizer company, for the supply of e-liquids. The total order value is US\$470,000. eSense is currently working with clients of Allor refining unique formulations for their specific applications and end-products.
- eSense executed a Memorandum of Understanding (MOU) with U.S. manufacturer Healthy Chocolate Florida (HCF). eSense and HCF will collaborate in the development and marketing of terpene and chocolate based controlled dietary supplements. eSense will also have the opportunity to be a supplier of its unique terpene compounds to other HCF brands and clients for the purposes of formulating their own consumable products and supplements, and/or as an alternate or complimentary ingredient for their existing product range.
- eSense executed a Memorandum of Understanding (MOU) with U.S. product development and marketing firm, Beyond Brands. Beyond Brands currently represents and has worked with numerous international "household named" brands and Companies, and the engagement will include a multi-faceted approach for branding, marketing, product development, as well as securing contract manufacturing and distribution channels and partners.
- eSense executed a Memorandum of Understanding (MOU) with U.S. state-licensed (Nevada) medical cannabis laboratory, 374 Labs ("374"). Under the agreement, eSense and 374 will collaborate in the development, marketing and sales of eSense's products to 374's extensive client base, including and not limited to; growers, extraction laboratories, manufacturers and distributors. Furthermore, eSense and 374 will co-develop a range of unique new products and mutual brands (B2C) based on eSense's terpenes, with distribution of the brands through 374's existing channels, including and not limited to; dispensaries, vapor stores in Nevada and California, world-wide online sales.

Subsequent to the quarter end

eSense signed an MOU with U.S. cannabis concentrate producer and product development company, Wild Rogue Extracts LLC. Wild Rogue will purchase initial quantities of eSense's terpene profiles for development purposes, with a definitive agreement to be finalized the post-development phase, outlining the ongoing pricing and quantities as determined by the end use applications (Definitive Agreement). Each party will retain its respective intellectual property (IP), with consideration to share any future jointly developed IP.

Wild Rogue will market eSense's existing terpene profiles to its clients, and will be entitled to certain commissions in the event of sales from any introductions, to be detailed in the Definitive Agreement. eSense shall also provide Wild Rogue with ongoing advice to improve Wild Rogue's growing capabilities of cannabis plants.

Corporate

During the quarter, the Company held a shareholder meeting at which all the resolutions, which were to ratify the appointment of two non-executive directors, were successfully passed.

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 account for many of the plant's health and medical benefits, whilst also exactly replicating 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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