



ASX ANNOUNCEMENT

17 October 2017

CORPORATE UPDATE

eSense-Lab Ltd (ASX: ESE) would like to share the enclosed Company presentation and eSense-Lab Product Video that will be used by the Chief Executive Officer and Chairman during the Company's Australian Roadshow this week.

The video can be viewed on the Company's Homepage via the following link: www.esense-lab.com

Ends

About eSense-Lab

eSense-Lab Limited (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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eSense-Lab
A DROP OF NATURE'S ESSENCE

Company Update



October 2017

Growth Strategy

COMMITMENT TO IPO STRATEGY

of revenue growth, cost optimization and scaling efforts, to build a leading B2B enterprise technology company while creating substantial shareholder value via our 3 tiered approach



Accelerating sales momentum

- Signed strategic MOUs
- Immediate potential sales growth
- Continued delivery of contracted quantities and additional product development with Allor
- Expanding footprint in USA
- Penetration into Europe
- Negotiation in new and emerging markets

Continued investment in product and technology

- New R&D and production facilities
- Improved technological innovations
- Engaging with leaders in the field for potential JV and collaborative opportunities
- Innovative product development for existing and new verticals
- Continual improvement on existing profiles

Disciplined expense optimization and controls

- Reduced monthly operating expenses via;
 - Increased margins from improved technology
 - Improved third party contracts

Product Development and Sales Process

1

CLIENT IDENTIFICATION

- Company identifies suitable clients, wholesalers and unique JV opportunities

2

SAMPLES & MOU

- Company sends samples according to client/partner potential market or production line
- Memorandum of Understanding (MOU) is executed on definitive interest received, outlining milestones and joint strategies

3

EXAMINATION AND ASSESMENT

- Business development and commercial opportunities are thoroughly assessed between the contracted parties, identifying revenue streams and other income strategies for the benefit of the company

4

PROTOTYPE & UNIQUE PRODUCTS

- Custom-made product development and formulations upon client request
- R&D activity is designed and implemented per client specifications and end-use applications
- End product (prototype sample) is packed and shipped to client for follow-up

5

CONTRACT & ORDERS

- Company is engaged in contract (Definitive agreement) to determine procurement milestones, payment terms, price and quantities
- First order placed on contract approval and execution

6

PRODUCTION & SALES

- Once a contract is executed, the Company commences full production process (per order basis)
- Final product is packed and shipped according to terms of agreements
- Sales are supported with marketing tools and advise provided by the Company (contract specific)

7

RECURRING SALES

- Recurring sales is the most important inflection point in our supplier/clients relationship. Return clients represent product success in the market

How we are positioned

1

CLIENT IDENTIFICATION

- Approached more than 200 potential off-take clients and JV opportunities

2

SAMPLES & MOU

- Shared samples with more than 200 with potential Clients
- Five Signed MOUs to date

3

EXAMINATION & ASSESSMENT

- Currently in an advanced phase with 3 companies

4

PROTOTYPE & UNIQUE PRODUCTS

- Three custom made projects are under evaluation

5

CONTRACT & ORDERS

- Signed a purchase order contract with Allor, with contract initiation announced in April 2017
- Negotiation of two additional contracts are in process

6

SALES







- Allor – Currently receipts of US\$85,000 from customized profiles, from US\$470,000 contracted for fulfillment by 30 December 2017

7

RECURRING SALES

- 1200 litres per annum anticipated recurring sales based on existing non-binding MOUs, with the associated Definitive Binding Agreements anticipated to be finalised within a 3 – 9 month period

Research & Development Timeline

	R&D Activity	Start*	Complete*	Total (months)
	GC-MS operation and establishment of a full unique in house terpene library	Oct-17	Apr-18	6
	Evaluating synergistic/additive effect of eSense products in combination with cannabinoids, endocannabinoids and cannabidiol extractions (Inflammatory model)	Nov-17	May-18	6
	Issue a permit to work with cannabis to be able to analyze its phytochemical composition in-house (Terpene and others)	Nov-17	July-18	8
	Improving eSense products to increase cannabis oriented aroma	Dec-17	Aug-18	8
	Further refining of terpene profiles of our current products	Feb-18	Oct-18	8
	Extending formulations by introducing additional cannabis related phytochemicals such as flavonoids, phenols phytosterol and more....	Oct-18	Oct-19	12

eSense-Lab versus our competitors



Benefit

Competitors

Detection Level	>0.001%	>0.1%
Profiling	Chemical, Genetics, mRNA and Proteomics	Chemical only
Detection Capabilities	Polar and non-Polar phytochemicals	Non-Polar phytochemicals
Focus only on Terpenes	No	Yes
End Product	30-100 terpenes	3-15 terpenes
Post processing of 'ingredients'	Yes	No
Medical grade	Yes	No
Pre-Clinical collaborations	Yes	No
Clinical collaborations	Yes	No