

## ASX RELEASE

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### ESENSE-LAB COMPLETES CAPITAL RAISING OF \$3.15 MILLION

- **eSense to raise AUD\$3.15 million by issue of 105 million shares at AUD \$0.03 per share**
- **EverBlu Capital were the lead manager to the Placement which was over-subscribed for, with support from high net worth investors, and a select group of institutional investors**
- **Funds raised to rapidly advance commercialisation activities**

Life science company **eSense-Lab Ltd** ("**eSense**" or the "**Company**") (**ASX:ESE**) is pleased to announce that it has received confirmation of binding commitments for 105,000,000 Chess Depositary Interest ("**CDIs**") at a share price of AUD \$0.03, for proceeds of AUD \$3.15 million before costs ("**Placement**").

CDI holders will have the same economic benefits of holding the underlying fully paid ordinary shares ("**Shares**"). CDIs issued pursuant to the Offer will allow beneficial title to the Shares to be held and transferred.

Funds raised by the Placement will be used predominantly to fund the Company's commercialisation and research and development ("**R&D**") activities.

The Placement comprises the issue of a total of 105,000,000 CDIs to sophisticated and professional investors at an issue price of \$0.03 per share, together with one free attaching option for every three shares subscribed for and issued under the Placement. The options will be unlisted options exercisable at \$0.06 each within 4 years of issue. The issue price represents a discount of 14% to eSense's 15-day volume weighted average price ("**VWAP**") of 3.5c and a discount of 14% to eSense's 30-day VWAP of 3.5c.

The issue of CDIs under the Placement will occur under two tranches as follows:

- (a) 20,000,000 CDIs ("**Tranche 1**"), will be issued out of the Company's placement capacities pursuant to ASX Listing Rule 7.1 and 7.1A.; and
- (b) 85,000,000 CDIs ("**Tranche 2**"), will be issued by the Company once the Company receives shareholder approval at a general meeting (to be held as soon as possible) ("**General Meeting**").

New CDIs to be issued under the Placement will rank equally with existing Company CDIs in all respects. The Company will also seek shareholder approval to approve the issue of the 35,000,000 free-attaching options at the General Meeting.

**Commenting on the above announcement, eSense's CEO, Mr. Haim Cohen stated:** *"I am happy to announce that eSense has completed an oversubscribed raise of AUD\$3.15 million that will be used for our commercialisation efforts and R&D in specific areas."*

*"The capital raising follows growing interest from sophisticated investors who value eSense as an exciting and credible investment opportunity recognising the potential of our unique product portfolio."*

*"The raise secures eSense future in its commercialisation efforts and heralds eSense's new direction after events in the previous months"*

*"We are implementing a new expanded commercialisation strategy and continuing to build entry into significant markets and expanded product offerings with our terpenes."*

*"I thank our advisors, EverBlu Capital and investors for their support and look forward to announcing to the market further successes."*

EverBlu Capital Pty Ltd ("**EverBlu**") acted as the Lead Manager to the Placement. For its role as Lead Manager and on-going engagement as Corporate Advisor, EverBlu will receive a 6% fee, 10 million unlisted options with an exercise price of AUD \$0.06 each and an expiry date 4 years from the date of issue.

## GENERAL COMPANY UPDATES

- (a) eSense signed a distribution and sales agreement with IC Access ("**IC**"), a United Arab Emirates ("**UAE**") entity. eSense has agreed to produce terpenes profiles and to modify its line of products to suit the unique needs of the UAE market. In addition, the agreement provides for the potential future development of additional joint ventures between the parties for specific applications. The binding agreement signed by IC is for a period of 3 years, with a commitment by IC to purchase Terpene Strains from eSense totalling AUD\$1,100,000 with a minimum commitment in the first year (commencing before 30 September 2018) of A\$366,000. To date IC has not met their commitments as per the agreement, but the Company is currently in negotiations with IC to renegotiate the terms.
- (b) As outlined in its IPO prospectus, eSense signed a commercial agreement with Allor Vaporizers ("**Allor**"), a US electronic vaporizer company, for the supply of e-liquids comprising the Company's reconstructed cannabis terpene profiles. On 30 December 2017, the Company agreed to extend its agreement with Allor until the end of September 2018. To date, Allor has ordered and paid for US\$85,000 worth of products. It remains contractually bound to purchase the remaining \$385,000 worth of product from the Company by the end of September 2018. To date Allor has not met their commitments as per the agreement, but the Company is currently in negotiations with Allor to renegotiate the terms.
- (c) The Company is maintaining communication with a number of other parties that it has signed agreements or MOU's with since the IPO.

## ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULE 3.10.5A

Under the Placement described above, 11,932,319 Placement CDIs were issued under the Issuer's Listing Rule 7.1 placement capacity and 8,067,681 CDIs were issued under the Issuer's Listing Rule 7.1A placement capacity.

In accordance with listing rule 3.10.5A in relation to shares issued under the company's 7.1A capacity details of the Placement are:

### Effect of raising

The effect of the announced raising on the capital structure of the Company is set out below.

	Number	Dilution <sup>(1)</sup>
CDIs currently on issue <sup>(2)</sup>	71,139,304	
<b>Placement Tranche 1</b>		
• Shares to be issued under LR7.1 placement capacity	11,932,319	6.8%
• Shares to be issued under LR7.1 placement capacity	8,067,681	4.6%
<b>Total CDIs on issue after completion of Tranche 1</b>	<b>91,139,304</b>	
<b>Placement Tranche 2</b>		
• CDIs to be issued after shareholder approval at October 2018 General Meeting	85,000,000	48.2%
CDIs to be issued to previous lead manager	300,000	0.2%
<b>Total CDIs on issue after completion of Tranche 1 and Tranche 2</b>	<b>176,439,304</b>	<b>59.7%</b>

(1) - Assuming no further Shares are issued or Options exercised

(2) - 9,537,503 CDIs have been excluded. The applicable CDIs will remain on the separate sub-register of unlisted securities until a resolution of an authorised body of the Company to move such securities from the sub-register of unlisted securities. The holders have waived all rights arising from such securities

## Options

	Number
Current Options on Issue	10,638,689
Options to be Issued to EverBlu Capital - exercisable at AUD 0.06 within 4 years of issue	10,000,000
New Options to be issued pursuant to the Offer	
• Tranche 1 - Options - exercisable at AUD 0.06 within 4 years of issue	6,666,667
• Tranche 1 - Options - exercisable at AUD 0.06 within 4 years of issue	28,333,333
<b>Total Options on Issue at Completion of the Placement</b>	<b>55,638,689</b>

- The Board believes that the benefits flowing from funds being raised quickly in this Placement outweigh the inability of all shareholders participating.
- Funds raised by the Placement will be used predominantly to fund the Issuer's commercialisation and R&D activities.
- No underwriting arrangements were entered into in relation to the Placement.

## FOR FURTHER INFORMATION:

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## About eSense-Lab

eSense-Lab Ltd (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](http://www.esense-lab.com)