

ASX RELEASE

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eSense-Lab signs and appoints US based distributor for its future terpenes based sanitiser products

Investment highlights:

- eSense has entered into an exclusive sales agency agreement with US based Blue Science Solutions LLC (“**Blue Science**”), which marks the beginning of its expansion plans into the world’s largest consumer base for its future terpenes based sanitiser products (“**Products**”) into the United States.
- Blue Science has agreed to minimum sales commitments in order to maintain exclusivity of A\$3,000,000 in the first 12 months of the agreement and, assuming the agreement is renewed after the initial 12 month term, for a combined total of A\$10,000,000 of Products through its network over the first 5 years of the agreement.
- Blue Science is an approved supplier to the IBM Rapid Supplier Connect initiative where Blue Science intends to introduce future Products for sale through its supply chains.
- Blue Science is the exclusive holder/licensee and applicant of several patents for sanitisation and disinfection products for FDA & EPA regulated industries and will bring valuable knowledge for future product development and inclusion.

eSense-Lab Limited (**ASX:ESE**) (“**eSense**” or the “**Company**”) is pleased to announce that it has entered into an Exclusive Sales Agency Agreement with Blue Science for the United States market. Blue Science is an United States based company formed in 2013 by Mr Slade Smith, a Registered Professional Industrial Hygienist, AIEH, and Institute of Inspection, Cleaning and Restoration Certification Master Restorer accredited scientist, with two decades of research and practical experience, that is using only natural ingredients to deliver non-toxic cleaning and disinfecting solutions that have applications across a variety of industries.

Blue Science was introduced to the Company by EverBlu Capital Pty Ltd, the Company’s mandated corporate adviser. No fees are payable to EverBlu Capital Pty Ltd in relation to this introduction.

Further details on Blue Science are set out at the end of this announcement in the ‘About Blue Science Solutions’ section.

Key terms of the Exclusive Sales Agency Agreement are as follows:

- Initial 12 month term, which term renews for an indefinite number of consecutive 12 month terms. The agreement may be also be terminated by either party for breach or for convenience by giving one month’s notice.
- The parties have agreed that Blue Science will have exclusivity for the US market, subject to achieving minimum Product sales of A\$10,000,000 over a five year period, with a minimum of A\$3,000,000 in sales in the first 12 months of the agreement. In the event these minimum sales targets are not achieved, eSense will have the right to make the agreement non-exclusive.
- Blue Science to receive an arm’s length standard commission on all sales.

- The agreement covers all terpenes based products to be developed by the Company, both in conjunction with Blue Science and with other third parties, in the cleaning and disinfecting solutions market segment. The Company notes that it is still finalising product formulations, which are expected to take two to three months to complete, and pricing for terpenes based products in this market segment, and currently expects its first product, a terpenes based sanitiser product, to be ready for manufacture in the next four to six months. It is anticipated that this product will only require a basic FDA registration as a no rinse hand decontaminating solution. Thereafter, other products are expected to be finalised for manufacture as and when the R&D team finalises product formulations.
- The Company has agreed to issue to Blue Science (or its nominees) 10,000,000 CDIs in the capital of the Company (approximately 2% of the issued and outstanding CDIs) at a deemed issue price of \$0.01 each, in return for Blue Science agreeing to distribute the Company's products through its networks. These CDIs will be issued from ESE's existing placement capacity under ASX Listing Rule 7.1.

Blue Science generated more than US\$2.5 million in revenue in its last financial year and has advised the Company that it has experienced increased demand in recent months as a result of a global shortage in sanitiser products. The Company is aware that the minimum sales targets are potentially ambitious targets, but Blue Science has expressed confidence to the Company in achieving these targets. Notwithstanding this, investors should be aware that these targets are not forecasts and there is a risk that they will not be achieved.

Blue Science has advised the Company that it intends to utilise its experience in the North American markets to define the most suitable sales and distribution channels, as well as act as the exclusive local agent for the Products in the United States.

Blue Science will provide eSense with a number of benefits, including a cost effective entry point to the US market via an established supply chain network, plus a viable solution logistically for entry of eSense's terpenes based products into the world's largest consumer networks.

This Exclusive Sales Agency Agreement also provides the Company with access to a team of experienced scientists who have a proven track record of developing commercially viable products, including registered industrial professional hygienists, enzyme and organic chemists, and intellectual property attorneys, among others.

About Blue Science Solutions

Established in 2013, Blue Science is a distributor and developer of advanced water chemistry technology that implements the basic concepts of electrolysis to create a line of non-toxic and safe cleaning and sanitising solutions for use in consumer, commercial and institutional applications. Blue Science has recently worked to gain regulatory approval in the United States, Canada, and is currently in the regulatory review process for Australia, New Zealand, and the European Union for its line of products, including recent patent applications for cleaners, disinfectants, and cosmetics. The focus of Blue Science is providing natural cleaning and sanitising products that are effective, safe, non-toxic and inexpensive. Blue Science is uniquely positioned to provide not just the cleaning and sanitising solutions, but for customers to actually own the Blue Science ECA Devices (ECA 1200, ECA 1200+, ECA 4000, or ECA 8000 models) that empower them to make their own cleaning and sanitising solutions at their own facility, on demand, and as needed. The Blue Science ECA devices use electro-chemical activation, or "ECA," to create HOCl and NaOH from water, salt, and electricity with antimicrobial properties that have shown to be more effective than common chlorine bleach. This is because HOCl, a highly reactive chlorine species, has no ionic charge and a significantly lower molecular weight than bleach, which allows it to better penetrate microbial cell walls.

Blue Science's U.S. locations include Florida (headquarters), Virginia, Minnesota, and California. Blue Science has international representatives and licensed and trained distributors in Australia, New Zealand, S. Korea, and manufacturing in Canada and the United States. These locations allow Blue Science to respond to customer requests

for effective and inexpensive cleaning and sanitising solutions, and to assist with natural disasters as they arise including flooding, hurricanes, tornados, and more. For more info visit: BlueScienceSolutions.com

Blue Science Solutions is an approved supplier to the [IBM Rapid Supplier Connect](#) network, which is designed to provide support for supplier identity using [blockchain](#) technology. It aims to help buyers in the U.S. and Canadian healthcare and government sectors, including hospitals, state procurement divisions, medical device makers, pharmacies and state and local governments to find supplies and services in an unconventional marketplace, with greater efficiency. Suppliers and buyers currently joining the network include hospitals and other organizations such as [Northwell Health](#), New York's largest healthcare provider, and [The Worldwide Supply Chain Federation](#), which is onboarding more than 200 American suppliers from its 3,000 global community members.

In order to be accepted into the [IBM Rapid Supplier Connect](#) network, Blue Science needed to demonstrate to IBM that it had revenue in its prior financial year of a minimum of US\$2.5 million (which Blue Science was able to satisfy). Blue Science has averaged over US\$2.5m in revenue in its last two financial years. Blue Science has experienced an increase in demand for sanitiser products in line with a global shortage, and expects that there will be significant growth in its revenue this year.

This announcement has been authorised by the Board of Directors of eSense.

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For further information, please contact:

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About eSense-Lab | Registered office: Suite 6, 295 Rokeby Road, Subiaco Western Australia, Australia 6008

eSense-Lab Ltd (ASX:ESE) is a life sciences company creating virtual plant-based products for medicinal and recreational consumption. Headquartered in Israel, eSense-Lab combines genetics, mRNA expression, phytochemical characterisation and unique formulations to generate comprehensive models of rare or high value plants. With multi-disciplinary research and development expertise, eSense has game-changing techniques and unique reverse-engineering capabilities, placing it at the forefront of the growing international terpene market. eSense has created virtual cannabis, with all the characteristics of the real plant, without the psychoactive and heavily regulated cannabinoid compound, for mass consumer consumption.

To learn more, please visit www.esense-lab.com.