

ASX RELEASE

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Board and Management Changes

eSense-Lab Ltd (ASX:ESE) (Company) is pleased to announce that, following receipt of the encouraging research results announced by the Company on 27 November 2020, the Company has appointed a Global Chief Executive Officer, Mr Yoav Elishoov, to drive the Company's next stages of growth through commercialisation. Mr Elishoov's appointment will become effective from 7 December 2020.

Mr Elishoov brings to the Company vast experience in commercial, market access, regulatory affairs and marketing roles with global pharmaceutical companies.

Mr Elishoov served as the CEO of Trima Ltd, one of Israel's leading pharmaceutical companies, involved in generic research and development ("R&D"). Under his supervision, Trima Ltd turned its sales rate to a sustainable growth annually. He positioned the company to become a local generic R&D powerhouse, introducing 4-5 new products annually. In this position and his management of multi-cultural and multidisciplinary teams, Mr Elishoov developed strong and close communication with decision-makers in the pharmaceuticals business, regulatory authorities, reimbursement regulators, HMOs, hospitals, key opinion leaders and pharmacies.

Prior to this, Mr Elishoov established the Oncology Business unit of Novartis Israel as a new entity, and managed it for more than a decade. During those years, he was personally involved in launching Novartis Oncology mega brands, and made Novartis' Israel business unit the sub-region top market leader. During his time at Novartis Oncology, Mr Elishoov also led CIS markets, and brought regional management experience of 5 years. Prior to this, he served as the regulatory affairs director of Novartis Israel.

Mr Elishoov's multidisciplinary experience through various positions make him an ideal fit for the organisation. A summary of the material terms of his appointment is set out at Schedule 1 to this announcement.

Concurrent with Mr Elishoov's appointment, is the resignation of Country CEO, Mr Itzik Mizrahi, who will depart the Company following a three-month transition and handover period between himself and newly appointed Global CEO, Mr Yoav Elishoov.

Dr James Ellingford, Non-Executive Chairman of eSense said *"We thank Mr Mizrahi for his valued contribution to the Company, specifically his role in progressing the Company's renewed commercialisation strategy, which has positioned the Company to move to the next stages of its development. The Company looks forward to its next phase of growth under Mr Elishoov's leadership as it looks to pursue commercial development of its terpenes infused hand sanitisers, whilst continuing to progress other promising applications of its terpene technologies. The appointment of a Global CEO will enable ESE to be more proactive in seeking and securing international opportunities, and as an experienced biopharmaceuticals executive with over 25 years of experience in the pharmaceutical industry, Mr Elishoov will be an enormous benefit to the organisation moving forward."*

Update on External Director Appointments

As set out in the Company's Quarterly Activities Report released 3 November 2020, the Company's securities have been suspended from trading pending, among other things, the appointment of two External Directors to the Board of the Company.

The Company is pleased to announce that it has identified two candidates which it proposes to put forward to shareholders for consideration and appointment as External Directors, being Ms Maayan Bar, and Ms Deborah Gilmour. Ms Bar and Ms Gilmour bring professional legal and financial expertise to the Board, and together, the Company believes their appointments as independent directors will strengthen the governance of the Company. Further information about each of these candidates are set out below. The appointments of Ms Bar and Ms Gilmour are subject to shareholder approval, with further information to be set out in a Notice of Meeting which will be sent to shareholders in due course.

Maayan Bar

Maayan Bar is an experienced executive with a broad systemic vision which is demonstrated by her multidisciplinary management experience, business development, finance and sales. Her background covers everything from corporates to start-ups operating in the environmental, resource efficiency, renewable energy, agriculture and industrial spaces.

Holding an Executive Master of Business Administration as well as a Law degree, being a Solicitor of the Supreme Court and member of the Israel Bar Association, and having served for six years as a board member with Gaon Group Ltd. (a public company traded on the Tel-Aviv Stock Exchange) (where she was also a member of the Financial, Remuneration and Audit Committee), Ms Bar will be a tremendous asset to the Company as it continues to grow.

Deborah Gilmour

Ms Deborah Gilmour is a qualified Chartered Accountant with over 30 years' experience, specialising in management (both operational and financial), business advisory, systems applications and change and reorganisation. Ms Gilmour's experience is vast, from public practice to commercial operations, including having held the Honorary Financial Controller position for the Special Olympics South Island.

Being a member of Chartered Accountants Australia New Zealand, holding a Bachelor of Commerce and a Diploma in Business coupled with 30 years financial business experience, Ms Gilmour will be a major asset as the Company continues to grow.

This announcement has been approved by the Board of Directors of the Company.

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For further information, please contact:

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About eSense-Lab



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 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.



SCHEDULE 1 – MATERIAL TERMS OF CEO AGREEMENT

The material terms of the employment agreement between the Company and Mr Yoav Elishoov (**Executive**) for his appointment as Global Chief Executive Officer of the Company are as follows:

- (a) **Term:** The Executives appointment commences, on a fulltime basis, on 7 December 2020 for a non-fixed term.
- (b) **Termination:** Either party may terminate the Executive's employment by giving 90 days prior written notice. The Company may terminate the Executive without notice (or pay) in certain circumstances.
- (c) **Salary:** The Executive will receive a gross base monthly salary of NIS 45,000 (~AU\$220,000 per annum, based on an exchange rate of \$0.41 AUD per NIS) excluding severance, pension and other statutory entitlements, as well as access to a leased vehicle.
- (d) **Bonus:** The Executive is entitled to an annual bonus equal to 1.5% of the Company's net sales in each financial year.
- (e) **Equity Based Compensation:** The Executive is entitled to be issued the following securities under the Company's Israeli Employee Share Option Plan:
 - a. 2,000,000 restricted ordinary shares with a par value of NIS0.01 each, to be granted following three months service to the Company, to be restricted for 24 months from issue;
 - b. 2,000,000 restricted ordinary shares, granted only after, and subject to the Company's annual sales exceeding AUD 2.5 million (as set out in published annual financial statements), to be restricted for 24 months from issue; and
 - c. 2,000,000 restricted ordinary shares, granted only after, and subject to the Company's annual sales exceeding AUD 5.0 million (as set out in published annual financial statements), to be restricted for 24 months from issue.

The agreement otherwise contains standard provisions for an agreement of this nature, including non-competition provisions.

