



ASX ANNOUNCEMENT

13 June 2017

ESENSE-LAB TO ENTER NORTH AMERICAN CANNABIS FOOD & BEVERAGE MARKET

- eSense signs MOU with U.S. specialty nutritional supplement manufacturing and marketing company Healthy Chocolate Florida LLC
- Ready to penetrate the lucrative Food & Beverage (“Edibles”) sector
- Strengthens its footprint in the \$4.5B U.S. Retail Cannabis Market via its next vertical in cannabis edibles

Life sciences company **eSense-Lab Ltd (“eSense” or the “Company”)**, (**ASX: ESE**), is pleased to announce that it has executed a Memorandum of Understanding (MOU) with U.S. food manufacturer Healthy Chocolate Florida LLC (“HCF”).

HCF is a specialty nutrition, chocolate and chocolate based nutritional supplements manufacturing and marketing company with in-house R&D capabilities to develop wellness, 4NOGUILT® branded products as well as white labelled products.

Under the terms of the agreement, eSense and HCF will collaborate in the development and marketing of terpene and chocolate based controlled dietary supplements. Terpenes are organic compounds found in plants responsible for flavor and fragrance, along with many health and medical benefits. Each party will retain its respective intellectual property (IP), with consideration to share any future jointly developed IP.

eSense intends to develop a new multi-format and platform brand of terpene-based products (“eSense brand”), with HCF to provide the manufacturing and top-tier third party U.S. branding and marketing. One hundred percent (100%) of all revenue derived from the sale of the eSense brand products will be retained by eSense. Under the agreement, 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, thereby allowing for potential additional revenue generating opportunities.

Commenting on the announcement, eSense-Lab’s CEO Haim Cohen, said: “After our entrance in the medical cannabis market and delivering our initial sales contract, we are extremely pleased with this new agreement. The MOU with HCF is a stepping stone for our entrance into the lucrative food and beverage sector and provides potential for an additional revenue stream for the Company. Our terpenes can be used in the same way food additives are used enabling almost endless cannabis related applications, and provide new exciting growth opportunities.”

U.S. Retail Cannabis Sales in 2016 experienced a record growth of ~US\$4.5 billion, and the sector is expected to grow a further 30%, to ~US\$6.1 billion for 2017. [Source: Marijuana Business Factbook 2017].

eSense looks forward to continuing to update its shareholders on further developments.

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About Healthy Chocolate Florida

Healthy Chocolate Florida, LLC is a specialty nutrition, chocolate and chocolate based nutritional supplements manufacturing and marketing company with cutting-edge, in-house R&D capabilities to develop wellness, 4NOGUILT® branded products as well as white labelled products.

Healthy Chocolate has exclusive rights to the use of a novelty, proprietary, patent pending chocolate manufacturing process that uses birch wood Xylitol as its sole sweetener. All manufacturing is done in a FDA registered and cGMP compliant facility. The plant has also achieved Non-GMO Project verified status for several products manufactured and is also Kosher Certified.

To learn more about Healthy Chocolate visit <https://4noguilt.com/company>

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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