

SIENNA CANCER DIAGNOSTICS LIMITED
ABN 74 099 803 460
AND CONTROLLED ENTITIES

APPENDIX 4D
HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. Reporting Period

Current Reporting Year - the half-year ended 31 December 2019

Previous Reporting Year - the half-year ended 31 December 2018

2. Results for Announcement to the Market

	December 2019	December 2018	Change	Change
	(\$)	(\$)	(\$)	(%)
Revenue from ordinary activities	300,519	274,917	25,602	9.3
Loss for the Half-year	(1,417,595)	(901,323)	516,272	57.3
Total Comprehensive Loss for the Half-year	(1,413,423)	(901,323)	512,100	56.8

Earnings Per Share	December 2019	December 2018
Basic earnings per share (cents)	(0.00)	(0.00)
Diluted earnings per share (cents)	(0.00)	(0.00)

Net Tangible Asset Backing	December 2019	December 2018
Net tangible assets per share (cents)	0.02	0.03

3. Financial Results

This report should be read in conjunction with any ASX announcements made by Sienna Cancer Diagnostics Limited in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

For an explanation of the financial results reported above please refer to commentary provided in the Directors' Report attached to the Financial Report for the half-year ended 31 December 2019.

4. Dividends

No dividend has been declared in relation to the half-year ended 31 December 2019 and no dividend was declared in relation to the half-year ended 31 December 2018.

5. Statement of profit or loss and other comprehensive income with notes

Refer to attached financial report.

6. Statement of financial position with notes

Refer to attached financial report.

7. Statement of changes in equity

Refer to attached financial report.

8. Statement of cash flows

Refer to attached financial report.

9. Segment results

Refer to Note 7 of the financial report attached.

10. Details of entities over which control has been gained or lost during the period

No transactions during the reporting period impacted Sienna's control of any entities.

11. Details of associates and joint venture entities

The consolidated entity had no associates or joint venture entities during the half-year ended 31 December 2019 or the half-year ended 31 December 2018.

12. Other factors

Refer to attached financial report.

13. Matters relating to the auditor's independent review report

The attached financial report has been reviewed and the independent auditor's review report contained within is not subject to a qualification.

SIENNA CANCER DIAGNOSTICS LIMITED
ABN 74 099 803 460

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2019

This half-year financial report is to be read in conjunction with the Annual Report for the year ended 30 June 2019.

Contents

Directors' Report	2
Auditor's Independence Declaration	4
Financial Report for the half-year ended 31 December 2019	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	15
Independent Auditor's Review	16

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

The Directors of Sienna Cancer Diagnostics Limited and its controlled entities (Sienna, the Group, or the Company) present their report for the half-year ended 31 December 2019.

Directors and Company Secretary

The names of the Directors and Company Secretary of Sienna in office at any time during or since the end of the half-year are:

Geoffrey Cumming	Independent Non-executive Chairman
David Earp	Independent Non-executive Director (resigned 14 November 2019)
Helen Fisher	Independent Non-executive Director
Carl Stubbings	Managing Director and Chief Executive Officer (appointed 16 October 2019) Independent Non-executive Director (to 15 October 2019)

Tony Di Pietro Executive Director (appointed 6 February 2020), Chief Financial Officer and Company Secretary

Principal Activities

Sienna is a medical technology company that develops and commercialises diagnostic tests to assist in the early and accurate diagnosis of cancer, allowing improved treatment and patient outcomes. Sienna's first product, a test that aids in the diagnosis of bladder cancer, hTERT, has been launched and is being commercialised through a growing network of distribution partners globally.

In April 2019 Sienna entered the global liquid biopsy market via the strategic acquisition of a "Molecular Net" technology called SIEN-NET™. The first commercial embodiment of SIEN-NET is EXO-NET™, which has been specifically designed to capture and enrich a patient sample for cancer-associated exosomes.

During the reporting period key achievements and areas of activity related to:

- the signing of a collaboration agreement with Minomic International Pty Ltd to develop a test for the early detection of pancreatic cancer;
- a collaboration with Vivazome to evaluate EXO-NET™ for use in a therapeutic treatment for Critical Limb Ischaemia;
- the grant of Sienna's first U.S. patent covering the Company's test for hTERT;
- supporting existing distribution agents with sales efforts in the United States, Asia, Brazil and Europe;
- continued research into the expanded utility of Sienna's IVD test in other cancer types;
- due diligence activities related to the evaluation of complementary technologies for acquisition or in-license;
- pursuing further distribution agreements for Sienna's IVD test in new geographical markets; and
- raising further capital, via a share placement to institutional and sophisticated investors and rights issue offer to existing shareholders.

Review of Operations

Operating results

The Group reported a loss of \$1,417,595 for the half-year ended 31 December 2019 (2018: loss \$901,323).

Product Revenue and Gross Profit

Product revenue for the period was \$300,519 (2018: \$274,917) while gross profit was \$274,941 (2018: \$249,479).

Other Revenue

Sienna received \$404,955 (2018: \$443,605) from the Research and Development Tax Incentive claim for the 2019 financial year during the reporting period. Grant income of \$10,656 was received via an Innovation Connections Grant. The comparative period included the first tranche of the Export Market Development Grant (EMDG) for the 2018 financial year, \$40,000. An EMDG grant application for the 2019 financial year has been submitted. This application is still to be assessed by AusTrade. Interest and miscellaneous income contributed \$46,665 (2018: \$73,343) as cash balances and interest rates declined over the 6 months to 31 December 2019.

Operating Expenditures

Operating expenditures increased in comparison to the half-year to 31 December 2018, \$2,154,812 from \$1,707,750, with an increase in Employee and contractor costs being the significant contributing factor. Employee and contractor costs for the reporting period were \$1,419,045 compared with the \$1,038,132 reported for the six months to 31 December 2018. The increase from the comparative period was the result of:

- The employment of US based employees: a Research & Development Manager in April 2019 and a Research Scientist in November 2019, to support the continued development of the NETs technology acquired in April 2019;
- The employment of a Research & Development Director in May 2019;
- Payments due to the departing Chief Executive Officer in October 2019;
- The appointment of a new Chief Executive Officer and Managing Director in October 2019;
- The appointment of a Strategic Technology Advisor in April 2019; and
- The reporting period including a full six months' salary for a Research and Development Scientist appointed in October 2018.

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Issued Capital

On 29 November 2019 the Company announced two capital raising initiatives - a share placement (Placement) to institutional and sophisticated investors, and a rights issue offer (Rights Issue) to existing shareholders. Both capital raising initiatives priced new shares at 3.5 cents per share. In December 2019, a total of 47,348,164 new ordinary shares were issued via the Placement, and a further 7,616,789 via the Rights Issue, raising a total of \$1,806,745 (after directly related expenses). The balance of shares available under the Rights Issue after the issuance of shares to existing shareholders was 64,647,004 (Shortfall Shares). Prior to launching the Rights Issue, the Company entered into an agreement with Merchant Corporate Advisory Pty Ltd to place Shortfall Shares with institutional and sophisticated investors on a best endeavours basis. A significant portion of these Shortfall Shares were placed subsequent to reporting date (detailed under 'After Balance Date Events' below). During the six months to 31 December 2018 Sienna also raised capital from investors, with \$4,896,931 (net) being added to issued capital.

Cash Flow

Cash reserves at 31 December 2019 were \$4,975,996 (30 June 2019: \$4,466,532) and the Company recorded a net increase in cash held at the end of the half-year of \$509,010 (2018: \$3,991,955). Net cash used in operating activities for the half-year totalled \$1,235,556 (2018: \$786,578), the increase in payments to employees and contractors (discussed under 'Operating Expenditures' above) largely accounting for the significant difference between the reported periods. Financing activities contributed \$1,806,745 (2018: \$4,896,931), the result of the new capital raised during the half-year (details provided under 'Issued Capital' above).

After Balance Date Events

On 20 January 2020, the Company announced that 51,112,715 Shortfall Shares had been placed, raising \$1,788,945 in new capital (before expenses). Of the maximum available to be raised under the Rights Issue (\$2,529,233) a total amount of \$2,055,532 has been raised to date. Sienna's Directors retain the right to place the balance of shares available under the Rights Issue within 3 months of the closure of the Rights Issue, 17 December 2019, in accordance with the terms announced to the ASX on 6 December 2019.

There has been no other matter or circumstance which has arisen since 31 December 2019 that has significantly affected or may significantly affect:

- (a) The operations, in financial years subsequent to 31 December 2019, of the consolidated entity, or
- (b) The results of those operations, or
- (c) The state of affairs, in financial years subsequent to 31 December 2019, of the consolidated entity.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

None of Sienna's officers are former partners or Directors of Sienna's auditor, Walker Wayland NSW Chartered Accountants.

This report is made in accordance with a resolution of the Directors.



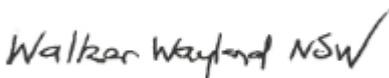
Geoffrey J Cumming
Non-executive Chairman

Melbourne, Australia
Dated this 20th day of February 2020

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SIENNA CANCER DIAGNOSTICS LIMITED**

We declare that, to the best of our knowledge and belief, during the half year period ended 31 December 2019 there have been:

- (i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.


Walker Wayland NSW
Chartered Accountants


Wali Aziz
Partner

Dated this 20th day of February 2020, Sydney

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

		Half-year	
	Note	31 Dec 2019 \$	31 Dec 2018 \$
REVENUE AND COST OF SALES FROM ORDINARY ACTIVITIES			
Product revenue		300,519	274,917
Cost of sales		(25,578)	(25,438)
GROSS PROFIT		274,941	249,479
OTHER REVENUE			
Grant income		10,656	40,000
Research and Development Tax Incentive		404,955	443,605
Interest and miscellaneous income		46,665	73,343
Total other revenue		462,276	556,948
OPERATING EXPENDITURES			
Employee and contractor costs	2	(1,419,045)	(1,038,132)
Administration	2	(295,614)	(313,697)
Research and development		(141,480)	(123,041)
Insurance		(118,848)	(95,584)
Travel and meetings		(92,926)	(70,551)
Depreciation and amortisation	2	(86,333)	(66,434)
Other expenses from ordinary activities		(566)	(311)
Total operating expenditures		(2,154,812)	(1,707,750)
LOSS BEFORE INCOME TAX		(1,417,595)	(901,323)
Income tax expense		-	-
LOSS FOR THE HALF-YEAR		(1,417,595)	(901,323)
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operation		4,172	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR		(1,413,423)	(901,323)
EARNINGS PER SHARE			
Basic earnings per share (cents per share)		(0.005)	(0.004)
Diluted earnings per share (cents per share)		(0.005)	(0.004)

The accompanying notes form part of these financial statements

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31 Dec 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,975,996	4,466,532
Trade and other receivables		83,820	88,733
Inventories		29,183	17,009
Other assets		110,396	197,213
TOTAL CURRENT ASSETS		5,199,395	4,769,487
NON-CURRENT ASSETS			
Property, plant and equipment		77,870	88,173
Intangibles	4	4,116,446	4,121,752
Right of Use Asset	1(b)	1,903,463	-
TOTAL NON-CURRENT ASSETS		6,097,779	4,209,925
TOTAL ASSETS		11,297,174	8,979,412
CURRENT LIABILITIES			
Trade and other payables		175,948	206,209
Provisions		117,338	123,176
Lease Liability	1(b)	131,687	-
TOTAL CURRENT LIABILITIES		424,973	329,385
NON-CURRENT LIABILITIES			
Provisions		84,767	65,510
Lease liability	1(b)	1,758,270	-
TOTAL NON-CURRENT LIABILITIES		1,843,037	65,510
TOTAL LIABILITIES		2,268,010	394,895
NET ASSETS		9,029,164	8,584,517
EQUITY			
Issued capital	5	29,111,024	27,304,279
Equity-settled employee benefits reserve		287,966	253,788
Foreign currency translation reserve		44,923	40,751
Accumulated losses		(20,414,749)	(19,014,301)
TOTAL EQUITY		9,029,164	8,584,517

The accompanying notes form part of these financial statements

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued Capital \$	Equity-Settled Employee Benefits Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2018	21,009,497	173,017	-	(16,386,987)	4,795,527
Loss for the half-year	-	-	-	(901,323)	(901,323)
Other comprehensive income, net of tax	-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	-	(901,323)	(901,323)
Share based payments expense	-	58,048	-	-	58,048
Write back share based payments expense (expired options)	-	(67,256)	-	67,256	-
Shares issued (net of issue costs)	4,896,931	-	-	-	4,896,931
BALANCE AT 31 DECEMBER 2018	25,906,428	163,809	-	(17,221,054)	8,849,183
BALANCE AT 1 JULY 2019	27,304,279	253,788	40,751	(19,014,301)	8,584,517
Loss for the half-year	-	-	-	(1,417,595)	(1,417,595)
Other comprehensive income, net of tax	-	-	4,172	-	4,172
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	4,172	(1,417,595)	(1,413,423)
Share based payments expense	-	51,325	-	-	51,325
Write back share based payments expense (expired options)	-	(17,147)	-	17,147	-
Shares issued (net of issue costs)	1,806,745	-	-	-	1,806,745
BALANCE AT 31 DECEMBER 2019	29,111,024	287,966	44,923	(20,414,749)	9,029,164

The accompanying notes form part of these financial statements

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-year	
		31 Dec 2019 \$	31 Dec 2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from product income		310,832	289,799
Receipts from the Research and Development Tax Incentive and grants		417,861	483,605
Interest and miscellaneous income received		49,223	65,752
Payments to suppliers and employees		(2,013,472)	(1,625,734)
Net cash used in operating activities		(1,235,556)	(786,578)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangibles		(56,489)	(39,737)
Purchase of property, plant and equipment		(5,690)	(10,257)
Loans to other entities		-	(68,404)
Net cash used in investing activities		(62,179)	(118,398)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		1,923,773	5,227,625
Payment of share issue costs		(117,028)	(330,694)
Net cash provided by financing activities		1,806,745	4,896,931
NET INCREASE IN CASH HELD			
		509,010	3,991,955
Cash and cash equivalent at beginning of the half-year		4,466,532	2,691,141
Effects of exchange rate changes on balance of cash held in foreign currencies		454	691
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD		4,975,996	6,683,787

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

a. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Sienna Cancer Diagnostics Limited and its controlled entities (referred to as the "consolidated entity" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 20 February 2020.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New standards, interpretations and amendments adopted by the Group

AASB 16: Leases

AASB 16 applies to annual reporting periods beginning on or after 1 January 2019. AASB 16 introduces a single lease accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The Group has adopted AASB 16 from 1 July 2019 using the modified retrospective method, therefore no adjustments were made to comparative balances. Set out below are the new accounting policies of the Group upon adoption of AASB 16:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives received or receivable and variable lease payments that depend on an index or a rate. The lease payments also include the renewal option reasonably certain to be exercised by the Group. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses an appropriately considered interest rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term property leases (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase or renewal option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Accounting Policies (Continued)

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group applies judgement in evaluating whether it is reasonably certain it will exercise an option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) an option to renew (e.g. a change in business strategy).

Application of this accounting policy to the leases of the Group

At the date of this half-year report Sienna has three leased properties. Two of the leased properties are sub-let arrangements - one at 1 Dalmore Drive, Scoresby and the other at 1400 Van Buren St. NE, #140, Minneapolis, Minnesota, U.S. The Group has no contractual commitment for these leases and they are therefore classified as short term leases for the purposes of AASB 16. The lease payments of these properties are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and classified as an operating expense.

Sienna Cancer Diagnostics Ltd entered into a new lease for a property at 11 Howley's Road, Notting Hill during the reporting period. The initial lease term is five years, with the option to extend the lease for two further five year periods, and a four month rent-free period was negotiated. Considering the building improvements planned for the property the lease term extensions were included in the Right to Use Asset and Lease Liability calculations required under AASB 16. The impact of adopting AASB 16 was the recognition of a Right of Use Asset (\$1,914,097), a Lease liability (\$1,878,997) and a make good provision (\$35,101) on the Statement of Financial Position at the commencement of lease on 1 December 2019. Depreciation on the Right of Use Asset (\$10,634) and lease liability interest expense (\$11,166), have also been recognised for the period ended 31 December 2019 as a result of adopting AASB 16.

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year	
	31 Dec 2019	31 Dec 2018
	\$	\$
NOTE 2: LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX BENEFIT		
Loss from ordinary activities before income tax benefit has been determined after charging the following items:		
Employee and contractor costs		
- Staff salaries and contractors	1,154,741	744,535
- Directors' fees	97,642	128,563
- Superannuation	90,395	66,988
- Share based payments expense	51,325	58,048
- Other employment expenses	24,942	39,998
Per Consolidated Statement of Profit or Loss	<u>1,419,045</u>	<u>1,038,132</u>
Administration		
- ASX listing and transaction fees	32,009	31,717
- Investor/public relations and advisory fees	49,312	115,362
- Share registry fees	6,494	6,423
- Rental expense on operating lease – see note 1(b) – Short term leases	38,303	32,455
- Lease liability interest – AASB 16 – see note 1(b)	11,166	-
- Other administration expenses	158,330	127,740
Per Consolidated Statement of Profit or Loss	<u>295,614</u>	<u>313,697</u>
Depreciation and amortisation		
- Depreciation of plant and equipment	15,343	9,872
- Amortisation of building improvements	626	745
- Depreciation of right of use asset – AASB 16 – see note 1(b)	10,634	-
- Amortisation of granted patents	4,065	-
- Amortisation of capitalised development expenditure	55,665	55,817
Per Consolidated Statement of Profit or Loss	<u>86,333</u>	<u>66,434</u>

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019	30 June 2019
NOTE 3: CASH AND CASH EQUIVALENTS	\$	\$
Cash on hand	40	40
Cash at bank	305,206	566,492
Term deposits	4,670,750*	3,900,000
	<u>4,975,996</u>	<u>4,466,532</u>

* Term deposits are made up of 4 deposits:

- \$750,000, maturing 28 January 2020, earning 1.6% per annum
- \$2,600,000, maturing 23 March 2020, earning 1.63% per annum
- \$1,300,000, maturing 2 March 2020, earning 1.55% per annum
- \$20,750, maturing 18 June 2020, earning 1.1% per annum

NOTE 4: INTANGIBLE ASSETS

CAPITALISED DEVELOPMENT EXPENDITURE

SCD-A7™ (hTERT)

- Employee and contractor costs	1,239,653	1,239,653
- External development expenses	835,257	835,257
- Other capitalised expenses	151,678	151,678
- Accumulated amortisation	(333,355)	(277,690)
	<u>1,893,233</u>	<u>1,948,898</u>

INTELLECTUAL PROPERTY

Purchased intellectual property - at cost*	1,877,914	1,879,953
Patents – at cost	329,096	285,587
Accumulated amortisation	(4,065)	-
	<u>325,031</u>	<u>285,587</u>
Trademarks	20,268	7,314
	<u>4,116,446</u>	<u>4,121,752</u>

* Purchased intellectual property represents the acquisition of SIEN-NET™ technology acquired in April 2019. This technology is in the development stage and therefore the process of amortisation has not commenced.

Movement in Carrying Amounts

	Trademarks	Purchased intellectual Property	Patents	Capitalised Development	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the half-year	7,314	1,879,953	285,587	1,948,898	4,121,752
Additions	12,954	-	43,535	-	56,489
Amortisation	-	-	(4,065)	(55,665)	(59,730)
Effect of movement in exchange rates	-	(2,039)	(26)	-	(2,065)
Balance at the end of the half-year	<u>20,268</u>	<u>1,877,914</u>	<u>325,031</u>	<u>1,893,233</u>	<u>4,116,446</u>

SIENNA CANCER DIAGNOSTICS LIMITED

A.B.N 74 099 803 460

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019 No.	30 June 2019 No.	31 Dec 2019 \$	30 June 2019 \$
NOTE 5: ISSUED CAPITAL (NET)				
Ordinary shares fully paid	344,020,124	289,055,171	29,111,024	27,304,279
Balance at the beginning of the reporting period	289,055,171	180,262,327	27,304,279	21,009,497
Issued during the year	54,964,953	108,792,844	1,923,773	6,626,506
Equity raising expenses	-	-	(117,028)	(331,724)
Balance at the end of the reporting period	344,020,124	289,055,171	29,111,024	27,304,279

Ordinary shares are the only class of equity the Company has on issue. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Each ordinary shareholder present at a meeting in person or by proxy, is entitled to one vote on a show of hands and in the case of a poll one vote for every share held. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

During the six months to 31 December 2019 Sienna raised further capital via a share placement to institutional and sophisticated investors and a rights issue offer to existing shareholders. A total of 47,348,164 shares were issued as a result of the share placement and a further 7,616,789 via the rights issue. Both capital raising initiatives priced new shares at 3.5 cents per share. In the comparative 12 month period Sienna issued ordinary shares via a share placement to institutional and sophisticated investors and a rights issue, issuing 87,127,080 ordinary shares at 6 cents per share. In April 2019 a further 21,665,764 ordinary shares, valued at 6.5 cents, were issued to Sevident Inc. shareholders, as part consideration for the acquisition of Sevident's intellectual property assets and select equipment assets.

NOTE 6: CONTINGENT ASSETS OR LIABILITIES

At 31 December 2019, the Company has a contingent liability in the form of milestone payments to Sevident Inc. shareholders, the entity from which Sienna purchased its "NETs" molecular capture platform technology in April 2019. Sevident Inc. shareholders are entitled to receive up to a value of US\$1.5 million in scrip (or cash) upon the realisation of future "NETs" product revenue milestones. At the date of this report the Directors are unable to assess the probability of the requirement to make these payments. Further development of the NETs technology is required before commercialisation of the technology can take place.

There were no other contingent assets or liabilities at 31 December 2019 or 30 June 2019.

NOTE 7: COMMITMENTS

The Group had an operating lease for the office and laboratory facilities at 1 Dalmore Drive, Scoresby, Victoria until 30 November 2019. This lease did not require capitalisation in the accounts per the requirements of accounting standard AASB 16. The Group currently has a month to month agreement for the continued occupation of the property while the Group organises a move to new premises in Notting Hill. The monthly cost of this lease is \$6,164. The Group anticipates moving to the new premises in the coming months. A lease for the new premises was entered into during the half-year to 31 December 2019. This lease has been capitalised on the balance sheet as per the requirements of accounting standard AASB 16 (see note 1(b) for further details).

To the Directors' knowledge, the Group had no material commitments as at 31 December 2019 not otherwise disclosed in these financial statements.

NOTE 8: SEGMENT REPORTING

In accordance with Australian Accounting Standard AASB 8 Operating Segments, the Company has determined that it has one reporting segment, consistent with the manner in which the business is managed. In April 2019 the Company acquired intellectual property from a U.S. entity. Revenue from this intellectual property is yet to be derived as the asset is still in the development phase. A U.S. entity was incorporated to manage the acquired intellectual property assets. The chief operating decision maker receives financial information on a consolidated basis. This is the manner in which the chief operating decision maker receives information for the purpose of resource allocation and assessment of performance. The Group operates predominantly in two geographical locations, Victoria, Australia and Minnesota, United States, and one business segment, being the research and development of cancer diagnostics products.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

On 29 November 2019 the Company announced two capital raising initiatives - a share placement (Placement) to institutional and sophisticated investors, and a rights issue offer (Rights Issue) to existing shareholders. Both capital raising initiatives priced new shares at 3.5 cents per share. In December 2019, a total of 47,348,164 new ordinary shares were issued via the Placement, and a further 7,616,789 via the Rights Issue. The balance of shares available under the Rights Issue after the issuance of shares to existing shareholders was 64,647,004 (Shortfall Shares). Prior to launching the Rights Issue, the Company entered into an agreement with Merchant Corporate Advisory Pty Ltd to place Shortfall Shares with institutional and sophisticated investors on a best endeavours basis. A significant portion of these Shortfall Shares were placed subsequent to reporting date. On 20 January 2020, the Company announced that 51,112,715 Shortfall Shares had been placed, raising \$1,788,945 in new capital (before expenses). Of the maximum available to be raised under the Rights Issue (\$2,529,233) a total amount of \$2,055,532 has been raised to date. Sienna's Directors retain the right to place the balance of shares available under the Rights Issue within 3 months of the closure of the Rights Issue, 17 December 2019, in accordance with the terms announced to the ASX on 6 December 2019.

There has been no other matter or circumstance which has arisen since 31 December 2019 that has significantly affected or may significantly affect:

- (a) The operations, in financial periods subsequent to 31 December 2019, of the consolidated entity, or
- (b) The results of those operations, or
- (c) The state of affairs, in financial periods subsequent to 31 December 2019, of the consolidated entity.

DIRECTORS' DECLARATION

The Directors declare that:

1. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and provide a true and fair view of the financial position and performance of the consolidated entity.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Geoffrey J Cumming
Non-executive Chairman

Melbourne, Australia

Dated this 20th day of February 2020

Independent Auditors Review Report

To the members of Sienna Cancer Diagnostics Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sienna Cancer Diagnostics Limited and its Controlled Entities which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the half-year end or from time to time during the financial period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entities financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sienna Cancer Diagnostics Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

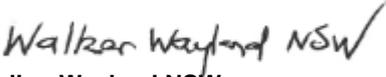
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sienna Cancer Diagnostics Limited is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of Sienna Cancer Diagnostics Limited's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*


Walker Wayland NSW
Chartered Accountants


Wali Aziz
Partner

Dated this 20th day of February 2020, Sydney