sienna
CANCER DIAGNOSTICS

Sienna Cancer Diagnostics Limited

2019 ANNUAL REPORT

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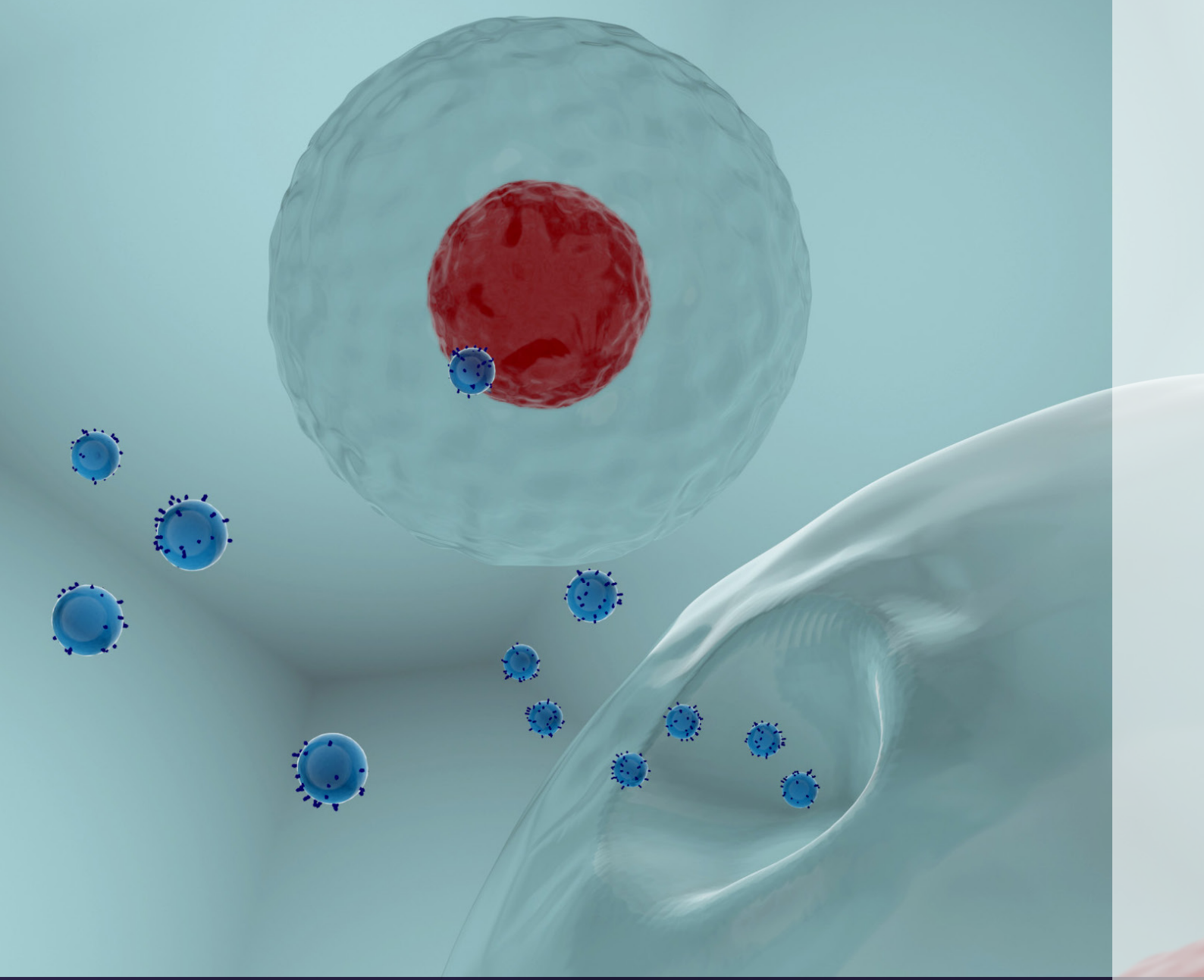

VISION

To become a hub for the development and commercialisation of novel IVD products

Forward Looking Statements

This report may contain forward-looking statements, which include all matters that are not historical facts. These forward-looking statements speak only as at the date of this report. These statements, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by forward-looking statements. Without limitation, indications of, and guidance on, future earnings, financial position and performance are examples of forward-looking statements. No representation, warranty or assurance (express or implied) is given or made by Sienna that the forward-looking statements contained in this report are accurate, complete, reliable, or adequate, or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, each of Sienna, its related companies and their respective directors, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward-looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this report or any error or omission therefrom.

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COMPANY OVERVIEW

Sienna Cancer Diagnostics Ltd. ("the Company", or "Sienna") is an Australian medical technology company with operations in the United States and Australia, and distributors for its products in the United States, Europe, Asia and Latin America.

Sienna's vision is to become a hub for the development and commercialisation of in-vitro diagnostic (IVD) tests for the global pathology market. Our mission is to create a portfolio of products to bring to market much needed cancer diagnostic solutions, which will in turn generate additional revenue and long-term growth for Sienna's shareholders.

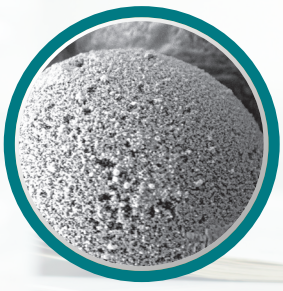
Sienna's strengths lie in the identification, development and commercialisation of novel IVD technologies that satisfy an unmet clinical / market need. Out first product is an antibody-based IVD test to detect the biomarker "hTERT". Sienna has taken the hTERT test from research, through development and manufacturing, to product registration and sales through a growing network of distribution partners.

The Company intends to fill an important gap in the Australian MedTech ecosystem, by providing a capable, efficient, and effective development, manufacturing and commercial launch pathway for IVD technologies sourced from leading universities and research institutions.

As part of this technology expansion strategy, Sienna recently acquired a unique technology for the capture and isolation of target biomarkers in liquid biopsy samples. The sample preparation technology, known as SIEN-NET™, can more accurately and rapidly prepare samples for the liquid biopsy testing of a range of clinically useful biomarkers, including exosomes, lipids, proteins, and other molecular targets of interest.

We are focussed on growing revenues from the hTERT test, increasing market access through new distribution partnerships, commercialisation of the SIEN-NET product line, and expanding our product offerings with the addition of new technologies.

GROWTH STRATEGIES



SIEN-NET™ COMMERCIALISATION

GEOGRAPHICAL EXPANSION

hTERT MARKET EXPANSION

TECHNOLOGY EXPANSION

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

On behalf of Sienna's Board of Directors, we're pleased to present the 2019 Annual Report and Financial Statements.

As outlined in the Company Overview, Sienna's board and management are guided by the Company's mission and vision statements to drive the Company's growth through the broadening of our product offerings.

hTERT IVD test

Sienna advanced its first product through research, development, manufacturing, regulatory approval and commercial launch. We are now leveraging our strong and growing infrastructure, knowledge, skills and experience, to build a portfolio of additional products that will create sustainable growth.

As our first-in-market product, the hTERT IVD test, gains further market traction, and as other new products enter the market, we will create a company with a steadily growing pipeline of opportunities for revenue growth.

In August 2018, the Company raised $5.2 million via a successful share placement and rights issue offer, primarily to accelerate our technology expansion strategy. The acquisition of SIEN-NET™ from Sevident Inc. in April 2019 was a key milestone in the execution of this strategy. We continue to identify and analyse potential in-license or acquisition targets using specific criteria to evaluate technologies that will add further value and opportunities for revenue growth. To assist the Company in executing this strategy, Dr Peter French was recently appointed Strategic Technology Advisor. Peter has over 40 years experience in cell and molecular biology and is a published author of many research articles covering a range of areas, including oncology.

Technology Expansion Program

There is a significant opportunity for Sienna to utilise the skills of our professional team to bring novel and promising technologies to the market. Frequently the inventors of these technologies do not have the resources or experience to complete development, establish manufacturing capabilities, and commercialise the product globally.

There are a large number of reputable universities and research institutes undertaking high-quality research and early-stage development in Australia. For that research to become a commercial success, these institutions require a capable and committed partner to complete the development and create a product that can be manufactured, approved for sale by the regulatory authorities, and ultimately launched to the market. Sienna is ideally placed to be that partner.

The acquisition or in-license of the best of these technologies will enable Sienna to leverage its existing team, infrastructure, and core competencies to create new revenue streams for the Company. At the same time, this will:

- deliver new diagnostic tests leading to better outcomes for patients,
- generate value for the original technology owner,
- provide an avenue for more Australian innovation to get to market through an Australian company,
- provide benefit to the health technology industry which is considered a key contributor to Australia's economic future.

The first acquisition under our technology expansion strategy is the liquid biopsy sample preparation technology called SIEN-NET. This unique and innovative technology isolates and captures biomarker targets from liquid biopsy samples. The technology can provide rapid, highly sensitive and specific biomarker capture, is scalable and broadly applicable in the fast-growing liquid biopsy market. Following the acquisition, Dr Emily Stein, the inventor of the technology, was appointed Research & Development Manager for the SIEN-NET program.

We are working to complete the development and manufacturing of SIEN-NET technology to enable its commercialisation, creating new revenue streams. In May, a Chinese patent was granted for the technology, adding to the existing registered patents in the United States.

Geographic Expansion and Market Penetration

Throughout the year, Sienna's hTERT IVD test continued to make inroads in the US and across the world. The Company now has channels to market on four continents, having appointed distribution partners in China, South Korea, Brazil and Singapore in addition to Sienna's existing distributors in the USA, Denmark, Sweden and Switzerland. Achieving regulatory approvals in these new Asian and South American markets is an important focus for the company. In addition, we are working to establish partnerships with distributors in new regions, creating further opportunity for revenue growth.

The US remains the largest market for our hTERT test, and we continue to work with our exclusive US distribution partner, StatLab Medical Products, to increase sales in that market. Both Sienna and StatLab see significant opportunity for revenue growth in the US and believe we are nearing a tipping point where growth will be realised. Our hTERT product is a key driver for StatLab's business and is a core part of its Advanced Diagnostics business.

It has been an exciting year, and we remain well-positioned to continue our technology expansion strategy to build new revenue growth opportunities for the Company.

We'd like to thank our shareholders for their ongoing support as we work towards our vision to become a hub for the development and commercialisation of IVD technologies.

Geoff Cumming
Chairman

Matthew Hoskin
Chief Executive Officer

TECHNOLOGY EXPANSION

To realise Sienna's vision to become a hub for the development and commercialisation of IVD tests, we have embarked on a mission to create a portfolio of products moving through our product development and commercialisation pipeline, leading to the generation of new revenue streams and the creation of long-term sustainable growth for Sienna's shareholders. Having an array of products to serve different parts of the rapidly growing global IVD market will reduce risk by spreading commercial reliance across product lines, and will leverage the administrative, infrastructural and managerial costs across the business.

Sienna wants to harness pioneering early-stage research being conducted in Australia and beyond, by becoming a vehicle through which the technology inventor/owner can get the research from the benchtop, through development, manufacturing, regulatory approval, and global market launch. We believe Sienna is well placed to fill a much-needed gap in the Australian medical technology landscape, particularly concerning IVD product development and commercialisation.

Research Institutes
Universities
Existing Companies

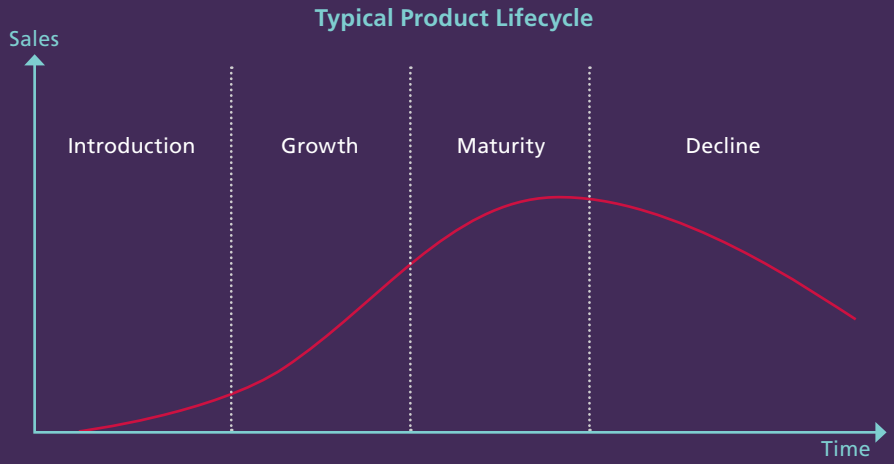
Screening | Diagnosis | Prognosis | Stratification | Monitoring

If it's IVD related - Sienna is interested

- Acquire, in-license, partner
- Leverage economies of scale in existing company
- Build critical mass
- Create new revenue streams
- Translate development and commercialisation programs
- Feed existing sales and marketing channels
- Create a pipeline of programs within the company
- Productise, manufacture, register, reimburse, and launch
- Generate sustainable, long term growth and profitability

WHY MORE PRODUCTS?

Every product undergoes a sales lifecycle, where sales follow a path that often approximates the following curve as the product passes through the various phases of commercialisation in the market. Each product will have a different time scale, a different magnitude, and even a different shape of the curve, but the model shown is a useful example of a typical product lifecycle.



Research Institutes
Universities
MedTech Company

Good research in need of a development and commercialisation partner

Product development
Manufacturing
Validation
Regulatory approval
Reimbursement
Product launch

Global distribution through growing network of partners

When evaluating new technologies for entry into the Sienna development and commercialisation pipeline, the list of criteria is extensive, but some of the most important include the following:

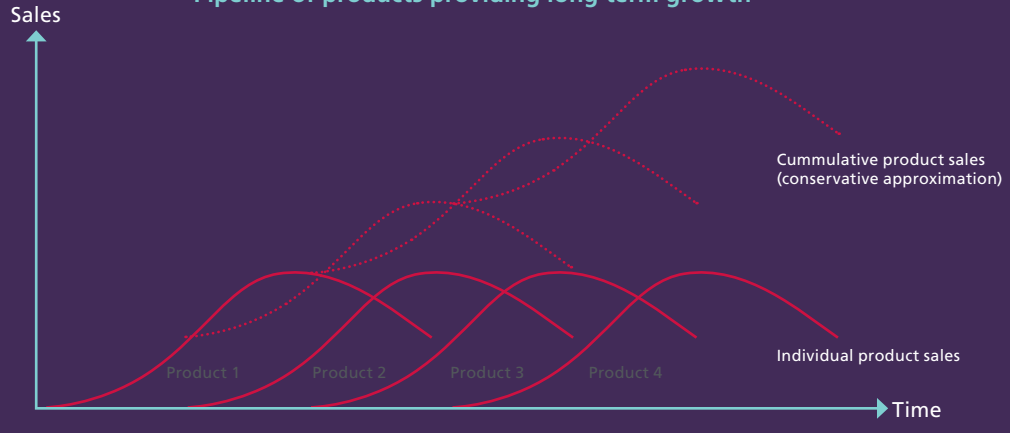
- It should be an IVD format test performed in a pathology laboratory
- It should be able to be taken to market through channels that have been established for our existing product(s)
- It must solve an unmet need in the marketplace so that physicians will order it and payers will pay for it

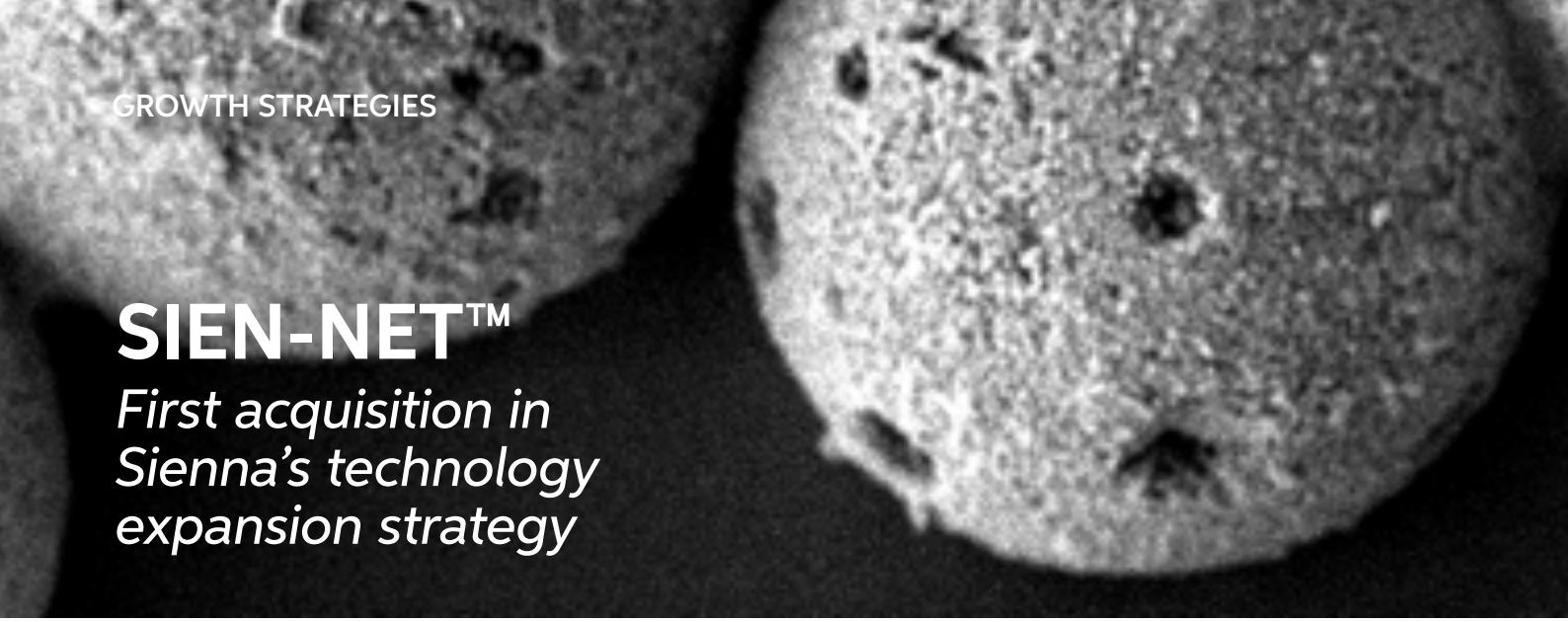
Technology opportunities are then ranked and prioritised on criteria, including:

- Cancer-related
- Ability to use SIEN-NET™ as the sample preparation technology
- Complimentary to other Sienna IVD product(s)
- Market opportunity size
- Reimbursement potential
- Time/cost required to get the product to market
- Strength of the Intellectual Property (IP) position
- Liquid biopsy / biomarker-based test format
- Diagnostic accuracy and overall performance of the test
- Cost to manufacture
- Competitive landscape
- Robustness of data, including any peer-reviewed publications
- License exclusivity

For Sienna to be in a position to realise sustainable long term growth beyond the product lifecycle of our first in-market product, we want to create a pipeline of products continually entering the market. No matter where in the lifecycle any one product sits, there is always the potential for growth coming from the portfolio as a whole, as illustrated below.

Pipeline of products providing long term growth





SIEN-NET™

First acquisition in Sienna's technology expansion strategy

In April 2019, Sienna acquired a unique sample preparation technology from Sevident Inc., which marked the Company's first transaction in its technology expansion strategy, and a new opportunity for future revenue generation.

The acquisition will assist Sienna to build a pipeline of novel diagnostic technologies that address unmet clinical needs in the pathology market. The sample preparation technology can isolate and capture molecular and cellular biomarkers from small clinical sample volumes, with high sensitivity and specificity. The successful development of SIEN-NET will enable Sienna to further penetrate the large and rapidly growing liquid biopsy market.

SIEN-NET isolates biomarker materials like exosomes from blood or plasma faster than traditional means, such as ultracentrifugation and column chromatography. It is flexible, scalable and both highly sensitive and specific. Biomarkers can be isolated for a range of screening and diagnostic uses, including cancer diagnosis and prognosis.

Sienna is in the process of planning for further technology development to bring the SIEN-NET technology to market.

It is intended that the technology will not only be used to prepare samples for use in future Sienna-developed tests but also as an additional stand-alone product revenue source for use in other non-competitive tests and applications as a sample preparation product.

Sienna plans to build production facilities and capabilities in order to manufacture the SIEN-NET product line at its Melbourne headquarters.

Current cancer diagnosis
The problem with tissue biopsies

Patients generally receive their cancer diagnosis from a solid tumour biopsy. A small amount of tissue is surgically removed for analysis in a pathology lab. A biopsy is a routine diagnostic practice, but there are biological and technical limitations, including:

- A small sample of tissue does not represent the complete molecular profile of the cancer
- Biopsies are invasive, and some patients do not have accessible tissue for analysis. For example, up to 31% of non-small cell lung cancer (NSCLC) patients do not have accessible tumour tissue
- Preservation methods can cause false positives
- The cost of biopsies
- The test's turnaround time may lead to sub-optimal treatment

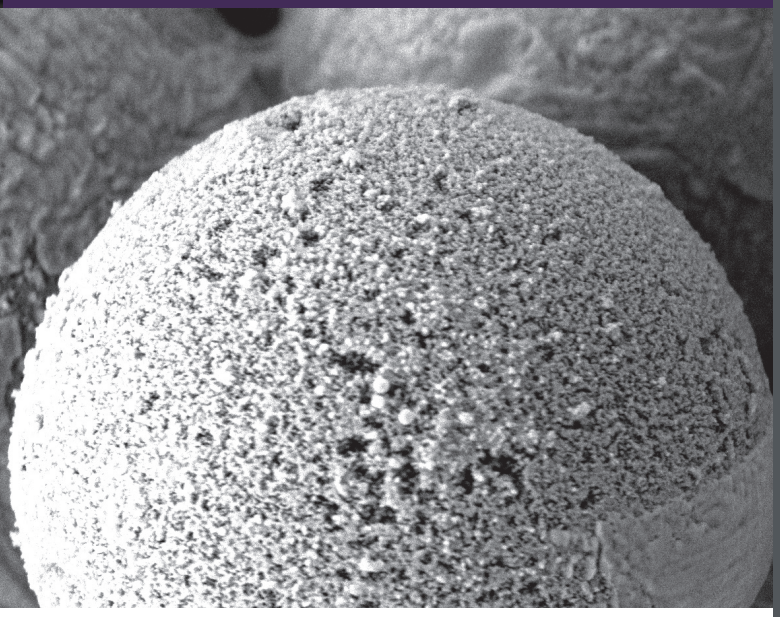
There is a significant amount of research being conducted to find alternative testing methods to address the limitations of current methods. The capture and analysis of material shed from cancers, such as nucleic acids, proteins, exosomes and lipids, are attracting significant attention from researchers.

Liquid biopsies
The future of non-invasive cancer testing

Liquid biopsies are rapid diagnostic procedures performed on samples such as blood, urine or saliva. The procedure tests molecules, exosomes, cells and particles that are strongly associated with cancer. Liquid biopsy has many advantages over solid biopsy, including:

- Minimally invasive sample collection, which allows for repeated and consistent assessment throughout the patient's therapy course
- Fresh samples eliminate the need for preservatives that interfere with molecular analysis
- The test provides the complete genomic and proteomic profile of the tumour because it is not dependent on accurately localising and biopsying the tumour within the tissue

The addressable market for liquid biopsy is estimated to be $28.6 billion. Until now, liquid biopsy has shown great potential but has not progressed beyond the research laboratory, due to limitations in capturing and isolating tumour-derived materials in a way which is fast, accurate, scalable and cost-effective for laboratories. SIEN-NET technology has the potential to overcome this limitation and help make liquid biopsy a routine diagnostic procedure.



Exosomes

The capture of exosomes for analysis is a growing field in the liquid biopsy market, attracting a lot of interest from researchers. Exosomes are shed from cancer cells into the bloodstream and other body fluids. They are very small, ranging from 30nm to 120nm in size. Exosomes contain proteins, nucleic acids and lipids from the host cell and because of this, exosomes have a great potential to serve as a source of biomarkers for early detection of a range of cancers.

A major hurdle limiting the growth of the market has been the difficulty in isolating exosomes by traditional means, including ultracentrifugation and column chromatography. These methods can take several hours and are not scalable. SIEN-NET allows the isolation of exosomes from blood or plasma within as little as 15 minutes, and is flexible, scalable and highly specific.

Welcoming

Dr Emily Stein, Dr Peter French and Dr Wayne Jensen

Dr Emily Stein
Research & Development Manager

Emily is the inventor of SIEN-NET™ technology and is based in Sienna's new USA headquarters in Minneapolis. Emily brings a unique scientific background to Sienna that spans molecular biology, microbiology and molecular & cellular immunology. She completed her Post-Doctoral Fellowship in Immunology & Rheumatology at Stanford University; she holds a PhD in Microbiology from the University of California at Berkeley, and a Bachelor of Science in Microbiology and Immunology from the University of Iowa.

Emily is leading the development of the SIEN-NET technology and working with her colleagues to design a manufacturing process for the product.

Dr Peter French
Strategic Technology Advisor

Peter has over 40 years' experience in cell and molecular biology and has published across a wide range of areas, including oncology, immunology, microbiology and neuroscience.

Dr French was a Director of several biotech companies in Australia and the US, including Cryosite, Probiomics Ltd., Benetic Biopharma, and most recently served as CEO of Sevident.

Peter is focussed on sourcing, evaluating and ultimately acquiring new technologies that can become products in Sienna's development and commercialisation pipeline. Peter's work ensures that Sienna has both a near-term and a long-term strategy for technology evolution and growth.

Dr Wayne Jensen
Research & Development Director

Wayne has over 25 years' experience in the IVD medical device industry, with a track record in developing IVD products from inception to completion, enabling in-house production and international market release. He also has deep experience in partnered product development as a conduit to market release with international IVD companies, including Abbott, Roche, Siemens, Beckman Coulter and Sigma. He previously held roles in research and development with companies including Universal Biosensors and Thermo Fisher Scientific.

As the head of R&D across the Sienna portfolio, Wayne manages the R&D strategic planning and implementation, including the integration of new technologies acquired or in-licensed by Sienna. He and his team are currently developing and executing plans to manufacture the SIEN-NET product line.

EXPECTING hTERT SALES GROWTH IN THE UNITED STATES

Expanding commercial sales of our first product, the IVD test for hTERT, is an important part of Sienna's growth plan. We believe the addressable market for this product is significant, and the opportunity for sales growth through further penetration into that market remains high. The USA is the single largest market for IVD products in the world.

StatLab has been our exclusive distributor for hTERT in the United States since 2017. hTERT is one of StatLab's key/lead products and is a core component of their Advanced Diagnostics portfolio, which services over 3,000 laboratories across the country, and represents the fastest-growing portion of StatLab's overall business.

Customers have received hTERT well, generating encouraging early sales volumes. Although the sales process is taking longer than originally anticipated per customer, once labs start using the hTERT test, our experience is that they continue and typically expand usage. Pathology laboratories remain conservative when implementing new tests with limited published clinical data to support their use. We anticipate that implementation times will reduce as the product gains further traction and acceptance in the industry, leading to a tipping point for increasing the rate of sales into new laboratories.

The opportunity for hTERT in the USA remains significant. There are over 1.5 million urine cytology tests performed annually, each one creating the potential for the adjunct hTERT test to be performed.

Throughout the past year, StatLab brought on several new laboratory customers, with each one receiving an extensive test optimisation and training process. As those newly added laboratories ramp up their use of the test, sales volumes for both StatLab and Sienna will begin to climb. Over the last year, some of the sales growth from these new laboratories has been offset by a decrease in sales volume from a couple of previously higher volume laboratory customers. We expect this offsetting effect to decrease as overall market penetration grows.

Wayne Rigler, StatLab's Executive Vice President of Sales and Marketing, is leading the commercial efforts for hTERT and remains confident in the test's substantial potential. Wayne has over 20 years in uropathology sales and brings significant experience to the team. He has recruited expert consultants to assist in devising and implementing new strategic marketing strategies and has overhauled the sales and marketing plans, sales tools and campaigns for hTERT.

StatLab now sells all equipment and reagents necessary for a laboratory to deploy the hTERT test. That includes the sample collection cup and fixative reagent, the glass slide, the recently launched automated slide preparation instrument and automated staining instrument with detection reagents to stain the specimen slide, through to the coverslip that completes the slide. It's a complete solution for labs to implement hTERT testing, and Sienna is committed to working with Statlab to grow sales across the US.

GEOGRAPHICAL EXPANSION

Sienna's geographical expansion program is driving increased market access across the globe.

The addition of distribution partners in new countries provides new revenue opportunities initially through sales of hTERT. Sienna's assessment of the capabilities and suitability of potential distribution partners has focussed on the partner having key attributes that Sienna believes will maximise the chances of success for our product in that market. Those include but are not limited to:

- Existing products sold into pathology laboratories
- A product portfolio that contains products that require the distributor to have an in-depth knowledge of clinical pathology laboratory operations
- Adequate human resources to cover the market with appropriate sales and tech support
- Sufficient financial resources to provide stability and launch capacity
- The hTERT opportunity represents a significant new revenue source and will therefore be pursued with vigour
- Appropriate in-house Regulatory and Quality expertise
- Demonstrated track record of ethical and compliant business practises

Importantly, all of those attributes will make those same distribution partners excellent candidates for the commercialisation of future IVD products coming through the Sienna pipeline. Ideally, well-performing distribution partners who have strong hTERT sales can expand their product catalogue to include additional tests as Sienna releases them for sale. This arrangement provides the following advantages to Sienna:

- Reduced business development expenditure on sourcing distribution partners for new products
- Increased efficiency of managing and supporting distribution partners
- Enhanced importance of Sienna as a product supplier to the distributor

Financial year 2019 has been a successful one for Sienna's geographical expansion strategy, with new partners added in China, Korea, Singapore, and Brazil. Each of these countries represents a significant opportunity to increase product revenues. Sienna has been working closely with our new partners in those regions to prepare and submit the required regulatory approval applications for sales to commence. While the applications progress through the various in-country approval processes, the Sienna team works with the distribution partner to train their staff and begin the work required to establish local reference accounts that will aid the product launch once regulatory approvals are received.

The Directors of Sienna Cancer Diagnostics Limited and its controlled entities (Sienna, the Group, or the Company) present their report for the financial year ended 30 June 2019.

Directors

The names of the Directors of the Company in office at any time during or since the end of the financial year are:

Geoffrey Cumming	Non-executive Chairman
Carl Stubbings	Non-executive Director
David Earp	Non-executive Director
Helen Fisher	Non-executive Director
John Chiplin	Non-executive Director (resigned 30 September 2018)

Principal Activities

Sienna is a medical technology company developing and commercialising cancer-related in-vitro diagnostic tests that address unmet clinical needs. Sienna's target market is pathology laboratories worldwide. The first product developed, manufactured, registered and brought to market by Sienna is an in-vitro diagnostic (IVD) test for detection of hTERT, a biomarker which is recognised for its role in cancer. The test is used as an adjunct to standard urine cytology testing. Sienna's test can provide urologists with information to assist them in the earlier detection of cancer.

Sienna's goal is to create a pipeline of IVD products that serve the pathology diagnostics market, building on the capabilities, knowledge, and infrastructure created to support our first commercial product. As part of that larger strategy the Company acquired SIEN-NET™ technology in April 2019. Sienna's SIEN-NET technology is a sample preparation platform with potential to revolutionise the performance of liquid biopsy diagnostic assays. Liquid biopsy can eliminate the need to carry out invasive tissue biopsies for cancer detection. The patented SIEN-NET technology can capture and isolate a range of biomarker targets from samples such as blood or urine. This allows diagnostic tests for those biomarkers to be performed with greater accuracy and speed. Further development of the SIEN-NET technology will be undertaken in the near term with a view to expanding our presence in the significant market for liquid biopsy applications.

During the 2019 financial year the key areas of activity related to:

- a share placement to institutional and sophisticated investors, raising $1.6 million (before expenses) of new capital via the issue of new ordinary shares;
- a rights issue offer to existing shareholders, which raised $3.6 million (before expenses) of new capital via the issue of new ordinary shares;
- working closely with the Company's distribution agents to increase market penetration of the IVD product;
- acquisition of intellectual property and selected equipment assets from Sevident Inc., now SIEN-NET technology;
- the appointment of distribution partners for Sienna's IVD test in China, Brazil, Singapore and the Republic of Korea;
- pursuing further distribution agreements for Sienna's IVD test in new geographical markets;
- research to expand the clinical applications of Sienna's IVD product; and
- the search for and evaluation of further intellectual property for introduction to the Company's product pipeline.

Corporate Information

Corporate Structure

Sienna, a company limited by shares, is incorporated and domiciled in Australia and listed on the ASX. Sienna has prepared a consolidated financial report incorporating the entities that it controlled during the financial year.

The parent company, Sienna Cancer Diagnostics Limited, became a publicly listed company on 3 August 2017 with the ASX code SDX. Sienna owns 100% of Melbourne Diagnostics Pty Ltd and Sienna Cancer Diagnostics Inc. (a U.S. incorporated private company).

The registered office and principal place of business is located at 1 Dalmore Drive, Scoresby, Victoria, Australia, 3179.

Review of Operations

Operating Results

The Group reported a total comprehensive loss of $2,658,835 (2018: $2,182,194) for the reporting period.

Gross Profit and Product Revenue

A gross profit of $478,948 (2018: $468,847) was reported for the financial year. Product revenue recorded for the reporting period was $531,251 (2018: $527,845).

Other Revenue and Operating Expenditures

The Company received $443,605 from the refundable Research and Development Tax Incentive during the financial year (2018: $631,691). The reduced refund was the result of a shift of some employees' time from research and development to commercial activities. Grant, interest and other income totalled $208,829 (2018: $135,691), made up of $67,057 (2018: $59,578) from the Export Market Development Grant (EMDG), and $141,772 (2018: $70,785) of interest income. The increase in interest income was the result of a higher balance of cash reserves following the receipt of new capital from the issue of new ordinary shares via an institutional placement in July 2018 and a rights issue offer to shareholders in August 2018.

Operating Expenditures

A total of $2,409,644 (2018: $2,086,205) was incurred for employee and contractor costs. The major contributing factors to the increase were:

- the engagement of a Research Technician, for a fixed term, in October 2018;
- the employment of a full time Research and Development Director in April 2019;
- the employment of a full time Research and Development Manager in the U.S. for the acquired SIEN-NET platform technology in April 2019;
- the employment of a part time Strategic Technology Advisor in April 2019; and
- an increase in employee share options expense, $153,043 (2018: $71,113), following the issue of new employee share options to Directors and staff.

Administration expenditure increased to $742,461 from $621,513 recorded for the comparative financial year. The increase was the result of due diligence and legal fees incurred to pursue the acquisition of new intellectual property, including those fees incurred on the acquisition of the SIEN-NET technology and the establishment of a new U.S. subsidiary. The increase in legal fees was partially offset by a decrease in ASX listing fees as the comparative period included initial ASX listing fees of $107,200.

A total of $179,594 (2018: $247,027) was recorded for the continued external research and development expenditure for Sienna's IVD for detection of hTERT.

Insurances for the financial year increased to $201,957 (2018: $164,668). Directors and Officers (D&O) insurance premiums have risen significantly over the last couple of years due to an increase in corporate class action activity.

Cash Flow

Net cash used in operating activities totalled $2,485,239 (2018: $2,196,570 outflow). The net increase in cash for the financial year was $1,776,953 (2018: net cash increase $1,970,742). Cash and cash equivalents at 30 June 2019 were $4,466,532 (30 June 2018: $2,691,141). Receipts from operating activities totalled $687,389 (2018: $649,185), comprising inflow from product income $550,881 (2018: $546,559) and the refund of GST input tax credits, $136,508 (2018: $102,626). The Research and Development Tax Incentive refund added $443,605 (2018: $631,691) to cash flow, and interest receipts increased to $141,540 (2018: $65,461) following the receipt of new capital. Payments to suppliers and employees increased to $3,824,830 (2018: $3,602,485).

Net cash used in investing activities increased to $633,709 from $95,166 recorded for the prior financial year. The total in this reporting period comprised:

- the cash components of the SIEN-NET intellectual property acquisition from Sevident Inc., $481,116;
- capitalised patent and trademark application fees, $113,657; and
- the purchase of office and laboratory assets, $38,936.

The inflow of cash recorded for financing activities, $4,895,901 (2018: $4,262,478) represented the new capital raised via the institutional placement and rights issue offer to shareholders, $5,227,625 less $331,724 of direct expenses.

Issued Capital

In July and August 2018, Sienna issued a total of 87,127,080 new ordinary shares via a share placement to institutional and sophisticated investors and a rights issue offer to existing shareholders, increasing issued capital by $4,895,901 (net of capital raising expenses). In April 2019, a further 21,665,764 new ordinary shares were issued to the shareholders of Sevident Inc., as part consideration for the acquisition of the SIEN-NET technology, equating to a value of $1,398,881. At the end of the reporting period a total of 289,055,171 ordinary shares were on issue. In the comparative period Sienna Cancer Diagnostics Ltd listed on the Australian Securities Exchange (ASX). The Company raised a total of $4,262,466 (net) in new capital via the ASX listing, and 22,988,000 new ordinary shares were issued.

Future Developments

The Group does not foresee any unusual future event that may significantly negatively impact the Company's operations, results or state of affairs.

Sienna's business model of developing diagnostic products for global markets will always bear some risk given the nature of technological development, competitors entering the market, changes in global healthcare, reliance on commercial partners and our ability to access capital to sustain operations. We cannot guarantee that the Company's technology will be widely adopted and purchased by pathology laboratories. Moreover, the global Healthcare industry is an ever-evolving landscape where changes in reimbursement for diagnostics may impact our business opportunities.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment has been made.

After Balance Date Events

On 1 July 2019 the Company announced that the first U.S. patent covering the Company's in-vitro diagnostic (IVD) test for hTERT had been granted. The patent includes claims covering the performance of the test with a wide range of antibodies and antibody-derived detection agents. The patent remains valid until 2035.

There has been no other matter or circumstance which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

a. The operations, in financial years subsequent to 30 June 2019, of the consolidated entity, or
b. The results of those operations, or
c. The state of affairs, in financial years subsequent to 30 June 2019, of the consolidated entity.

Environmental Issues

Sienna's operations are subject to certain environmental regulations under the laws of the Commonwealth and State. Sienna engages an external waste management contractor to help ensure compliance with the Environment Protection Act 1970. This contractor is certified to ISO 14001, ISO 9001 and AS/NZ4801. The Directors are not aware of any breaches during the year covered by this report.

Significant Changes in State of Affairs

Apart from matters referred to throughout the Directors' Report, there have been no significant changes in the state of affairs of the Company.

Share-Based Payments

The Group operates an Employee Share Option Plan (ESOP). Each option provides the holder with the right to purchase an ordinary share in the parent entity at a pre-determined price. During the year ended 30 June 2019, 4,300,000 (2018: 3,790,000) new options were issued pursuant to the Group's ESOP while 4,760,000 (2018: 1,860,000) options expired. At the date of the Directors Report a total of 13,770,000 employee share options were on issue. These options were issued pursuant to the Company's employee share option plan, representing 4.76% of the total issued capital of Sienna Cancer Diagnostics Ltd.

There were no ordinary shares issued during the financial year from the exercise of employee share options.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under s307C of the Corporations Act 2001 is set out on page 25.

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

Non-Audit Services

Walker Wayland NSW Chartered Accountants were not engaged to perform non-audit services during the 2019 and 2018 financial years.

Directors' Related Party Transactions

Directors' related party transactions are detailed in Note 19 to the financial statements.

Indemnifying and Insurance of Directors and other Officers

The Company has paid a premium for Directors' and Officers' Liability (Management Liability) Insurance.

Under the Company's constitution:

i. To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company.
ii. To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company insures its Directors, Company Secretary and executive officers under a Directors and Officers Insurance policy. Under the Company's Directors and Officers Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

Directors and Company Secretary

Names, Qualifications, Experience and Special Responsibilities

Geoffrey Cumming

Independent Non-executive Chairman, appointed Non-executive Director 27 January 2006, appointed Non-executive Chairman 9 June 2006.

Qualifications BSc (Hons), BAppSc, MAICD, MBA, Ph.D.

Experience Geoff has held senior roles in the global healthcare and biotechnology sector for more than 20 years. As Managing Director, Roche Diagnostic Systems (Oceania), Geoff transformed the loss-making entity the Swiss parent was intending to divest, into the fastest growing and most profitable affiliate in the Roche group. In his role as Managing Director/CEO of Biosceptre International Ltd, Geoff was successful in designing and securing key funding arrangements through a skilful range of capital raising initiatives, including large government grants, partnering and co-development deals. His most recent executive role was as Managing Director / CEO of Anteo Diagnostics Ltd (ASX: ADO). He is currently a Non-executive Director of Anteo Diagnostics Ltd and was previously a Non-executive Director of Medical Australia Ltd (ASX: MLA), until November 2017. Geoff is also on the Board of Multiple Sclerosis Research Australia, a not-for-profit entity.

Special Responsibilities Member of the Audit & Risk and Remuneration Committees

Carl Stubbings

Independent Non-executive Director, appointed 31 December 2011, Acting CEO from August 2016 to March 2017.

Qualifications BSc

Experience Carl has considerable experience commercialising diagnostic products, both locally and globally. Based in the USA for 13 years, he served as Senior Vice President for Panbio USA Ltd and Vice-President of Sales and Marketing for Focus Diagnostics, a subsidiary of Quest Diagnostics, one of the world's largest pathology laboratories. In July 2012, Carl moved back to Australia where he was appointed Chief Business Officer at Benitec Biopharma Limited (ASX: BLT, NASDAQ: BNTC). More recently he has been assisting several Australian biotech companies with their commercialisation strategies. These companies include BCAL Diagnostics, a start-up company developing a blood test for breast cancer, Minomic, an Immuno Oncology company with a test for prostate cancer, and Biotron (ASX: BIT), a listed company that is developing and commercialising anti-viral small molecule therapies. Carl was previously a Non-executive Director of ASX listed medical device company Analytica Medical Limited (ASX:ALT), until November 2017.

Special Responsibilities Chair of the Remuneration Committee

David J. Earp

Independent Non-executive Director, appointed 1 December 2012

Qualifications BSc (Hons), J.D., Ph.D.

Experience David is the president, CEO and a director of Circle Pharma, an early stage biotechnology company developing macrocycle therapeutics, located in San Francisco. From 1999 until 2012, David served in various roles at Geron Corporation (NASDAQ:GERN), including Chief Patent Counsel, Chief Legal Officer and Senior Vice President of Corporate Transactions. From 2005 to 2010, David was a Board member of TA Therapeutics Ltd. (Hong Kong, PRC). He served on the Board of ViaGen Corporation (Austin, Texas) from 2008-2012, including as Executive Chairman from 2010 until the company was acquired in a trade sale. Earlier in his career, he was a partner in an intellectual property law form, advising life science clients. David holds a BSc with First Class Honours from Leeds University (UK), a PhD in biochemistry from Cambridge University (UK) and a JD from Lewis and Clark Northwestern School of Law (Portland, Oregon).

Special Responsibilities Member of the Audit & Risk and Remuneration Committees

Helen Fisher

Independent Non-executive Director, appointed 28 March 2018

Qualifications BSc, LLB (Hons), LLM, MCom

Experience Helen is CEO and Managing Director of Bio Capital Impact Fund. Prior to establishing the Fund, Helen was a partner of Deloitte for over 10 years and led Deloitte's Life Sciences industry practice in Australia for 5 years, having had many years' experience in the Life Sciences and Health Care industry. She also specialised in Financial Services, servicing some of the largest banks and funds in the Funds Management industry and has been involved in setting up a number of large international funds, as well as advised on a number of significant M&A deals.

Helen provided strategic tax advice to publicly listed and large multinational companies and has extensive experience with capital raisings, licensing deals, demergers, implementing offshore structures, IP management and location, and supply chain management.

Helen has Bachelor degrees in Law (with Honours) and Science from the University of Melbourne, a Masters degree in Laws (specialising in International Taxation) from the University of Melbourne and a Masters degree in Commerce from the University of NSW. Helen is the Chair of the Victorian branch of AusBiotech and is a former member of the American Chamber of Commerce in Australia Health Committee.

Special Responsibilities Chair of the Audit & Risk Committee

Tony Di Pietro

Company Secretary, appointed 25 February 2015

Qualifications BComm, CA, AGIA, MAICD

Experience Tony commenced in the role of Chief Financial Officer in November 2014 and was appointed Company Secretary in February 2015. He is a chartered accountant with significant corporate accounting experience, gained both in Australia and the UK. He also holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. Tony's experience spans many industries including biotechnology, resources, banking, patient transport, security and parking, having been employed by companies such as BHP Ltd (now BHP Billiton Ltd), ExxonMobil Ltd, HSBC Ltd and Wilson Group. Prior to his appointment at Sienna, Tony was employed at Acrux Limited, where he was a key member of management for more than 10 years. During this period, Acrux transitioned from a small loss-making public company to an ASX listed company generating significant profits.

Meetings of Directors and Committees

The Board utilises the following committees to make recommendations on governance and strategic matters. The Audit & Risk and Remuneration Committees make recommendations to the Board.

Audit and Risk Committee

Chaired by Helen Fisher and comprising David Earp and Geoffrey Cumming.

Remuneration Committee

Chaired by Carl Stubbings and comprising David Earp and Geoffrey Cumming. John Chiplin was a member of the Remuneration committee until the date of his resignation as a Non-executive Director on 30 September 2018.

The following table sets out the number of Director and Committee meetings of the Company held during the financial year, and the number of meetings attended by each Director.

Director	Directors' Meetings		Audit & Risk Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Geoffrey Cumming	26	26	2	2	2	2
Carl Stubbings	26	26	-	-	2	2
David Earp	26	26	2	2	2	2
Helen Fisher	26	24	2	2	-	-
John Chiplin[1]	4	2	-	-	-	-

[1] *Resigned 30 September 2018.*

The Remuneration Report, which forms part of the Directors' report, sets out information about the remuneration of the Company's Directors and Key Management Personnel for the financial year ended 30 June 2019.

Names and positions held by Directors and Key Management Personnel at any time during the financial year are:

Name	Position	Date Appointed to position
Dr Geoffrey Cumming	Non-Executive Chairman	9 June 2006
Mr Carl Stubbings	Non-Executive Director	31 December 2011
Dr David Earp	Non-Executive Director	1 December 2012
Ms Helen Fisher	Non- Executive Director	28 March 2018
Dr John Chiplin[1]	Non-Executive Director	22 January 2016
Mr Matthew Hoskin	Chief Executive Officer (CEO)	1 April 2017

[1] *Resigned 30 September 2018.*

Directors' and Key Management Personnel Interests in Ordinary Shares and Options

Directors' and Key Management Personnel's interests in the ordinary shares of Sienna Cancer Diagnostics Ltd and options over ordinary shares as at the date of this report are detailed below:

Name	Position	Total Number of Ordinary Shares	Total Number of Options
Dr Geoffrey Cumming	Non-Executive Chairman	1,131,814	600,000
Mr Carl Stubbings	Non-Executive Director	178,634	400,000
Dr David Earp	Non-Executive Director	177,779	400,000
Ms Helen Fisher	Non-Executive Director	-	400,000
Mr Matthew Hoskin	CEO	-	4,300,000
TOTAL		**1,488,227**	**6,100,000**

Remuneration Policy

The aim of the Company's remuneration policy is to align the interests of Directors and employees with those of shareholders. To do this Sienna:

- Sets remuneration levels that attract and retain highly skilled and experienced Directors and employees; and
- Motivates and rewards performance that advances the Company's strategic goals.

Remuneration Structure

The remuneration of Key Management Personnel and employees is structured in two parts:

- Fixed Remuneration, comprising: base salary, superannuation (payable under the Superannuation Guarantee Act) and other benefits in lieu of salary; and
- Variable Remuneration, which may comprise: a short-term incentive bonus (cash) and a long-term incentive in the form of options under the ESOP.

The Company aims to set the level of fixed remuneration at market levels for comparable jobs, in similarly structured and sized companies in the industry in which the Company operates. No advice from a remuneration consultant was sought during the financial year for the Company's remuneration structure.

Short-Term Incentive Plan

The Short-Term Incentive Plan (STIP) provides an opportunity for employees to earn an annual cash bonus on the achievement of corporate goals set at the beginning of each calendar year. The corporate goals are designed to drive shareholder value, are clearly defined, and can be objectively measured. The percentage of an employee's base salary that can be earned through the STIP is set by the Board for Key Management Personnel and by Key Management Personnel for all other employees. At the end of the calendar year the Board assesses the level of achievement of these corporate goals. Payments made pursuant to the STIP are at the discretion of the Board.

Long-Term Incentive Plan

The purpose of the long-term incentive plan is to align the interests of Directors, Key Management Personnel and employees with those of the shareholders, and provide reward for sustained achievement of the Group's strategic objectives. Sienna's long-term incentive plan is implemented through the Employee Share Option Plan (ESOP).

The key terms of the ESOP are:

- Generally, options vest in three equal tranches from the issue date: the first tranche 12 months from the issue date, the second tranche 24 months from the issue date, and the third tranche 36 months from the issue date. Options granted to Directors in December 2018 have a 12 month vesting period (Dr Geoffrey Cumming, Mr Carl Stubbings and Dr David Earp were issued options equal to the number that had recently expired);
- Should options vest, they expire 4 or 5 years from issue date;
- Options lapse 60 days following resignation or termination of employment, other than death, permanent medical disability, mental incapacity or retirement upon achievement of the customary retirement age;
- The sum of all unexpired options issued under this plan may not at any time exceed 15% of the issued share capital of Sienna;
- The exercise price of new options will be set at a price that is greater than the weighted average price at which ordinary shares in Sienna have traded on the ASX over the 30 days before the date on which the option is granted; and
- The Directors may, from time to time add to or vary the plan rules, provided that the additions or variations do not reduce a participants' rights or entitlements in respect of any option granted before the date of alteration or addition unless prior written approval is obtained from the affected participant.

Note 20 to the financial statements provides details of the options issued under the ESOP.

Non-executive Director Remuneration

The Remuneration Committee considers the level of remuneration necessary to attract and retain Directors with the skills and experience required by the Company at its stage of development. The Committee makes recommendations to the Board.

Non-executive Directors fees are paid within an aggregate limit which is approved by the shareholders from time to time. The current limit of $300,000 for Non-executive Director fees was approved by shareholders at the 2015 Annual General Meeting (AGM). No retirement payments are made to Non-executive Directors. Non-executive Directors do not receive any additional remuneration for being Board Committee members. Non-executive Directors participate in the Company's ESOP.

The current levels of Non-executive Directors' fees are as follows:

- Australian-based Non-executive Chairman: $75,000 per annum plus 9.5% superannuation;
- Australian-based Non-executive Directors: $50,000 per annum plus 9.5 % superannuation;
- United States-based Non-executive Directors: $54,750 per annum.

A total of 1,800,000 options were issued to Directors under the ESOP during the 2019 financial year. No ordinary shares were issued to Directors on exercise of any options. .

Key Management Personnel Remuneration

Key Terms of the CEO's Employment Contract

Matthew Hoskin is employed under an executive employment agreement dated 1 April 2017. The key terms of the agreement are:

- Remuneration: Fixed remuneration, which at the date of the Directors' Report was $298,494 per annum plus mandatory statutory superannuation contributions payable under the Superannuation Guarantee Act.
- Short Term Incentive: A maximum cash payment of 20% of base salary earned for the calendar year can be attained on the achievement of annual corporate goals set by the Board.
- Intellectual Property: All intellectual property developed by Matthew in connection with his services remains the property of the Company.
- Termination: The agreement may be terminated by either party with 3 months' notice.

Mr. Hoskin is eligible to participate in Sienna's ESOP and holds a total of 4,300,000 options under the plan at the date of this report:

- 2,500,000 issued in April 2017 (at the commencement of his role as CEO), exercisable at 24.3 cents, expiring in April 2022;
- 300,000 issued in August 2017, exercisable at 25 cents, expiring in August 2021.
- 1,500,000 issued in May 2018, exercisable at 12.5 cents, expiring in May 2023.

Details of the remuneration of Directors and Key Management Personnel for the 2019 financial year are provided below:

	Short-term Benefits			Post-employment	Equity-based compensation		
	Cash salary and fees ($)	Cash bonus ($)	Non-monetary benefits ($)	Consultancy ($)	Superannuation and provision for Long Service Leave# ($)	Options* ($)	Total ($)	% of Perform. based rem.
NON-EXECUTIVE DIRECTORS								
Geoffrey Cumming	75,000	-	-	-	7,125	14,137	96,262	-
Carl Stubbings	50,000	-	-	4,400	4,750	9,487	68,637	-
David Earp	54,750	-	-	-	-	9,487	64,237	-
Helen Fisher	50,000	-	-	-	4,750	9,487	64,237	-
John Chiplin[1]	13,688	-	-	-	-	-	13,688	-
KEY MANAGEMENT PERSONNEL - CEO								
Matthew Hoskin	291,973	50,286	-	-	29,343	62,925	434,527	11.6%
TOTAL	**535,411**	**50,286**	**-**	**4,400**	**45,968**	**105,523**	**741,588**	**6.8%**

**The methodology used to value the options is detailed in Note 1 n. of the Financial Statements.*

 # The provision for Long Service Leave only applies to the CEO.

[1] Resigned 30 September 2018.

Details of the remuneration of Directors and Key Management Personnel for the 2018 financial year are provided below:

	Short-term Benefits			Post-employment	Equity-based Compensation		
	Cash salary and fees ($)	Cash bonus ($)	Non-monetary benefits ($)	Consultancy ($)	Superannuation ($)	Options* ($)	Total ($)	% of Perform. Based Rem.
NON-EXECUTIVE DIRECTORS								
Geoffrey Cumming	72,894	-	-	-	6,925	-	79,819	-
Carl Stubbings	47,842	-	-	-	4,545	-	52,387	-
David Earp	52,388	-	-	-	-	-	52,388	-
John Chiplin[1]	52,388	-	-	-	-	-	52,388	-
Helen Fisher[2]	13,048	-	-	-	1,240	-	14,288	-
KEY MANAGEMENT PERSONNEL - CEO								
Matthew Hoskin	278,911	20,500	-	-	20,049	55,923	375,383	5.5%
TOTAL	**517,471**	**20,500**	**-**	**-**	**32,759**	**55,923**	**626,653**	**3.3%**

**The methodology used to value the options is detailed in Note 1(n) and Note 20 of the Financial Statements.*

[1] Resigned 30 September 2018.

[2] Appointed 28 March 2018.

Option Holdings

The number of options over ordinary shares in the Company held during and at the end of the financial year by each Director and Key Management Personnel, including related parties, are set out below:

	Balance at Beginning of Year	Granted During Year	Exercised During Year	Forfeited or Lapsed During Year	Balance at End of Year	Vested and Exercisable at End of Year	Unvested at End of Year
NON-EXECUTIVE DIRECTORS							
Geoffrey Cumming	600,000	600,000	-	(600,000)	600,000	-	600,000
Carl Stubbings	400,000	400,000	-	(400,000)	400,000	-	400,000
David Earp	400,000	400,000	-	(400,000)	400,000	-	400,000
Helen Fisher	-	400,000	-	-	400,000	-	400,000
John Chiplin[1]	-	-	-	-	-	-	-
KEY MANAGEMENT PERSONNEL - CEO							
Matthew Hoskin	4,300,000	-	-	-	4,300,000	2,266,666	2,033,334
TOTAL	**5,700,000**	**1,800,000**	**-**	**(1,400,000)**	**6,100,000**	**2,266,666**	**3,833,334**

[1] Resigned 30 September 2018.

Shareholdings

The number of ordinary shares in the Company held during and at the end of the 2019 financial year by each Director and Key Management Personnel of the Group, including related parties, are set out below:

	Balance at Beginning of Year	Share-based compensation	Exercise of Options	Other transactions with Company	On-market and other transactions	Balance at End of Year
NON-EXECUTIVE DIRECTORS						
Geoffrey Cumming	848,860	-	-		282,954	1,131,814
Carl Stubbings	133,975	-	-	-	44,659	178,634
David Earp	133,334	-	-	-	44,445	177,779
Helen Fisher	-	-	-	-	-	-
John Chiplin[1]	200,000	-	-	-	40,000	240,000
KEY MANAGEMENT PERSONNEL - CEO						
Matthew Hoskin	-	-	-	-	-	-
TOTAL	**1,316,169**	**-**	**-**	**-**	**412,058**	**1,728,227**

[1] Resigned 30 September 2018.

The numbers of ordinary shares in the Company held during and at the end of the 2018 financial year by each Director and Key Management Personnel of the Group, including related parties, are set out below:

	Balance at Beginning of Year	Share-based compensation	Exercise of Options	Other transactions with Company	On-market and other transactions	Balance at End of Year
NON-EXECUTIVE DIRECTORS						
Geoffrey Cumming	823,860	-	-	-	25,000	848,860
Carl Stubbings	133,975	-	-	-	-	133,975
David Earp	133,334	-	-	-	-	133,334
John Chiplin[1]	-	-	-	-	200,000	200,000
Helen Fisher	-	-	-	-	-	-
KEY MANAGEMENT PERSONNEL - CEO						
Matthew Hoskin	-	-	-	-	-	-
TOTAL	**1,091,169**	**-**	**-**	**-**	**225,000**	**1,316,169**

[1] Resigned 30 September 2018.

Voting and comments made at the Company's 2018 Annual General Meeting

At the 2018 Annual General Meeting, approximately 99.7% of votes cast were in favour of the Remuneration Report for the financial year ended 30 June 2018. No specific feedback in relation to the report was received from shareholders in attendance or otherwise.

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

Geoffrey J Cumming
Non-executive Chairman

Helen Fisher
Non-executive Director

Melbourne, Australia
Dated this 22nd day of August 2019.

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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AUDITOR'S 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 year ended 30 June 2019 there have been:

i. no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Walker Wayland NSW
Walker Wayland NSW
Chartered Accountants

Wali Aziz
Partner

Dated this 22nd day of August 2019, Sydney

Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 30 June 2019

	Notes	2019 ($)	2018 ($)
Product revenue		531,251	527,845
Cost of Sales		(52,303)	(58,998)
GROSS PROFIT		**478,948**	**468,847**
OTHER REVENUE			
Research and Development Tax Incentive refund		443,605	631,691
Grant, interest and other income	4	208,829	135,691
TOTAL OTHER INCOME		**652,434**	**767,382**
OPERATING EXPENDITURES			
Employee and contractor costs	5	(2,409,644)	(2,086,205)
Administration	5	(742,461)	(621,513)
Research and development		(179,594)	(247,027)
Insurance		(201,957)	(164,668)
Travel and meetings		(155,192)	(167,810)
Depreciation and amortisation	5,11,12	(132,587)	(130,559)
Other expenses from ordinary activities		(9,533)	(641)
TOTAL OPERATING EXPENDITURES		**(3,830,968)**	**(3,418,423)**
LOSS BEFORE INCOME TAX		**(2,699,586)**	**(2,182,194)**
Income tax expense	6	-	-
LOSS FOR THE YEAR		**(2,699,586)**	**(2,182,194)**
Other comprehensive income, net of tax		40,751	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,658,835)**	**(2,182,194)**
LOSS PER SHARE			
Basic loss per share (cents per share)	7	(0.01)	(0.01)
Diluted loss per share (cents per share)	7	(0.01)	(0.01)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	2019 ($)	2018 ($)
CURRENT ASSETS			
Cash and cash equivalents	8	4,466,532	2,691,141
Trade and other receivables	9	88,733	124,008
Inventories	1 (h)	17,009	15,919
Other assets	10	197,213	172,000
TOTAL CURRENT ASSETS		**4,769,487**	**3,003,068**
NON-CURRENT ASSETS			
Intangibles	11	4,121,752	2,239,435
Property, plant and equipment	12	88,173	28,174
TOTAL NON-CURRENT ASSETS		**4,209,925**	**2,267,609**
TOTAL ASSETS		**8,979,412**	**5,270,677**
CURRENT LIABILITIES			
Trade and other payables	13	206,209	314,360
Provisions	14	123,176	113,132
TOTAL CURRENT LIABILITIES		**329,385**	**427,492**
NON-CURRENT LIABILITIES			
Provisions	14	65,510	47,658
TOTAL NON-CURRENT LIABILITIES		**65,510**	**47,658**
TOTAL LIABILITIES		**394,895**	**475,150**
NET ASSETS		**8,584,517**	**4,795,527**
EQUITY			
Issued capital	15	27,304,279	21,009,497
Equity-settled employee benefits reserve	16	253,788	173,017
Foreign currency translation reserve	16	40,751	-
Accumulated losses	17	(19,014,301)	(16,386,987)
TOTAL EQUITY		**8,584,517**	**4,795,527**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity For The Year Ended 30 June 2019

	Notes	Issued Capital $	Equity-Settled Employee Benefits Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
BALANCE AT 30 JUNE 2017		**16,747,019**	**132,762**	**-**	**(14,235,651)**	**2,644,130**
Loss for the year		-	-	-	(2,182,194)	(2,182,194)
Other Comprehensive income, net of tax		-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-	**-**	**(2,182,194)**	**(2,182,194)**
Share-based payments expense	16	-	40,255	-	30,858	71,113
Share issued (net of issue costs)	15	4,262,478	-	-	-	4,262,478
BALANCE AT 30 JUNE 2018		**21,009,497**	**173,017**	**-**	**(16,386,987)**	**4,795,527**
Loss for the year		-	-	-	(2,699,586)	(2,699,586)
Other Comprehensive income, net of tax		-	-	40,751	-	40,751
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	**-**	**40,751**	**(2,699,586)**	**(2,658,835)**
Share-based payments expense	16	-	80,771	-	72,272	153,043
Share issued (net of issue costs)	15	6,294,782	-	-	-	6,294,782
BALANCE AT 30 JUNE 2019		**27,304,279**	**253,788**	**40,751**	**(19,014,301)**	**8,584,517**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flow For The Year Ended 30 June 2019

	Notes	2019 ($)	2018 ($)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		687,389	649,185
Receipts From the Research and Development Tax Incentive		443,605	631,691
Interest and grant income received		208,597	125,039
Payments to suppliers and employees		(3,824,830)	(3,602,485)
NET CASH USED IN OPERATING ACTIVITIES	**18(b)**	**(2,485,239)**	**(2,196,570)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangibles		(594,773)	(81,124)
Purchase of property, plant and equipment		(38,936)	(14,042)
NET CASH USED IN INVESTING ACTIVITIES		**(633,709)**	**(95,166)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		5,227,625	4,597,600
Payment of share issue costs		(331,724)	(335,122)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**4,895,901**	**4,262,478**
NET INCREASE IN CASH HELD		**1,776,953**	**1,970,742**
Cash and cash equivalent at beginning of financial year		2,691,141	720,399
Effects of exchange rate changes on the balance of cash held in foreign currencies		(1,562)	-
CASH AND CASH EQUIVALENT AT END OF FINANCIAL YEAR	**18(a)**	**4,466,532**	**2,691,141**

The accompanying notes form part of these financial statements

Note 1: Statement of Significant Accounting Policies

The consolidated financial statements and notes represent those of Sienna Cancer Diagnostics Limited and Controlled Entities (the 'Consolidated Group' or 'Group').

Note 2 provides some parent entity financial statement disclosure.

The financial report covers the economic entities of Sienna Cancer Diagnostics Limited and its controlled entities as an economic entity.

The financial statements were authorised for issue on 22nd August 2019 by the Directors of the Company.

Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Sienna Cancer Diagnostics Limited and the entities it controlled during the period, as at 30 June 2019.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full and the reporting period and accounting policies of the subsidiaries are consistent with those of the parent entity. A list of controlled entities is disclosed in note 3.

Accounting Policies

a. Going Concern

The financial report has been prepared on a going concern basis. The Company recorded a total comprehensive loss of $2,658,535 (2018: $2,182,194) and an outflow of cash from operating activities of $2,485,239 (2018: $2,196,570) for the reporting period. At 30 June 2019, the Group had net assets of $8,584,517 (2018: $4,795,527) and cash reserves of $4,466,532 (2018: $2,691,141). During the reporting period the Company received $5,227,625 from the issue of new ordinary shares via a share placement and rights issue offer to shareholders.

Based on the cashflow forecasts provided by management the Board believes the Company will be sufficiently funded to execute its current strategies for at least the next 12 months.

b. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available, against which deductible temporary differences can be utilised. No deferred tax assets have been recognised on the balance sheet as at 30 June 2019, as the probability of deriving a benefit is uncertain.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the expectation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. Revenue Recognition

Revenue is recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Interest Income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Product Revenue

Revenue from product agreements is made up of:

- Revenue from the supply of product. Revenue from the supply of product is recognised in the period in which the product is supplied.
- Royalties based on the number of laboratory tests conducted by commercial partners. Royalty revenue is recognised in the period in which the laboratory tests occur.
- Revenue arising as the result of a milestone (such as the signing of a commercial agreement). Revenue relating to milestones is recognised upon achievement of the milestone, which is the trigger point for the right to receive the revenue.

Revenue from the refund of the federal government's Research and Development Tax Incentive program is recognised when it is received.

Revenue from government grants is recognised upon receipt, which is once the allowable expenditures have been paid.

Other revenue is recognised as received or over the period to which it relates.

d. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquiring the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flow is included in the statement of cash flow on a gross basis. The GST components of cash flow arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flow

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant & Equipment

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including building and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Items of property, plant and equipment, are depreciated over their estimated useful lives.

The depreciation rates for each class of asset are:

Class of Non-Current Asset	Depreciation Rate
Office Furniture and Equipment	5.00% - 50.00% straight line
Research Equipment	6.67% and 25.00% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Impairment of Assets

At each reporting date the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of

the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for intangible assets with both finite and indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

h. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

i. Intangibles

Patents

Patents are recognised at cost of acquisition or the cost of application and grant. Patents have a finite life and are recognised on the balance sheet at cost less any accumulated amortisation and any impairment losses. No amortisation expense has been recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ending 30 June 2019 (2018: Nil), as no patent had been granted at 30 June 2019.

Patents are amortised on a straight line basis over the term of the patent commencing from the time the patent is registered.

Trademarks

Trademarks are recognised at the cost of application and grant. Trademarks generally have an infinite life and are recognised on the balance sheet net of any impairment.

Purchased Intellectual Property

Purchased intellectual property is recognised at the cost of acquisition. Purchased intellectual property has a finite life and is recognised on the balance sheet at cost less any accumulated amortisation and any impairment losses. No amortisation expense has been recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ending 30 June 2019 (2018: Nil).

Research and development

Research and Development Expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are capitalised only when each of the following specific criteria has been satisfied:

1. Technical feasibility of completing development of the product and obtaining approval by regulatory authorities.
2. Ability to secure a commercial partner for the product.
3. Availability of adequate technical, financial and other resources to complete development of the product, obtain regulatory approval and secure a commercial partner.
4. Reliable measurement of expenditure attributable to the product during its development.
5. High probability of the product entering a major diagnostic market.

Capitalised development costs have a finite life and are amortised on a systematic basis over the period from when the product becomes available for use and ceases at the earlier of the date the asset is expected to exit the market or that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with AASB 5.

Amortisation of the capitalised development expenditure for SCD-A7 commenced 21 December 2016, the date the product became available for sale. A 20-year period of amortisation has been determined for the development expenditure of SCD-A7. This is the period in which the Group is expected to derive economic benefits. The basis of amortisation is reviewed annually to assess whether it remains an appropriate amortisation period.

j. Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable and other creditors are normally settled within 60 days.

k. Employee Entitlements

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

Share-based compensation

The Group operates a share-based compensation plan. This consists of an employee share option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

l. Financial Instruments

Recognition

Financial instruments are initially measured at cost on transaction date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

n. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

*Capitalised development expenditur*e

The Board and Officers of the Group are required to use judgement when determining whether the recognition requirements for the capitalisation of development expenditure are met. The Intangible Asset balance on the Consolidated Statement of Financial Position includes a total of $1,948,898 (2018: $2,059,922) of capitalised development expenditure for SCD-A7. Capitalised development expenditure is disclosed in Note 11 'Intangible Assets'. The Board and Officers periodically assess whether there are any indicators that capitalised expenditure may be impaired. No further expenditure for SCD-A7 is to be capitalised, as the product became available for sale to customers on 21 December 2016. The Board and officers have determined a 20 year period of amortisation for these development expenditures, the period in which the Group expects to derive future economic benefits.

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. No impairment expense was recorded for the 2019 or 2018 financial years. The balance sheet does include a provision for doubtful debts, US$155,378 ($221,062). The doubtful debt was first recognised in the 2017 financial year when Bostwick Laboratories Inc., a significant debtor at the time, entered Chapter 11 bankruptcy protection. As a result, the full amount owed by the debtor was recognised as a doubtful debt. The Directors remain unsure as to what amount, if any, will be recovered from this debtor.

Share-based payments

Sienna operates an Employee Share Option Plan (ESOP). The non-cash expense of issuing these options is calculated using a Binomial option pricing model. This model requires the input of a number of variables including an estimate of future volatility and a risk-free interest rate. Sienna listed on the ASX on 3 August 2017. Options issued since May 2018 have used a volatility percentage calculated using the movement of Sienna shares on the ASX. Prior to May 2018, volatility was calculated using the historical volatility of the shares of an ASX listed company operating in the same industry as the Group. The risk free interest rate used is the federal government's 10 year bond rate on the options grant date plus 2.5%.

Employee entitlements

The calculation of long service leave benefits requires estimation of the retention of staff, future remuneration levels and timing of the settlement of these benefits. Historical trends are used to estimate these factors.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities using a three level hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

o. Adoption of New and Revised Accounting Standards

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 year.

AASB 15: Revenue from Contracts with Customers

The Group has adopted AASB 15 which is effective for annual periods beginning on or after 1 January 2018. AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The Group's accounting policies for its revenue recognition is disclosed in Note 1 (c). The application of AASB 15 has not had an impact on the financial position and/or the financial performance of the group.

AASB 9: Financial Instruments

The Group has adopted AASB 9 which is effective for annual periods beginning on or after 1 January 2018. The Standard includes revised requirements for the classification and measurement of financial instruments, and revised requirements for financial instruments and hedge accounting. The key changes include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Other than the upfront accounting of expected credit loss, AASB 9 has had no effect on the Company's financial report as the Group does not have any financial instruments or undertake any hedge accounting. The application of the upfront accounting of expected credit loss did not result in any impairment losses for the year ended 30 June 2019.

p. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Group has undertaken a detailed assessment of the impact of AASB 16. Based on the Group's preliminary assessment, the impact of adopting AASB 16 is the recognition of a right to use asset and a lease liability of $27,551 in the statement of financial position at 1 July 2019.

Note 2: Parent Information

	2019 ($)	2018 ($)
STATEMENT OF FINANCIAL POSITION The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards.		
ASSETS		
Current assets	4,837,752	2,982,996
Non-current assets	4,146,350	2,267,649
TOTAL ASSETS	**8,984,102**	**5,250,645**
LIABILITIES		
Current liabilities	328,373	427,493
Non-current liabilities	65,510	47,658
TOTAL LIABILITIES	**393,883**	**475,151**
EQUITY		
Issued Capital	27,304,279	21,009,497
Reserves	253,788	173,017
Accumulated losses	(18,967,848)	(16,407,020)
TOTAL EQUITY	**8,590,219**	**4,775,494**
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	(2,633,097)	(2,182,194)
TOTAL COMPREHENSIVE LOSS	**(2,633,097)**	**(2,182,194)**

Guarantees
The Parent Company has not entered into any guarantees in relation to its subsidiaries.

Contingent liabilities
At 30 June 2019, the Parent 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 (2018: Nil).

Note 3: Controlled Entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)*	
		2019	2018
Melbourne Diagnostics Pty Ltd	Australia	100%	100%
Sienna Cancer Diagnostics Inc.#	United States	100%	-

** Percentage of voting power in proportion to ownership*

 # Sienna Cancer Diagnostics Inc. was incorporated on 7 March 2019 to acquire the intellectual property, and selected equipment assets, of Sevident Inc. The asset purchase agreement was executed on 2 April 2019.

Note 4: Other Revenue

	2019 ($)	2018 ($)
GRANT, INTEREST AND OTHER REVENUE		
Grant revenue	67,057	59,578
Interest – third parties	141,772	70,785
Net foreign currency gain	-	5,328
	208,829	**135,691**

Note 5: Loss From Ordinary Activities Before Income Tax

	2019 ($)	2018 ($)
Loss from ordinary activities before income tax after charging the following items:		
EMPLOYEE AND CONTRACTOR COSTS		
Staff salaries and wages	1,581,420	1,376,640
Directors' fees	243,437	238,559
Contractor fees	189,423	168,318
Superannuation	147,514	130,859
Share-based payments expense	153,043	71,113
Other employment expenses	94,807	100,716
PER CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**2,409,644**	**2,086,205**
ADMINISTRATION		
Rental expense on operating lease	65,404	64,377
Legal fees	239,330	3,904
ASX listing and transaction fees plus share registry fees	63,554	160,538
Investor/public relations expenditure	140,443	150,639
Other administration expenses	233,730	242,055
PER CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**742,461**	**621,513**
DEPRECIATION AND AMORTISATION		
Depreciation of plant and equipment	20,082	19,641
Amortisation of building improvements	1,481	2,814
Amortisation of Capitalised Development Expenditure – See note 11	111,024	108,104
PER CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**132,587**	**130,559**

These notes form part of the financial statements

Note 6: Income Tax Relating to Ordinary Activities

	2019 ($)	2018 ($)
Prima facie income tax benefit from ordinary activities after significant items and before income tax at 27.5% (2018: 27.5%)	(742,386)	(600,103)
Add/(subtract) tax effect:		
Share option expense	42,087	19,556
Research and Development Tax Incentive	(121,991)	(173,715)
Amortisation of capitalised development expenses	30,532	29,728
Tax losses and temporary differences not brought to account	791,758	724,534
INCOME TAX EXPENSE	**-**	**-**

Estimated temporary differences total $118,067 as at 30 June 2019 (2018: $107,570). Estimated total tax losses not brought to account total $2,250,071 at 30 June 2019 (2018: $1,726,204). Total estimated tax losses are the sum of the carried forward tax losses reported in the Group's corporate tax returns lodged with the Australian Taxation Office for the prior financial year plus the amount calculated above for the reporting period.

Note 7: Loss Per Share

	2019 ($)	2018 ($)
The following reflects the income and share data used in the calculations of basic and diluted loss per share:		
LOSS USED IN CALCULATING BASIC AND DILUTED EARNINGS PER SHARE	**(2,699,586)**	**(2,182,194)**

	2019 No. of Shares	2018 No. of Shares
Weighted average number of ordinary shares used in calculating basic loss per share	255,676,425	178,309,922
BASIC AND DILUTED LOSS PER SHARE (CENTS)	**(0.01)**	**(0.01)**

Calculation of diluted loss per share
Potential ordinary shares are considered to be antidilutive, therefore diluted loss per share is equivalent to the basic loss per share.

Note 8: Cash and Cash Equivalents

	2019 ($)	2018 ($)
Cash on hand	40	40
Cash at bank	566,492	991,101
Term deposits	3,900,000*	1,700,000
TOTAL	**4,466,532**	**2,691,141**

** Term deposits are made up of three deposits*
$900,000, maturing 29 July 2019, earning 2.38% per annum;
$2,000,000, maturing 2 September 2019, earning 2.20% per annum;
$1,000,000, maturing 23 September 2019, earning 1.97% per annum.

Note 9: Trade and Other Receivables

	2019 ($)	2018 ($)
Trade receivables	277,878	294,667
Allowance for doubtful debts	(221,062)	(209,659)
	56,816	**85,008**
Other receivables	31,917	39,000
TOTAL	**88,733**	**124,008**

Credit Risk – Trade Debtors

During the financial year ended 30 June 2017 the Group recognised an allowance for doubtful debts following the announcement that Bostwick Laboratories Inc., a significant debtor, had entered Chapter 11 bankruptcy protection. As a result, the full amount owed by the debtor, US$155,378 ($221,062), is recognised as a doubtful debt. This provision for doubtful debts remains in place at 30 June 2019 as the Directors remain unsure as to what amount, if any, will eventually be recovered from this debtor. At 30 June 2019, the Group had a material credit risk exposure to a single Trade Debtor; the total amount due from this debtor was within the 45 day trading terms and has subsequently been received.

Note 10: Other Assets

	2019 ($)	2018 ($)
Prepayments	197,213	172,000
TOTAL	**197,213**	**172,000**

Note 11: Intangible Assets

	2019 ($)	2018 ($)
CAPITALISED DEVELOPMENT EXPENDITURE SCD-A7™		
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	(277,690)	(166,666)
	1,948,898	**2,059,922**
INTELLECTUAL PROPERTY		
Purchased intellectual property*	1,879,953	-
Patents – at cost	285,587	174,789
Accumulated amortisation	-	-
	285,587	**174,789**
Trademarks	7,314	4,724
TOTAL	**4,121,752**	**2,239,435**

** Per an asset purchase agreement executed in April 2019, Sienna purchased SIEN-NET technology from a U.S. entity. No amortisation has been charged as the asset has not been commercialised and therefore not ready for its intended use.*

Note 11: Intangible Assets (continued)

	Capitalised Development ($)	Purchased Intellectual Property ($)	Patents ($)	Trademarks ($)	Total ($)
MOVEMENT IN CARRYING AMOUNTS					
Balance at the beginning of the year	2,059,922	-	174,789	4,724	2,239,435
Additions	-	1,879,953	110,798	2,590	1,993,341
Amortisation	(111,024)	-	-	-	(111,024)
BALANCE AT THE END OF THE YEAR	**1,948,898**	**1,879,953**	**285,587**	**7,314**	**4,121,752**

Note 12: Property, Plant and Equipment

	2019 ($)	2018 ($)
Building Improvements – at cost	15,136	15,136
Accumulated Amortisation	(14,510)	(13,029)
	626	**2,107**
Office equipment – at cost	47,881	31,819
Accumulated depreciation	(20,915)	(14,273)
	26,966	**17,546**
Research equipment – at cost	113,527	50,667
Accumulated depreciation	(52,946)	(42,146)
	60,581	**8,521**
TOTAL	**88,173**	**28,174**

	Building Improvements ($)	Office Equipment ($)	Research Equipment ($)	Total ($)
MOVEMENT IN CARRYING AMOUNTS				
Balance at the beginning of the year	2,107	17,546	8,521	28,174
Additions	-	18,699	62,860	81,559
Assets fully depreciated	-	(2,637)	-	(2,637)
Depreciation	(1,481)	(9,279)	(10,800)	(21,560)
Depreciation – Assets fully depreciated	-	2,637	-	2,637
BALANCE AT THE END OF THE YEAR	**626**	**26,966**	**60,581**	**88,173**

Note 13: Trade and Other Payables

	2019 ($)	2018 ($)
Accruals	58,541	140,397
Trade and other payables	147,668	173,963
TOTAL	**206,209**	**314,360**

Note 14: Provisions

	2019 ($)	2018 ($)
CURRENT		
Provision for Annual Leave	86,422	88,341
Provision for Long Service Leave	36,754	24,791
TOTAL	**123,176**	**113,132**
NON-CURRENT		
Provision for Long Service Leave	65,510	47,658
TOTAL	**65,510**	**47,658**

Note 15: Issued Capital (Net)

	2019 (No.)	2018 (No.)	2019 ($)	2018 ($)
ORDINARY SHARES FULLY PAID	**289,055,171**	**180,262,327**	**27,304,279**	**21,009,497**
Balance at the beginning of the year	180,262,327	157,274,327	21,009,497	16,747,019
Issued during the year	108,792,844	22,988,000	6,626,506	4,597,600
Equity raising expenses	-	-	(331,724)	(335,122)
BALANCE AT THE END OF THE YEAR	**289,055,171**	**180,262,327**	**27,304,279**	**21,009,497**

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.

In July and August 2018, the Company issued new ordinary shares via a share placement to institutional and sophisticated investors and a rights issue offer to existing shareholders, 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. During the 2018 financial year, Sienna listed on the ASX, issuing 22,988,000 ordinary shares at 20 cents per share.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to equity holders. The Company does not have any interest-bearing debt. The primary objective of the Group's capital management is to maximise shareholder value. To maintain or adjust the capital structure the Directors may decide to return capital to shareholders or issue new shares. Management of the capital structure takes into account changes in economic conditions, industry developments and factors unique to the Group itself.

Note 16: Reserves

	Notes	2019 ($)	2018 ($)
Foreign currency translation reserve		40,751	-
Equity-settled employee benefits reserve	20	253,788	173,017
		294,539	**173,017**
EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE			
Balance at the beginning of the year		173,017	132,762
Employee share options expense	5,20	153,043	71,113
Vested options expensed in prior periods which expired	17	(72,272)	(30,858)
BALANCE AT THE END OF THE YEAR		**253,788**	**173,017**

Note 17: Accumulated Losses

	Notes	2019 ($)	2018 ($)
Balance at the beginning of the year		(16,386,987)	(14,235,651)
Vested options expensed in prior periods which expired	16	72,272	30,858
Total comprehensive loss for the year		(2,699,586)	(2,182,194)
BALANCE AT THE END OF THE YEAR		**(19,014,301)**	**(16,386,987)**

Note 18: Cash Flow Information

	2019 ($)	2018 ($)
a. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash on hand	40	40
Cash at bank	4,466,492	2,691,101
	4,466,532	**2,691,141**
b. Reconciliation of cash flow from operating activities with loss from ordinary activities after income tax benefit		
Loss from ordinary activities after significant items and income tax	(2,699,586)	(2,182,194)
NON-CASH ITEMS		
Depreciation and amortisation	132,587	130,559
Expense recognised in respect of equity-settled share-based payments	153,043	71,113
CHANGES IN ASSETS AND LIABILITIES		
Decrease in trade and other receivables	35,275	4,227
(Increase) in inventories	(1,090)	(15,919)
Increase in provision for employee entitlements	27,896	51,778
(Increase)/decrease in other assets	(25,213)	52,107
(Decrease) in trade and other payables	(108,151)	(308,241)
NET CASH USED IN OPERATING ACTIVITIES	**(2,485,239)**	**(2,196,570)**

Non-cash Financing Items

In April 2019 21,665,764 ordinary shares were issued to Sevident Inc. shareholders, as part consideration for the acquisition of Sevident's intellectual property assets (SIEN-NET) and select equipment assets.

Note 19: Related Party Transactions

Directors

The names of each person holding the position of director of Sienna Cancer Diagnostics Limited during the year are:

Dr Geoffrey Cumming, Mr Carl Stubbings, Dr David Earp, Mr John Chiplin (resigned 30 September 2018) and Ms Helen Fisher (appointed 28 March 2018).

No director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year-end.

Directors' Transactions With the Economic Entity

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

TRANSACTIONS WITH RELATED PARTIES	2019	2018
i. Transactions with Directors	**$**	**$**
	4,400	-
ii. Share Transactions of Directors	**No.**	**No.**
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following number of shares:		
- Ordinary shares	1,488,227	1,221,169
iii. Related party option transactions	**No.**	**No.**
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following number of options over ordinary shares:		
- Issued pursuant to Employee Share Option Plan	1,800,000	1,400,000

Note 20: Share-Based Payments

The following share-based payment arrangements existed at 30 June 2019:

Sienna Employee Share Option Plan

Number of Option	Exercise Price ($)	Granted Date	Status	Vested Date	Expiry Date	Conditions	Note
290,000	$0.220	11-Dec-15	Vested	11-Dec-16	11-Dec-19	Yes	1 & 2
290,000	$0.220	11-Dec-15	Vested	11-Dec-17	11-Dec-19	Yes	1 & 2
290,000	$0.220	11-Dec-15	Vested	11-Dec-18	11-Dec-19	Yes	1 & 2
110,000	$0.220	13-May-16	Vested	13-May-17	13-May-20	Yes	1 & 2
110,000	$0.220	13-May-16	Vested	13-May-18	13-May-20	Yes	1 & 2
110,000	$0.220	13-May-16	Vested	13-May-19	13-May-20	Yes	1 & 2
833,333	$0.243	1-Apr-17	Vested	1-Apr-18	1-Apr-22	Yes	1 & 2
833,333	$0.243	1-Apr-17	Vested	1-Apr-19	1-Apr-22	Yes	1 & 2
833,334	$0.243	1-Apr-17	Granted	1-Apr-20	1-Apr-22	Yes	1 & 2
200,000	$0.250	3-Aug-17	Vested	3-Aug-18	2-Aug-21	Yes	1 & 2
200,000	$0.250	3-Aug-17	Granted	3-Aug-19	2-Aug-21	Yes	1 & 2
200,000	$0.250	3-Aug-17	Granted	3-Aug-20	2-Aug-21	Yes	1 & 2
330,000	$0.250	22-Sep-17	Vested	22-Sep-18	21-Sep-21	Yes	1 & 2
330,000	$0.250	22-Sep-17	Granted	22-Sep-19	21-Sep-21	Yes	1 & 2
330,000	$0.250	22-Sep-17	Granted	22-Sep-20	21-Sep-21	Yes	1 & 2
733,333	$0.125	3-May-18	Vested	3-May-19	3-May-23	Yes	1 & 2
733,333	$0.125	3-May-18	Granted	3-May-20	3-May-23	Yes	1 & 2
733,334	$0.125	3-May-18	Granted	3-May-21	3-May-23	Yes	1 & 2
1,200,000	$0.103	15-Nov-18	Granted	15-Nov-19	15-Nov-23	Yes	1 & 2
600,000	$0.103	15-Nov-18	Granted	15-Nov-19	15-Nov-23	Yes	1 & 2
833,334	$0.101	4-Dec-18	Granted	4-Dec-19	4-Dec-23	Yes	1 & 2
833,333	$0.101	4-Dec-18	Granted	4-Dec-20	4-Dec-23	Yes	1 & 2
833,333	$0.101	4-Dec-18	Granted	4-Dec-21	4-Dec-23	Yes	1 & 2
11,790,000	**TOTAL ESOP OPTIONS**						

Notes:

1. Issued under the terms of the Sienna Cancer Diagnostics Employee Share Options Program (ESOP).

2. Vesting basis: to remain employed by Sienna at vesting date (ranging from 12 to 36 months).

All options granted are in respect of ordinary shares in Sienna Cancer Diagnostics Limited and confer a right of one ordinary share for each option held.

Movement in the Number of Share Options on Issue

	2019 Number of Options	2019 Weighted Average Exercise Price ($)	2018 Number of Options	2018 Weighted Average Exercise Price ($)
TOTAL OPTIONS				
Outstanding at the beginning of the year	14,523,314	$0.213	12,803,314	$0.224
Granted	4,300,000	$0.101	3,790,000	$0.177
Forfeited	-	-	(210,000)	$0.220
Exercised	-	-	-	-
Expired*	(7,033,314)	$0.220	(1,860,000)	$0.220
Outstanding at year-end	11,790,000	$0.168	14,523,314	$0.213
Exercisable at year-end	4,129,999	$0.216	8,666,647	$0.222

**Includes the expiry of 2,273,314 shareholder options.*

Options Reserve

The fair value of issued employee share options is calculated to be $253,788 (2018: $173,017). The number of options granted during the year pursuant to the ESOP was 4,300,000 (2018: 3,790,000), while 4,760,000 employee share options expired during the financial year (2018: 2,070,000).

Included under employees and contractor costs in the statement of profit and loss and other comprehensive income is a share-based payments expense of $153,043 (2018: $71,113), representing the expense for the current reporting period.

The value of employee share options issued during the financial year has been calculated by using a modified binomial option pricing model applying the following inputs:

Exercise prices	$0.101 and $0.103
Underlying share price	$0.079
Days to expiration	1,798 to 1,822
Days to vesting	337 to 1,090
Expected share price volatility	62.30%
Risk free interest rate	Between 4.94% and 4.97%

The historical volatility of the Company's ordinary shares listed on the ASX, SDX, was used as a basis for determining expected share price volatility.

Historical volatility is assumed to be indicative of future volatility however future volatility may not replicate historical volatility.

The life of the options is based on the contracted expiry date.

Note 21: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and trade receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2019 ($)	2018 ($)
FINANCIAL ASSETS			
Cash and cash equivalents	8	4,466,532	2,691,141
Trade and other receivables	9	88,733	124,008
TOTAL		**4,555,265**	**2,815,149**
FINANCIAL LIABILITIES			
Trade and other payables	13	206,209	314,360
TOTAL		**206,209**	**314,360**

During the financial year ended 30 June 2017 the Group recognised an allowance for doubtful debts following the announcement that Bostwick Laboratories Inc., a significant debtor, had entered Chapter 11 bankruptcy protection. As a result, the full amount owed by the debtor, US$155,378 was recognised as a doubtful debt. This provision for doubtful debts remains in place as the Directors are unsure as to what amount, if any, will eventually be recovered from this debtor. There are no other impaired assets within trade and other receivables; these balances, and the balance of trade and other payables, are expected to be settled within 60 days.

Financial Assets Pledged as Collateral

No financial assets have been pledged as security for any financial liability.

Financial Risk Management Policies

The Board are responsible for, among other issues, monitoring and managing financial risk exposures of the Group. The Board monitors the Group's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk. Discussions on monitoring and managing financial risk exposures are held regularly by the Board. The Board's overall risk management strategy seeks to ensure that the Group meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

The Group did not have any derivative instruments at 30 June 2019.

Specific Financial Risk Exposures and Management

a. Credit risk

- Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.
- Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Credit risk exposures

- Cash reserves form the majority of the Group's financial assets. At 30 June 2019, cash was deposited with three financial institutions, including two large Australian banks and one foreign exchange market specialist.
- At 30 June 2019, the Group had a material credit risk exposure to a single trade debtor, the United States distributor of the Company's invitro diagnostic product (IVD). The trade and other receivables recorded on the consolidated entity's balance sheet includes an amount of US$31,500 from this trade debtor. This amount was within the 45 day trading terms agreed with the debtor and has subsequently been received. Management regularly communicate with this debtor's senior staff and monitor the financial health of this debtor.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions.

c. Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Exposure to interest rate risk arises on interest earned on cash balances only.

Sensitivity analysis

The balance of cash and cash equivalents was $4,466,532 at 30 June 2019 (2018: $2,691,141). A 1% change in the interest rate earned on these balances would change the comprehensive loss and equity of the Group by approximately $45,000 (2018: $27,000)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group is not exposed to price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk due to revenue denominated in foreign currencies. Bank accounts denominated in US dollars and EUROs are maintained in order to facilitate receipts and payments.

Sensitivity analysis

Cash and cash equivalents at 30 June 2019 included $47,695 (2018: $35,430) denominated in US dollars and $1,639 (2018: $1,147) denominated in Euros. A change of 10% in the AUD/USD and AUD/EURO exchange rates at 30 June 2019 would change the comprehensive loss and equity of the Group by approximately $4,900 (2018: $3,700).

The balance of receivables at 30 June 2019 includes an amount of $44,816 from a US debtor (2018: $85,009). A change of 10% in the AUD/USD exchange rate at 30 June 2019 would change the comprehensive loss and equity of the Group by approximately $4,500 (2018: $8,500).

Other sensitivity analysis

The Board considers that, other than interest and currency risk, there are no other material market risks requiring sensitivity analysis.

d. Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are equal to their carrying value in the statement of financial position.

The fair values have been determined based on the following methodologies:

- Cash and cash equivalents, trade and other receivables, and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for / relating to annual leave which is not considered a financial instrument.
- All financial assets and liabilities are designated level 3 hierarchy fair value items except for cash and cash equivalents which is designated a level 1 hierarchy fair value item.

Note 22: 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. During the year 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. 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. For the 2019 financial year, and comparative period, the Group operated in predominantly one business and geographical segment, being the research and development of cancer diagnostics in Victoria, Australia.

Note 23: Key Management Personnel Compensation

The following responsible positions were Key Management Personnel of the Group at any time during the reporting period:

- Non-executive Chairman: Dr Geoffrey Cumming.
- Non-executive Directors: Mr Carl Stubbings, Dr David Earp, Dr John Chiplin (resigned 30 September 2018), Ms Helen Fisher.
- Chief Executive Officer: Mr Matthew Hoskin.

Transactions with Key Management Personnel

The Key Management Personnel compensation included in employee and contractor costs are as follows:

	Share-based payments ($)	Short-term benefits ($)	Post-employment benefit ($)	Total ($)
2019				
Total compensation	105,523	585,697	45,968	**737,188**
2018				
Total compensation	55,923	537,971	32,759	**626,653**

Note 24: Auditors' Remuneration

	2019 ($)	2018 ($)
REMUNERATION OF THE AUDITOR OF THE PARENT ENTITY FOR:		
Auditing or reviewing the financial report	43,000	44,077
Other services	-	-
TOTAL	**43,000**	**44,077**

Note 25: Events Subsequent to Reporting Date

On 1 July 2019 the Company announced that the first U.S. patent covering the Company's in-vitro diagnostic (IVD) test for hTERT had been granted. The patent includes claims covering the performance of the test with a wide range of antibodies and antibody-derived detection agents. The patent remains valid until 2035.

There has been no other matter or circumstance which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

a. The operations, in financial years subsequent to 30 June 2019, of the consolidated entity, or

b. The results of those operations, or

c. The state of affairs, in financial years subsequent to 30 June 2019, of the consolidated entity.

These notes form part of the financial statements

Note 26: Contingent Liabilities

At 30 June 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 (2018: Nil).

Note 27: Commitments

The Group has an operating lease for the office and laboratory facilities at 1 Dalmore Drive, Scoresby, Victoria. This lease is not capitalised in the accounts. The lease is current until 30 November 2019, and as a result the Group has a commitment at 30 June 2019 to pay 5 monthly lease payments totaling $27,551.

To the Directors' knowledge, the Group had no further material commitments as at 30 June 2019 not otherwise disclosed in these financial statements.

Note 28: Company Details

The registered office and principal place of business of the Company is: 1 Dalmore Drive, Scoresby VIC 3179, Australia

The Directors of the Company Declare That

1. The financial statements and notes, as set out on pages 26 to 49 are in accordance with the Corporations Act 2001:
   a. comply with Accounting Standards as detailed in Note 1 to the financial statements and the Corporations Regulations 2001; and
   b. give a true and fair view of the Company's financial position as at 30 June 2019 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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.
3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the CEO and CFO.

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

Geoffrey J Cumming
Non-executive Chairman

Helen Fisher
Non-executive Director

Melbourne, Australia
Dated this 22nd day of August 2019

Walker Wayland NSW
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIENNA CANCER DIAGNOSTICS LIMITED

REPORT ON THE FINANCIAL REPORT

OPINION

We have audited the accompanying financial report of Sienna Cancer Diagnostics Limited (the Company) and its controlled entities (the Group) which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.
In our opinion:

(a) the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

I. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
II. complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

The key audit matters, are the matters that, in our professional judgement, were of most significance in our audit of the financial report for the current year. The matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Intangible assets – recognition of intellectual property (Note 11) On 2 April 2019, The Group executed a binding agreement to acquire the intellectual property assets and select plant and equipment of Sevident Inc for a total consideration consisting of cash US$300,000 and new ordinary shares in Sienna Cancer Diagnostics Ltd representing a value of US$1,000,000. This area is a key audit matter due to the: • transaction being material • judgment involved in considering whether a business or asset has been acquired • inherent risks associated with transactions in foreign countries	Our procedures included, amongst others: • Reviewing sale and purchase agreements to confirm consideration and assets being acquired • Sighting cash consideration paid to bank statements • Confirming shares issued with share registry • Sight share certificates of newly incorporated US subsidiary Sienna Cancer Diagnostics Inc to confirm ownership • Reviewing the recognition requirements of AASB 3 'Business Combinations and AASB 138 'Intangible Assets' • Assessing the adequacy of related disclosures within the financial statements.
Intangible assets – recognition and amortisation (Note 11) The Group has an intangible asset – capitalised development expenditure recorded on the Statement of Financial Position as at 30 June 2019 totalling $1,948,898 (2018: $2,059,922) (net of accumulated amortisation), relating to the capitalised development costs associated with the SCD-A7 product. The asset became ready for use on 21 December 2016. AASB 138: Intangible Assets sets out the specific requirements to be met in order to capitalise development costs. Management have determined that the capitalised development costs be amortised over a period of 20 years, as this is the period over which management expects to generate future economic benefits from product sales. This area is a key audit matter due to the: • Capitalised development costs being material to the financial report; • Subjectivity and management judgement applied in the assessment of whether costs meet the development phase criteria prescribed in AASB 138; • Subjectivity and management judgement applied in determining the useful life of the product which forms the amortisation period.	Our procedures included, amongst others: • Assessing the Group's accounting policy in respect of capitalising product development costs for compliance with AASB 138; • Reviewing historical sales data in order to assess whether economic benefits are being derived from the product development activities; • Recalculating the amortisation expense of the capitalised development costs and comparing against the actual charge; • Assessing the reasonableness of the amortisation period by reference to comparable market data; • Assessing the adequacy of related disclosures within the financial statements.

Key audit matters	How our audit addressed the key audit matter
Intangible assets – impairment testing (Note 11) *Capitalised development expenditure* The Group's intangible asset – capitalised development expenditure of $1,948,898 was evaluated for impairment in accordance with the requirements of AASB 136 Impairment of Assets. No impairment write-down was recorded for the year ended 30 June 2019. No indicators of impairment have been noted. This area is a key audit matter due to the: • Capitalised development costs being material to the financial report; • Management judgement and assumptions applied in assessing impairment indicators from internal and external sources of information. *Intellectual property* The Group's intangible asset – Intellectual property of $1,879,953 acquired in the 2019 year was evaluated for impairment in accordance with the requirements of AASB 136 Impairment of Assets. No impairment write-down was recorded for the year ended 30 June 2019. No indicators of impairment have been noted. This area is a key audit matter due to the: • Intellectual property being material to the financial report; • Management judgement and assumptions applied in assessing impairment indicators from internal and external sources of information.	Our procedures included, amongst others: *Capitalised development expenditure* • Assessing the internal and external sources of information for the purposes of impairment indicators; • Assessing the appropriateness of management's impairment model. • Assessing the historical accuracy of management's forecasting by comparing actual results to forecasted results; • Challenging the key assumptions and estimates used by management in their models, including performing an independent calculation of the discount rates used and the growth rates used; • Comparing market capitalisation as at sign-off date to the carrying value of net assets and capitalised development costs at year-end; • Assessing the adequacy of related disclosures within the financial statements; *Intellectual property* • Assessing the internal and external sources of information for the purposes of impairment indicators; • Comparing market capitalisation as at sign-off date to the carrying value of net assets and intellectual property at year-end; • Assessing the adequacy of related disclosures within the financial statements;

Key audit matters	How our audit addressed the key audit matter
Going Concern Basis of Accounting (Note 1a) The financial statements have been prepared on a going concern basis as discussed in note 1a. The Group incurred a total comprehensive loss of $2,658,835 for the year and has accumulated losses shown in the Consolidated Statement of Financial Position of $19,014,301 (2018: $16,386,987). Historically, the Group has also been loss making and had raised sufficient capital to fund costs during an extended growth phase. We included the going concern assumption as a key audit matter as the Group relies on existing cash reserves and revenue growth generating sufficient cashflows to cover necessary expenditure.	Our procedures included, amongst others: • Assessing the cash flow forecasts of the Group by: ▪ Assessing the appropriateness of management's inputs; ▪ Assessing the historical accuracy of management's forecasting by comparing actual results to forecasted results. • Understanding what forecast expenditure is committed and what could be considered discretionary; • Considering the liquidity of existing assets on the Statement of Financial Position • Confirmation of the bank balance of $4,466,532. • Checking the mathematical accuracy of the forecast model.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Company's directors report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee than an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in the Directors' Report on pages 19 to 24 for the year ended 30 June 2019. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, which based on our audit, is in accordance with Australian Auditing Standards.

OPINION

In our opinion, the Remuneration Report of Sienna Cancer Diagnostics Limited for the year ended 30 June 2019, complies with Section 300A of the Corporations Act 2001.

RESPONSIBILITIES

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australia Auditing Standards.

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Wali Aziz
Partner

Dated this 22nd of August 2019, Sydney

Sienna Cancer Diagnostics Ltd is quoted on the Australian Securities Exchange (ASX) under the ticker code SDX. Sienna first listed on the ASX on 3 August 2017. Since the date of listing the Company has used cash, and assets readily convertible to cash, in a manner that is consistent with the stated objectives detailed in the Prospectus lodged with the ASX on 25 May 2017.

The following information was extracted from the Company's records as at 9 August 2019 and is required by the ASX Listing Rules. At the close of trading on 9 August 2019, Sienna's share price was 5.8 cents. Sienna's securities are not quoted on any other stock exchange.

Shareholders

The Company has 289,055,171 fully paid ordinary shares on issue, held by 715 shareholders. The holders of ordinary shares are entitled to one vote per share at shareholder meetings and to receive dividends if declared. Sienna's ordinary shares are listed on the ASX. No other securities of the Company are quoted on the ASX. There is currently no on-market buy-back of Sienna's listed ordinary shares.

Twenty Largest Holders of Ordinary Shares

		Number of fully paid ordinary shares	Percentage of total issued capital
1	THE TRUST COMPANY (AUSTRALIA) LIMITED	24,697,982	8.54
2	MOGGS CREEK PTY LTD	19,150,000	6.63
3	DAVID NEATE	17,002,970	5.88
4	TRAOJ PTY LTD	13,879,998	4.80
5	GERON CORPORATION	13,842,625	4.79
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,485,943	3.97
7	IFM PTY LIMITED	5,833,333	2.02
8	BIOMAVEN LLC	5,197,703	1.80
9	INCANDESCENT LLC	5,104,453	1.77
10	MR BARRIE ERNEST LAWS & MRS MERRILYN FRANCES LAWS	4,800,000	1.66
11	BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM	4,614,208	1.60
12	JENNY MACHIDA	3,854,599	1.33
13	MAURTEEN PTY LTD	3,430,746	1.19
14	MELCRETEP NOMINEES PTY LTD	3,414,406	1.18
15	VICTORY CAPITAL PTY LTD	3,333,334	1.15
16	AJAVA HOLDINGS PTY LTD	3,000,000	1.04
17	GICICO PTY LTD	2,967,292	1.03
17	CLARKE JAMES ROYCROFT	2,520,000	0.87
18	LYMALINE PTY LIMITED	2,500,000	0.86
19	WIDMORE INVESTMENTS PTY LTD	2,500,000	0.86
20	CELTIC CAPITAL PTY LTD	2,355,554	0.81
	TOTAL	**155,485,146**	**53.79**
	BALANCE OF REGISTER	**133,570,025**	**46.21**
	GRAND TOTAL	**289,055,171**	**100.00**

Distribution Schedule

The following is a distribution schedule of the number of holders of fully paid ordinary shares in the Company, within the bands of holding specified by the ASX Listing Rules:

Range	No. of Shareholders	No. of Ordinary Shares	Percentage of total issued capital
100,001 and Over	219	273,603,332	94.66
10,001 to 100,000	349	14,312,112	4.95
5,001 to 10,000	116	1,073,955	0.37
1,001 to 5,000	17	64,423	0.02
1 to 1,000	14	1,349	0.00
TOTAL	**715**	**289,055,171**	**100.00**

57 shareholders held less than a marketable parcel of fully paid ordinary shares based on the share price at 9 August 2019.

Substantial Shareholdings

Shareholder	Number of fully paid ordinary shares	Percentage of total issued capital
MERCHANT FUNDS MANAGEMENT PTY LTD	24,566,667	8.50
MR DAVID WILLIAMS	20,450,000	7.07
MR DAVID NEATE	18,852,970	6.52

A substantial holder is a shareholder who either alone or together with their associates has an interest in 5% or more of the voting shares of the Company.

Options Over Ordinary Shares

The Company operates an Employee Share Option Plan (ESOP). Each option entitles the holder to purchase one ordinary share in the Company at a predetermined price. No voting rights attach to options. Further details are provided below:

Share Option Type	Number of Options	Number of Holders	Exercise Price (cents)
Employee Share Option Plan (ESOP)	13,770,000	17	7, 10.1, 10.3, 12.5 22, 24.3, and 25

Corporate Governance

ASX listed entities are required to disclose the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period. The Company's ASX corporate governance statement can be found at: www.siennadiagnostics.com.au/investors/governance.

Directors

Dr Geoffrey Cumming – Non-executive Chairman
Dr David Earp – Non-executive Director
Mr Carl Stubbings – Non-executive Director
Ms Helen Fisher – Non-executive Director

Chief Executive Officer

Mr Matthew Hoskin

Chief Financial Officer and Company Secretary

Mr Tony Di Pietro

Registered Office

1 Dalmore Drive
Scoresby VIC 3179

Auditors

Walker Wayland NSW, Chartered Accountants
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Australian Legal Advisers

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Share Registry

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Patent Attorneys

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